

CALENDAR ITEM

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J. Porter

J. Frey

CONSIDER THE TRANSFER OF OWNERSHIP OF STATE SCHOOL LANDS TO THE UNITED STATES OF AMERICA PURSUANT TO THE PROVISIONS OF SECTION 707 OF THE CALIFORNIA DESERT PROTECTION ACT (PL 103-433)

PARTIES:

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

U.S. Department of the Interior
Bureau of Land Management
California Desert District
22835 Calle San Juan De Los Lagos
Moreno Valley, California 92553
Attn: Mr. Tom Gey

U.S. Department of the Interior
Bureau of Land Management
2800 Cottage Way
Sacramento, CA 95825
Attn: Ms. Dianna Storey

U.S. Department of General Services Administration
450 Golden Gate Avenue
4th Floor-East
San Francisco, CA 94102-3434
Attn: Mr. Clark Van Epps

AREA, LAND TYPE, AND LOCATION:

38,434.06 acres, more or less, of State school lands located within the California Desert Conservation Area, east and north of Barstow, Inyo and San Bernardino Counties.

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LAND USE:

State school lands to be transferred are within the list prepared by the Bureau of Land Management (BLM) and are partially or wholly within areas designated as wilderness areas and/or the Death Valley National Park and the Mojave National Monument pursuant to the California Desert Protection Act (CDPA) of 1994 (Public Law 103-433).

BACKGROUND:

On October 31, 1994, the CDPA was signed into law by the President. The CDPA designated 3.6 million acres in southern California as wilderness to be administered primarily by the BLM, and 4 million acres as additions to the National Park System (NPS).

The purpose of the CDPA is to set aside areas in the California desert to protect the desert's natural, cultural, scenic, and historical values and to provide for public enjoyment. At the time of enactment, of the 3.6 million acres, 266,000± acres (462 parcels) were State school land parcels owned in fee and an additional 65,000± acres (168 parcels) encumbered by the State's reserved mineral interests. The fee and reserved mineral interests are both administered by the California State Lands Commission (CSLC) for the benefit of the State Teachers' Retirement System (STRS).

Section 707 of the CDPA addresses the California State school lands. It provides for the CSLC to enter into negotiations for an agreement to exchange school lands or interests therein, which are located within the boundaries of the wilderness areas or national park system units designated by the CDPA. In exchange, the CSLC will receive title to federal lands or interests therein that the Secretary of the U.S. Department of the Interior (Secretary) determines to be suitable for disposal or has identified as surplus to the needs of the federal government.

At its meeting of November 15, 1994, the Commission approved Item 114, authorizing staff to enter into an agreement with the Secretary to exchange federal lands for State school lands within the area affected by the CDPA and to take all other actions necessary to expeditiously implement the provisions of the Act.

At its meeting of October 17, 1995, the Commission approved Item 97, authorizing the Executive Officer or his designee to enter into and execute four agreements pursuant to the provisions of Section 707 of the CDPA. The first agreement, Agreement to Exchange Lands, executed on October 26, 1995, was a general agreement between the CSLC and the BLM to facilitate the exchange of federal lands or interests for State school lands in accordance with the federal

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assembled land exchange process. The second agreement, Memoranda of Understanding (MOU), executed on October 26, 1995, between the CSLC and the BLM, addressed the evaluation of the mineral potential of the lands. The third agreement, executed on October 26, 1995, was an MOU between the CSLC and the BLM. Its purpose was to provide for a cooperative framework for the parties to establish and approve fair market estimates of value for the properties identified for exchange. The fourth agreement, executed on November 7, 1995, was a Memorandum of Agreement between the CSLC, the BLM, and the U.S. General Services Administration (GSA). This Memorandum provided for a process to include the exchange of federal surplus lands.

Through a subsequent series of exchange transactions between the CSLC and the BLM completed in accordance with the above-described four agreements, the CSLC has transferred State school lands to the United States with a total value of \$12,616,316. In exchange, the CSLC has received from the United States a total of \$14,770,991 from the sale of surplus federal lands, resulting in a cumulative imbalance in favor of the United States of \$2,154,675.

CURRENT SITUATION:

Pursuant to the 1995 Memorandum of Agreement, the GSA currently is holding \$7,938,432.71 obtained from the sale of additional surplus federal lands. Ownership of 69 State school land parcels totaling 38,434.06 acres, more or less, with a total appraised fair market value of \$10,149,600, is being proposed for transfer to the United States, acting through the BLM. The proposed exchange is described in the Binding Exchange Agreement (BEA), California State Lands Commission Land Exchange, CACA 36218 (Exhibit C). Under the terms of the BEA, the United States will transfer to the CSLC a payment of \$7,938,432.71 and the current imbalance in favor of the United States of \$2,154,675 will be extinguished. The BLM will pay an additional \$56,492.29 to the CSLC, representing a cash equalization payment to eliminate the resulting cumulative imbalance in favor of the CSLC, as well as a \$500 Patent Fee.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code Division 6, Parts 1 and 2; 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 has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class

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25, Transfers of Ownership of Interest in Land to Preserve Existing Natural Conditions, Title 14, California Code of Regulations, section 15235.

Authority: Public Resources Code, section 21084 and Title 14, California Code of Regulations, section 15300.

2. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq., but such activity will not affect those lands. Based upon staff's consultation with the persons nominating such lands and through the CEQA review process, it is staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBITS:

- A-1. Site and Location Map
- A-2. Site and Location Map
- B. Land Description
- C. Binding Exchange Agreement

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15061, as a categorically exempt project, Class 25, Transfers of Ownership of Interests in Land to Preserve Existing Natural Conditions; Title 14, California Code of Regulations, section 15325.

SIGNIFICANT LANDS INVENTORY FINDING:

Find that the activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code sections 6370, et seq.

AUTHORIZATION:

Authorize the Executive Officer or his designee to enter into and execute the Binding Exchange Agreement, California State Lands Commission Land Exchange, CACA 36218, between the California State Lands Commission and the United States of America, acting through the Bureau of Land Management, in substantially the same form as shown on Exhibit C, attached and by this reference made a part hereof, for the lands shown on Exhibit A-1 and A-2 and described on Exhibit B, both attached and by this reference made a part hereof.

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Authorize the preparation and issuance of a Patent, subject to applicable statutory and constitutional reservations, to the United States of America, acting through the Bureau of Land Management, for the lands shown on Exhibit A-1 and A-2 and described on Exhibit B, both attached and by this reference made a part hereof, and authorize the Executive Officer or his designee to execute such additional documents as may be necessary to facilitate this transaction.

Authorize the deposit of \$7,994,925 into the School Land Bank Fund.