

**CALENDAR ITEM
C48**

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S 19

08/15/14
PRC 8566.1
R. Collins

**TERMINATION OF LEASE NO. PRC 8566 AND CONSIDERATION OF AN
APPLICATION FOR A NEW
GENERAL LEASE - AGRICULTURAL USE**

LESSEES:

William P. Smith and Theodore F. Bisi

AREA, LAND TYPE, AND LOCATION:

Approximately 445 acres of sovereign lands in the Burton Mesa Ecological Reserve, near the city of Lompoc, Santa Barbara County.

AUTHORIZED USE:

Dry crop farming.

LEASE TERM:

Four years, beginning November 1, 2003.

CONSIDERATION:

Twenty-five percent (25%) of gross proceeds from crops.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance in an amount no less than \$1,000,000.

OTHER PERTINENT INFORMATION:

1. The State, acting through the State Lands Commission (CSLC), received 5,125 acres of land in northern Santa Barbara County, to be held as sovereign land by the State of California, from Union Oil Company of California (UNOCAL) as part of a settlement agreement reached in July 1991. The acreage supports one of the last significant natural stands of Burton Mesa Chaparral. On December 4, 1999, the CSLC approved a 49-year lease, beginning December 4, 1999 to the California Department of Fish and Wildlife (CDFW) for management, operation, and maintenance of the property.

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2. On October 6, 2004, the Commission authorized Lease No. PRC 8566.1, a General Lease – Agricultural Use, for a two-year term beginning November 1, 2003, on approximately 445 acres of the Burton Mesa Ecological Reserve for dry farming and 165 acres of oak scrub for cattle grazing, to William P. Smith and Theodore F. Bisi. Mr. Bisi farmed the property for more than 60 years and Mr. Smith was his business partner in the farming operation for more than 25 years until Mr. Bisi's death in 2009.
3. On October 20, 2005, the Commission amended Lease No. PRC 8566.1 to extend the term two years, ending October 31, 2007. On December 14, 2006, the Commission amended Lease No. PRC 8566.1 to eliminate cattle grazing from the lease.
4. On September 10, 2007, the CDFW approved the Final Land Management Plan (Plan) for the Burton Mesa Ecological Reserve. The Plan serves as a guide for public uses of the property and provides an overview of the Reserve's operation and maintenance. The Plan identifies two goals specifically relating to Lease No. PRC 8566.1. These goals call for removal of the cattle by 2007 and the phasing out of all commercial leases by 2015. Termination of Lease No. PRC 8566.1 fulfills the goal of phasing out all commercial leases by 2015.
5. On August 16, 2010, the Lessee submitted an application for a General Lease – Agricultural Use to extend the term of the lease. The Lessee has been in holdover since the expiration of the lease on October 31, 2007.
6. Staff recommends denial of the application because (1) farming is inconsistent with the Final Land Management Plan for the Burton Mesa Ecological Reserve, and (2) throughout the term of the lease, the Lessee has had difficulty complying with numerous lease terms, such as allowing unauthorized people on the lease premises, using the property as storage for vehicles and other unauthorized equipment, and not providing supporting documentation to verify the amount of rent due.
7. **Lease Termination:** The staff recommends that the Commission find that the subject lease termination does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

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Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

8. **Denial of Lease:** The staff recommends that the Commission find that this activity is exempt from the requirements of CEQA as a statutorily exempt project. The project is exempt because CEQA does not apply to projects which a public agency rejects or disapproves.

Authority: Public Resources Code section 21080, subdivision (b)(5) and California Code of Regulations, Title 14, section 15270, subdivision (a).

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Lease Termination: Find that the subject lease termination is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

Denial of Lease: Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a statutorily exempt project pursuant to Public Resources Code section 21080, subdivision (b)(5) and California Code of Regulations, Title 14, section 15270, subdivision (a), projects which a public agency rejects or disapproves.

AUTHORIZATION:

1. Authorize termination of Lease No. 8566.1, a General Lease - Agricultural Use, effective October 31, 2014, issued to William P. Smith and Theodore F. Bisi.
2. Authorize denial of the application for a General Lease – Agricultural Use, for dry farming on approximately 445 acres of sovereign land in the Burton Mesa Ecological Reserve, near the city of Lompoc, Santa Barbara County.