

MINUTE ITEM

This Calendar Item No. C01 was approved as
Minute Item No. 01 by the California State Lands
Commission by a vote of 3 to 0 at its
2-21-03 meeting.

**CALENDAR ITEM
C01**

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02/21/03

SA 5759

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H. Anderson

Jim Frey

**AUTHORIZE, AS SCHOOL LAND BANK TRUSTEE, THE SALE AND ISSUANCE OF
A PATENT TO ROSEBURG RESOURCES CO. FOR 481 ACRES MORE OR LESS
OF STATE SCHOOL LAND IN LASSEN COUNTY**

PURCHASER:

Roseburg Resources Co.
c/o Gaylord Briggs
P. O. Box 680
Weed, CA 96094

AREA, LAND TYPE, AND LOCATION:

481 acres, more or less, of State School Land, near the community of Westwood,
Lassen County, Assessor's Parcel Number 123-140-08. (The Northwest ¼, the
West ½ of the East ½ and Lots 1, 2, 3 and 4 of Section 36, T. 28 N., R. 8 E.,
Mount Diablo Meridian).

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code Division 6, parts 1 and 3; Division 7.7; Division 13.
- B. California Code of Regulations Title 3, Division 3; Title 14, Division 6.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff had determined that this activity is exempt from the requirements of the CEQA because it involves an action taken pursuant to the School Land Bank Act, Public Resources Code, sections 8700, et seq.

Authority: Public Resources Code section 8710.

2. The Commission has the statutory authority to sell the subject school lands.

Authority: Public Resources Code section 7301;

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California Code of Regulations, Title 2, Article 2.1, Section 2030 (b) (1); and California Code of Regulations Title 2, Article 2.1, Section 2032.

3. Roseburg Resources Co. proposes to acquire the State's land to incorporate the parcel with adjoining parcels of land owned by Roseburg Resources Co. for timber management and potentially include the parcel as part of a proposed downhill ski facility that is part of a planned four-season tourist oriented resort complex. Currently there are no downhill ski facilities in Lassen County. Any activities proposed for the parcel following its acquisition by Roseburg Resources Co. will be subject to all applicable federal, State and local laws, rules and regulations.
4. The school land parcel is isolated and the sole access is controlled by Roseburg which owns and manages approximately 12,000 acres of the lands surrounding the subject parcel.
5. In November 2000 approximately 63% of the county-wide voters supported, by ballot initiative, the amendment to the General Plan, zoning ordinance and Westwood Area Plan to provide for the development of the four-season resort at Dyer Mountain. The stated purpose and findings of the initiative included a desire to increase the range of summer and winter recreational opportunities available to County residents, including golf, skiing fishing, bicycling, hiking and horseback riding; provide new full-time and part-time jobs; revitalize the County's economy; and generate new tax revenues.
6. The subject parcel is included in the development concept plan as part of the ski facility that will include two chair lifts and ski trails and accounts for approximately 13% of the ski hill component of the overall development. The fair market value of the development potential of the ski facility located on the subject parcel is included in the sales price.
7. The sale would eliminate access issues and would potentially facilitate summer and winter recreational opportunities for the general public.
8. The Commission is aware that Roseburg Resources Co. may perform a 1031 Tax-Deferred Exchange. Roseburg Resources Co. has requested that the Commission cooperate in such an exchange and agrees to hold the Commission harmless from any and all claims, liabilities, costs or delays in time resulting from such an exchange.

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9. The terms of the sale are \$2,900,000.00 payable as follows:

(a). \$100,000.00 non-refundable Earnest Money deposit and down payment delivered into an escrow account no later than thirty (30) days after the acceptance of the Offer to Purchase by the Commission. The Earnest Money shall be refunded to Roseburg Resources Co. at closing of escrow or, at Roseburg Resources Co.s' election, applied against the remaining balance of the purchase price payable at closing.

(b). \$2,900,000 purchase price shall be payable in cash no later than 12 P.M. June 30, 2003.

(c). If Closing does not occur, the Earnest Money deposit, shall be payable to the Commission by the Escrow Agent.

