

**CALENDAR ITEM  
C46**

A	80		04/26/05
		AD 499	W 26004
S	40		J. Porter
			J. Frey

**AUTHORIZE, AS SCHOOL LAND BANK TRUSTEE, THE TRANSFER AND  
SUBSEQUENT ISSUANCE OF A PATENT TO 80 ACRES OF SCHOOL LANDS  
LOCATED NEAR EL CENTRO, IMPERIAL COUNTY, TO RACELAND PROPERTY  
HOLDING, LLC IN EXCHANGE FOR 76.97 ACRES OF AGRICULTURAL LAND  
LOCATED NEAR NILAND, IMPERIAL COUNTY**

**PARTIES:**

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

Raceland Property Holding, LLC  
c/o The Barone Group  
5776 Ruffin Road  
San Diego, CA 92123

**BACKGROUND:**

The California State Lands Commission (CSLC), through its State School Lands Management Program, manages approximately 473,000 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 the selection, acquisition, and conveyance of real property (or any interest in real property) by the CSLC, acting as the School Land Bank trustee, that advances the CSLC's management of school lands to generate revenue. Through the establishment of the Act, as amended, the Legislature directed the CSLC to manage the remaining school lands to provide an economic base for support of the State Teachers' Retirement System. The CSLC is responsible for developing school lands into a permanent and productive resource base to ensure such financial support.

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**AREA, LAND TYPE, AND LOCATION:**

80 acres, more or less, of State School Land located near El Centro, Imperial County.

**STATUTORY AND OTHER REFERENCES:**

- A. Public Resources Code Section 6106 (Delegation to execute written instruments)
- B. Title 2, California Code of Regulations, Section 2030, et seq.

**OTHER PERTINENT INFORMATION:**

- 1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, sections 15061(b)(1) and 15282], the staff has determined that this activity is statutorily exempt from the requirements of the CEQA because it involves an action taken pursuant to the School Land Bank Act, Public Resources Code, section 8710.

Authority: Public Resources Code section 8710.

- 2. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. However, the Commission has declared that all state school lands and submerged lands are "significant" by nature of their public ownership (as opposed to "environmentally significant"). Since such declaration of significance is not based upon the requirements and criteria of Public Resources Code sections 6370, et seq., use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification as required by Title 2, California Code of Regulations, section 2954 is not applicable.
- 3. The CSLC is the owner of a parcel of school lands containing approximately 80 acres located northwest of El Centro (state parcel). The property is vacant, landlocked desert land that does not have physical access to irrigation district water and historically has not been used for farming or any other economic purpose.
- 4. Raceland Property Holding, LLC (Raceland) is a private entity that owns an option to purchase an agricultural property located near Niland (Niland parcel). The property contains 76.97 gross acres of land that historically

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has been used for agricultural production. The property currently is under lease to a local tenant farmer. The contract rent is \$5,250 per year. The lease expires on July 14, 2007. Under the terms of Raceland's purchase option, Raceland will acquire the leased fee estate to the Niland parcel, i.e., Raceland will acquire the parcel subject to the existing lease.

5. Raceland has proposed a land exchange between the CSLC and Raceland. Under the terms of the proposed land exchange (the Exchange), Raceland will exercise its option to purchase the Niland parcel and then will convey all of its right, title and interest to the property to the CSLC, i.e., the CSLC will acquire the leased fee estate to the Niland parcel. In exchange, the CSLC will issue a patent to Raceland for the 80-acre state parcel. Raceland will pay for all of the costs of the exchange, including the costs of escrow.
6. An independent appraisal of the Niland parcel by an appraiser designated as a Member of the Appraisal Institute (MAI) resulted in an estimated fair market value of \$103,000. Staff reviewed the appraisal and concurs with the value conclusion for the Niland parcel. Staff also performed an appraisal of the state parcel and concluded a fair market value of \$20,000 for the state parcel. Both the CSLC and Raceland agree in the value conclusions for both parcels and agree that the parcels provide adequate consideration for the Exchange.
7. Staff has filed a General Plan for this activity with the Legislature pursuant to Public Resources Code section 6373.

