

MINUTE ITEM

This Calendar Item No. C35 was approved as Minute Item No. 35 by the California State Lands Commission by a vote of 3 to 0 at its

CALENDAR ITEM 1-30-02 meeting.

C35

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D. Brown
H. Anderson
B. Crandall
A. Cueva

REQUEST AUTHORITY FOR EXECUTIVE OFFICER TO SOLICIT BIDS; AWARD AND EXECUTE AGREEMENTS FOR SERVICES INCIDENTAL TO INVESTMENT IN REVENUE GENERATING PROPERTY; SOLICIT PROPOSALS FOR REVENUE GENERATING PROPERTY INVESTMENTS AND AS TRUSTEE, AUTHORIZE EXPENDITURE FOR SUCH ACTIVITIES FROM THE SCHOOL LAND BANK FUND

PARTY:

California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825-8202

BACKGROUND:

The California State Lands Commission, through its State School Lands Management Program, manages approximately 478,000 acres of school lands held in fee ownership by the State and the reserved mineral interests on another 790,000 acres of school lands. Section 8700 et seq. of the Public Resources Code (School Land Bank Act) provides for optimizing management of school land through sale and the acquisition of real property (or any interest in real property) for the purpose of generating revenue and developing a permanent and productive resource base. Research is currently being conducted by staff to determine optimal investment alternatives for School Land Bank funds including commercial, industrial, and multiple residential properties.

PROPOSED ACTIVITY

Staff proposes to retain consulting services to help evaluate specific investment opportunities, and in the event a suitable investment opportunity is identified, to assist and advise staff throughout the acquisition process, if necessary. These consulting services will be utilized to provide specific industry expertise related to the property type under consideration and may consist of:

- Analyzing and evaluating specific investment proposals.
- Negotiating acquisition agreements.

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- Presenting recommended investment proposals to the Commission.
- Negotiating and preparing necessary leases or agreements.

During the course of acquiring revenue generating property, the retention of other outside or professional services may become necessary in order to meet due diligence requirements. As timing is likely to be a factor throughout the acquisition process, staff requests authorization to acquire incidental services that may be required during acquisition of the investments. Additional services incidental to the acquisition of revenue generating property may include, but may not be necessarily limited to:

- Professional outside appraisal services.
- Professional outside legal services.
- Professional outside environmental hazard(s) due diligence reports.

The bids shall be conducted consistent with procedures as specified in the State Administrative Manual and Public Contract Code. All bid proposals and evaluation sheets will be available for public inspection at the Commission's Sacramento office in accordance with Public Contract Code requirements. The aggregate cost of any consulting agreements executed pursuant to this authority shall be less than \$100,000.

Staff will bring any proposed property acquisition to the Commission for its approval.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code Section 6106 (Delegation to execute written instruments)
- B. Public Contract Code Section 10335 et seq. (Contracts for Services)
- C. Public Contract Code Section 10355 et seq. (Consulting Services)
- D. State Contracts Manual Section 1200 (Contracts)
- E. Public Resources Code Section 8705

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

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2. AS TRUSTEE, AUTHORIZE THE EXPENDITURE OF SCHOOL LAND BANK FUNDS FOR THE CONSULTING PURPOSES OUTLINED IN THIS CALENDAR ITEM IN ACCORDANCE WITH PUBLIC RESOURCES CODE SECTION 8705.
3. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO SOLICIT BIDS, AWARD AND EXECUTE ANY CONTRACTS, TO A MAXIMUM AGGREGATE VALUE OF \$100,000, FOR THE PURPOSES OUTLINED IN THIS CALENDAR ITEM IN ACCORDANCE WITH STATE POLICIES AND PROCEDURE.
4. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO SOLICIT AND EVALUATE PROPOSALS FOR REVENUE GENERATING PROPERTY.