10. The purchase price of \$2,900,000 is within the range of fair market value for the subject property, and is supported by a staff review and update of an appraisal prepared for the Commission by a contract appraiser.

EXHIBITS:

- A. Land Description
- B. Location and Site Map
- C. General Plan

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE SALE OF THE SUBJECT SCHOOL LANDS IS EXEMPT FROM THE REQUIRMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A STATUTORILY EXEMPT PROJECT PURUSANT TO THE PUBLIC RESOURCES CODE SECTION 8710, AN ACTION TAKEN PURSUANT TO THE SCHOOL LAND BANK ACT, PUBLIC RESOURCES CODE SECTIONS 8700 ET SEQ.
2. FIND THE GENERAL PLAN FOR THIS ACTIVITY WAS FILED WITH THE LEGISLATURE PURSUANT TO PUBLIC RESOURCES CODE 6373.
3. AUTHORIZE THE EXECUTIVE OFFICER, OR HIS DESIGNEE, TO EXECUTE THOSE CERTAIN DOCUMENTS ENTITLED "OFFER TO PURCHASE REAL

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ESTATE IN LASSEN COUNTY AND ACCEPTANCE OF OFFER TO PURCHASE", "GENERAL TERMS OF SALE", AND "ESCROW INSTRUCTIONS" AND OTHER NECESSARY DOCUMENTS, IN SUBSTANTIALLY THE SAME FORM AS ON FILE WITH THE COMMISSION, AND TAKE WHATEVER STEPS NECESSARY TO CONSUMATE THE SALE.

4. AUTHORIZE ISSUANCE OF A PATENT TO ROSEBURG RESOURCES CO., SUBJECT TO APPLICABLE STATUTORY AND CONSTITUTIONAL RESERVATIONS, AND EASEMENTS AND RIGHT OF WAYS FOR THE LAND DESCRIBED IN EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.
5. AUTHORIZE THE ACCEPTANCE AND DEPOSIT OF THE NET PROCEEDS OF THE SALE INTO THE SCHOOL LAND BANK FUND.

EXHIBIT A

LAND DESCRIPTION

That certain parcel of State School Land in Lassen County, State of California, more particularly described as follows:

NW ¼, W ½ of E ½ and Lots 1,2,3,and 4 of Section 36, T.28N., R.8E., MDM, as shown on the Official U.S. Government Township Plat approved November 12, 1926.

RESERVING to the State of California, in all the lands described herein, all minerals and mineral deposits, including, but not limited to, oil and gas, other gases, including, but not limited to nonhydrocarbon and geothermal gases, oil shale, coal, phosphate, alumina, silica, fossils of all geological ages, sodium, gold, silver, metals and their compounds, alkali, alkali earth, sand, clay, gravel, salts and mineral waters, uranium, trona, and geothermal resources, together with the right of the State or persons authorized by the State to prospect for, drill for, extract, mine and remove such deposits or resources, and to occupy and use so much of the surface of the lands as may be necessary therefore.

ALSO RESERVING to the Grantor, in all the lands described herein, the absolute right of the people to fish thereupon, as provided by Section 25 of Article 1 of the Constitution of the State of California.

SUBJECT TO those rights granted to the United States of America by the State of California, acting by and through the State Lands Commission, for an easement for the construction and maintenance of a road and telephone line across the W ½ of NE ¼ and E ½ of NW ¼ of Section 36, T.28N., R.8E., MDM by lease number 19B pursuant to Section 675 of the Political Code, issued in December 28, 1939.

SUBJECT TO those rights granted to the United States of America by the State of California, acting by and through the State Lands Commission, for an easement for the construction, operation and maintenance of a logging road for access to adjoining Forest Service lands, and for access for fire prevention and fire suppression across the E ½ of NE ¼ of Section 36, T.28N., R.8E., MDM by lease number PRC 593, issued February 6, 1951.