**EXHIBITS:**

- A. Land Description – State Parcel
- B. Location Map – State Parcel
- C. Land Description – Niland Parcel
- D. Location Map – Niland Parcel
- E. General Plan

**IT IS RECOMMENDED THAT THE COMMISSION:**

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, 15061 AS A STATUTORILY EXEMPT PROJECT PURSUANT TO PUBLIC RESOURCES CODE SECTION 8710, AN

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ACTION TAKEN PURSUANT TO THE SCHOOL LAND BANK ACT,  
PUBLIC RESOURCES CODE SECTION 8710.

2. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.
3. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE THAT CERTAIN DOCUMENT ENTITLED "LAND EXCHANGE AGREEMENT", IN SUBSTANTIALLY THE SAME FORM AS IS ON FILE WITH THE COMMISSION, AND ANY OTHER DOCUMENTS NECESSARY TO COMPLETE THIS TRANSACTION.
4. AUTHORIZE THE ACCEPTANCE OF A GRANT DEED TO THE NILAND PARCEL FROM RACELAND PROPERTY HOLDING, LLC, AND AUTHORIZE CONSENT TO RECORDATION OF THE GRANT DEED IN THE OFFICE OF THE RECORDER FOR COUNTY OF IMPERIAL.
5. AUTHORIZE ISSUANCE OF A PATENT TO RACELAND PROPERTY HOLDING, LLC, SUBJECT TO APPLICABLE STATUTORY AND CONSTITUTIONAL RESERVATIONS, FOR THE LAND SHOWN ON EXHIBIT A AND DESCRIBED IN EXHIBIT B, BOTH ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.

EXHIBIT "A"

W 26004

LAND DESCRIPTION – STATE PARCEL

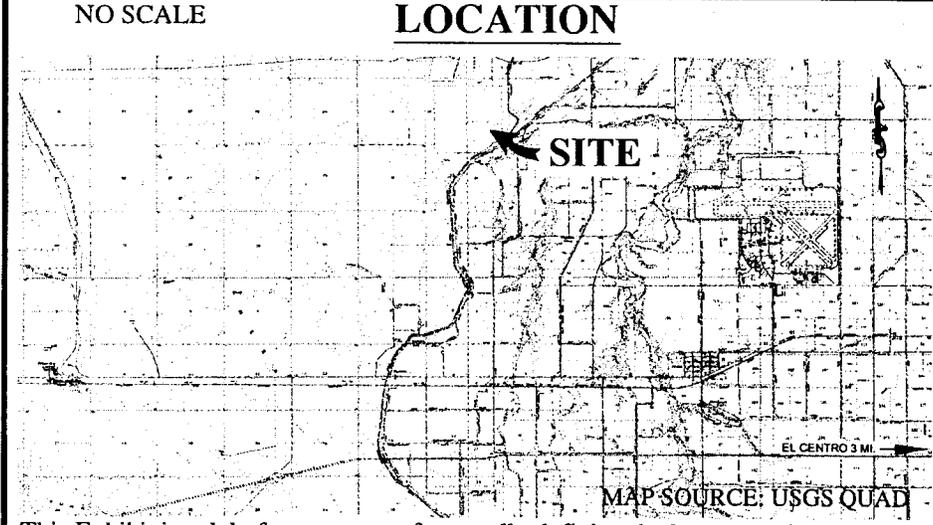
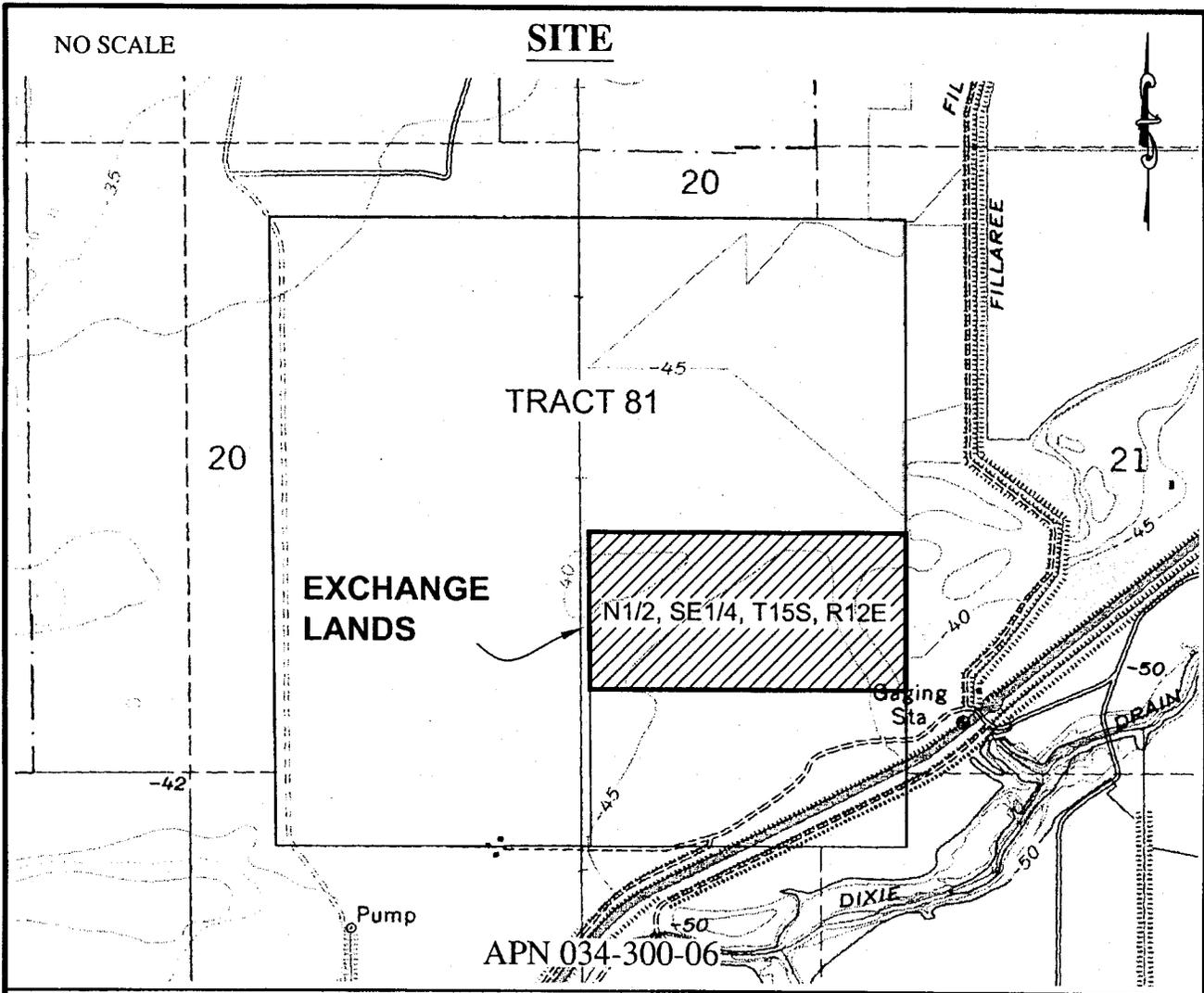
A parcel of State School Lands located in the County of Imperial, State of California, and described as follows:

Said parcel being the North ½, of the Southeast ¼, of Tract 81, T15S, R12E, SBM., according to the U.S. Government Survey approved, June 14<sup>th</sup>, 1910.

END OF DESCRIPTION

Prepared by the California State Lands Commission Boundary Unit July 14, 2004





**Exhibit B**

W 26004  
 STATE PARCEL  
 SCHOOL LANDS  
 LAND EXCHANGE  
 IMPERIAL 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.