END OF DESCRIPTION



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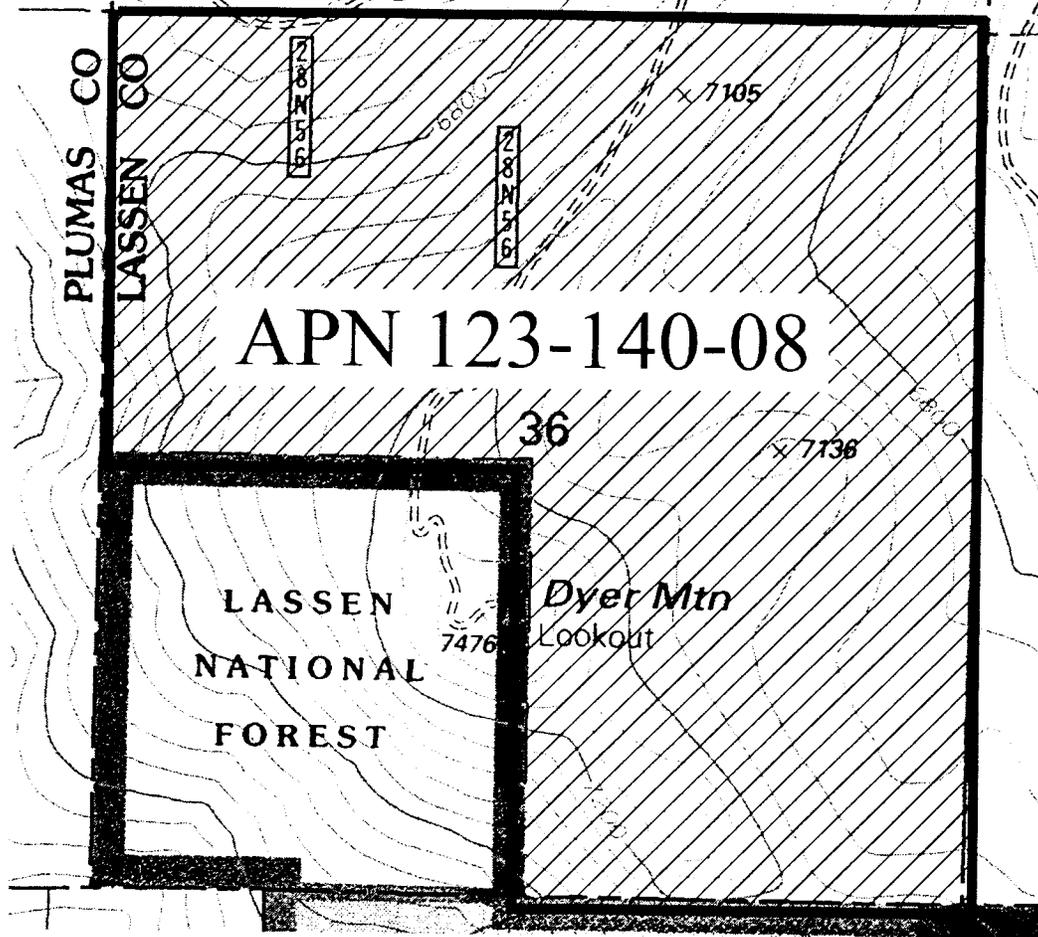
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NO SCALE