EXHIBIT "C"

W 26004

LAND DESCRIPTION - NILAND PARCEL

A parcel of land located in Section 9, Township 11 South, Range 14 East, SBM, County of Imperial, State on California, and more particularly described as follows:

Lots 6, 7, 10, 11, 22, 23, 26, 27, 38, 39, 42, 43, 54, and 55 as shown on Alexandria Tract, Official Map of Imperial County Map #360, Imperial County and described in those certain deeds recorded in official records of Imperial County in Book 1455, Page 1732 recorded July 25, 1980, and in Book 1618, Page 1490 recorded February 7, 1989.

END OF DESCRIPTION

Prepared by the California State Lands Commission Boundary Unit April 4, 2005.



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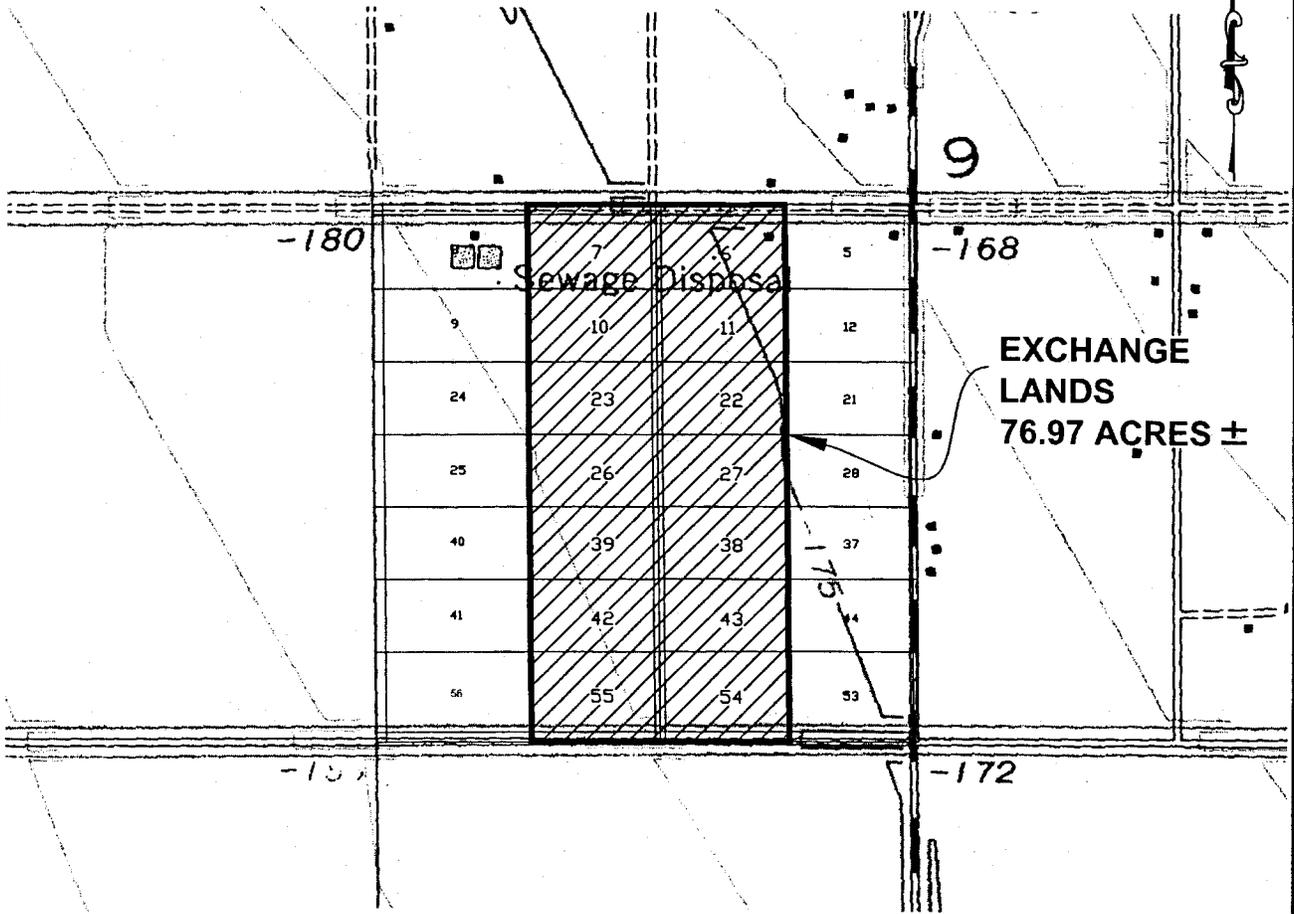
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NO SCALE