SITE MAP



State School Lands
A portion of Section 36, T28N, R8E, Lassen County

LOCATION MAP

NO SCALE

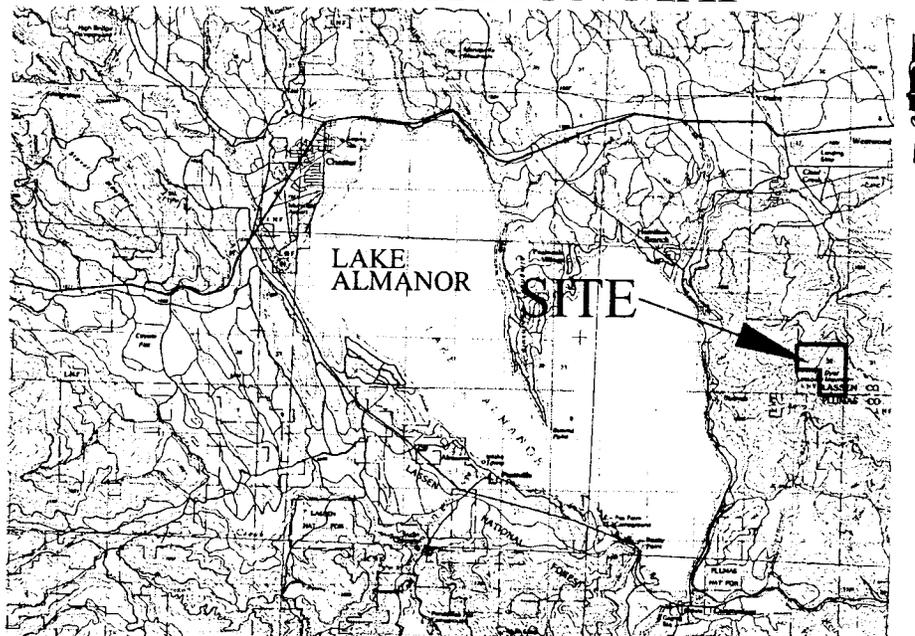


Exhibit B
SA 5759
APN 123-140-08
Roseburg Resources Co.
Lassen County



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any state interest in the subject or any other property.

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MAP SOURCE: USGS QUAD

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EXHIBIT "C"

GENERAL PLAN

PROPOSED TRANSACTION

The Roseburg Resources Co. (RRC) proposes to purchase 481.84 acres, more or less, of State School Land in Lassen County. The State School Land parcel is forested, and with the exception of approximately 330 feet bordering United States Forest Service land along the southeasterly border, is enveloped within a tract of approximately 12,000 acres owned and managed by RRC for timber production.

PROPERTY LOCATION/INFORMATION

The parcel of State School Land is identified as Lots 1, 2, 3, and 4, NW $\frac{1}{4}$, W $\frac{1}{2}$ E $\frac{1}{2}$, of Section 36, T. 28 N., R. 8 E., MDM. The parcel is located in southwestern Lassen County near the westerly end of Keddie Ridge on the northeasterly face of Dyer Mountain, about four air miles southwesterly of the small, rural community of Westwood. The Plumas County line adjoins the southerly boundary and a portion of the westerly boundary of the subject parcel. The terrain is mostly gently sloping to moderately steep with some relatively flat ground along the ridges. The elevation ranges from approximately 6,500 to 7,450 feet above sea level. The only developed access to the parcel is through adjoining RRC owned land. A U.S. Forest Service right of way easement through the subject parcel accesses a fire lookout station located near the peak of Dyer Mountain on a .96-acre parcel situated along the westerly boundary of the subject parcel. Also adjoining the subject parcel along the westerly boundary are an 80-acre parcel owned by the Bureau of Land Management (located in Plumas County) and a 9-acre parcel owned by Sierra Pacific Industries. Other than the boundary shared with the State School Land parcel, all of the adjoining properties along the westerly boundary are also enclosed by RRC owned property.

CURRENT LAND USE

The subject parcel is forested land. The Lassen County zoning designation for surrounding properties owned by RRC is T-P-Z (Timber Production Zone) A-F (Agricultural Forest), with a general plan designation of MR (Mountain Resort). Parcels surrounding the subject are forested, with the majority owned and managed for timber production by RRC. The 9-acre Sierra Pacific Industries parcel is used for open space and a communications site. The timber stands within the subject parcel consist of mature red and white fir, and western white pine. There is currently no logging activity occurring on the subject parcel.

PROPOSED USE

The primary proposed use of the subject parcel is management as timberland by RRC in conjunction with it's surrounding lands. Some minor spur roads to facilitate timber harvest and management will be constructed on the parcel by RRC. In addition, with

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the passage of Measure D on November 7, 2000 by a 62.43% to 37.57% margin, Lassen County voters approved general plan amendments and rezoning changes that would allow construction of a four-season resort in the Dyer Mountain area. Although timber management and production would still be the primary activity, there is the potential that a portion of the subject parcel will be incorporated into a use permit to allow downhill skiing activities in conjunction with the proposed resort, which would result in the placement of a ski lift tower or two on the parcel, and clearing for ski runs.

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