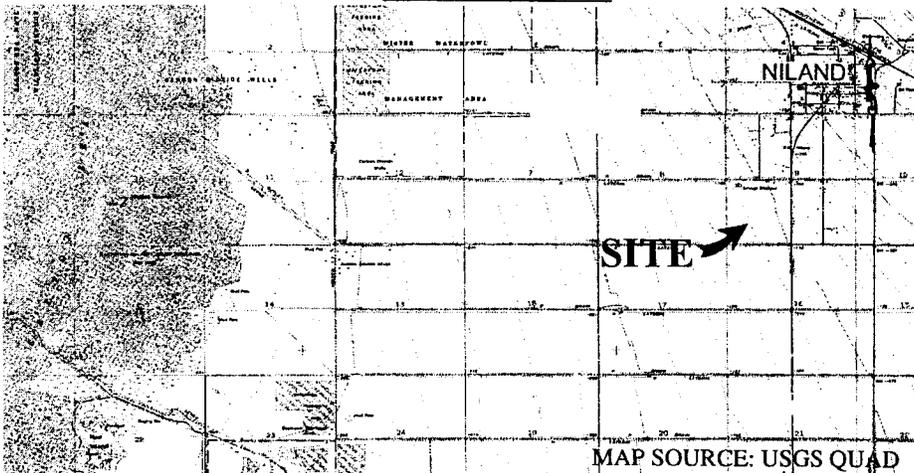
### SITE



APN 021-240-02, 04, 021-260-02

NO SCALE

### LOCATION



MAP SOURCE: USGS QUAD

### Exhibit D

W 26004  
 NILAND PARCEL  
 SCHOOL LANDS  
 LAND EXCHANGE  
 IMPERIAL COUNTY



JAK 03/05

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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**EXHIBIT E**  
**GENERAL PLAN**

**PROPOSED TRANSACTION**

The California State Lands Commission (CSLC) is the owner of a parcel of school lands containing approximately 80 acres located northwest of El Centro (state parcel). Raceland Property Holding, LLC (Raceland) owns an option to purchase an agricultural property containing 76.97 acres located near Niland (Niland parcel). Raceland has proposed a land exchange between the CSLC and Raceland. Under the terms of the proposed land exchange, Raceland will exercise its option to purchase the Niland parcel and then will convey all of its right, title and interest to the property to the CSLC. In exchange, the CSLC will issue a patent to Raceland for the state parcel.

**PROPERTY LOCATION/INFORMATION**

The property proposed for transfer to Raceland is described as N $\frac{1}{2}$ SE $\frac{1}{4}$  of Tract 81, T.15S., R.12E., SBM, and is further identified as Assessor Parcel Number 34-300-06, Imperial County.

**LAND USE**

The parcel is vacant, unimproved desert land that lacks legal access and does not have physical access to irrigation water. The property is surrounded by irrigated agricultural land that historically has been used for agricultural purposes.

**PROPOSED USE**

Using other surrounding lands already under their ownership or control, as well as the state parcel to be acquired, Raceland proposes to construct a family oriented motor sports complex and destination resort involving several phases. The motor sports complex will include various types of racetracks, an RV park, and water park.

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