

This Calendar Item No. C49 was approved as Minute Item No. 49 by the California State Lands Commission by a vote of 3 to 0 at its 4-17-06 meeting.

CALENDAR ITEM
C49

A 34

04/17/06

W 26139

J. Porter

S 18

J. Frey

CONSIDERATION OF AUTHORIZATION OF A SOLICITATION OF BIDS FOR THE GROUND LEASING OF TWO PARCELS OF STATE SCHOOL LAND LOCATED AT THE INTERSECTION OF INTERSTATE 15 AND L STREET, CITY OF BARSTOW, SAN BERNARDINO COUNTY

PARTY:

California State Lands Commission

BACKGROUND:

The California State Lands Commission (CSLC or the Commission), through its State School Lands Management Program, manages approximately 471,000 acres of school lands held in fee ownership by the State and the reserved mineral interests on another 790,000 acres. Section 8700 et seq. of the Public Resources Code (PRC), also known as the School Land Bank Act (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 in furtherance of the objective of managing 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 (STRS or the beneficiary). The CSLC is responsible for developing school lands into a permanent and productive resource base to ensure such financial support.

At its meeting of December 9, 2004, pursuant to Item 34, the Commission approved the issuance of a Request for Proposals (RFP) for the construction of infrastructure improvements and the sale of a portion of a 33.5-acre parcel of commercially-zoned school land located at the intersection of Interstate 15 and L Street in the city of Barstow. At its meeting of April 26, 2005, pursuant to Item 45, the Commission approved the sale and issuance of a Patent to Home Depot U.S.A., Inc. (Home Depot) for a 13.95-acre portion of the site. The sale closed

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Upon completion of the sale to Home Depot, the CSLC retained a remainder property consisting of one 13.07-acre parcel and one 6.48-acre parcel. Pursuant to the terms of the sale contract, Home Depot is constructing infrastructure improvements that will service the entire 33.5-acre site, including the Home Depot parcel and the CSLC's two remainder parcels. Upon the completion of the construction of the infrastructure improvements, the CSLC's two remainder parcels will be suitable for long-term commercial ground leasing.

PROPOSED ACTIVITY:

Staff proposes, pursuant to the provisions of PRC section 8700 et seq., to solicit proposals for the purpose of entering into one or more long-term ground leases for the CSLC's two remainder parcels (subject property). The RFP will set minimum terms for leasing the subject property based on a staff-approved fair market appraisal. The RFP also will allow staff to reject all proposals without cause, and only proceed if the proposed lease(s) are determined to be in the best interests of the beneficiary. Upon completion of the RFP process, staff will submit to the Commission a request for approval of the proposed ground lease(s). The rent from the ground leases, if awarded, will be deposited into the General Fund to the credit of STRS.

OTHER PERTINENT INFORMATION:

1. As to the issuance of the RFP, pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060 (c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

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

SIGNIFICANT LAND FINDING:

This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code section 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

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classification as required by Title 2, California Code of Regulations, section 2954 is not applicable.

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.

EXHIBIT:

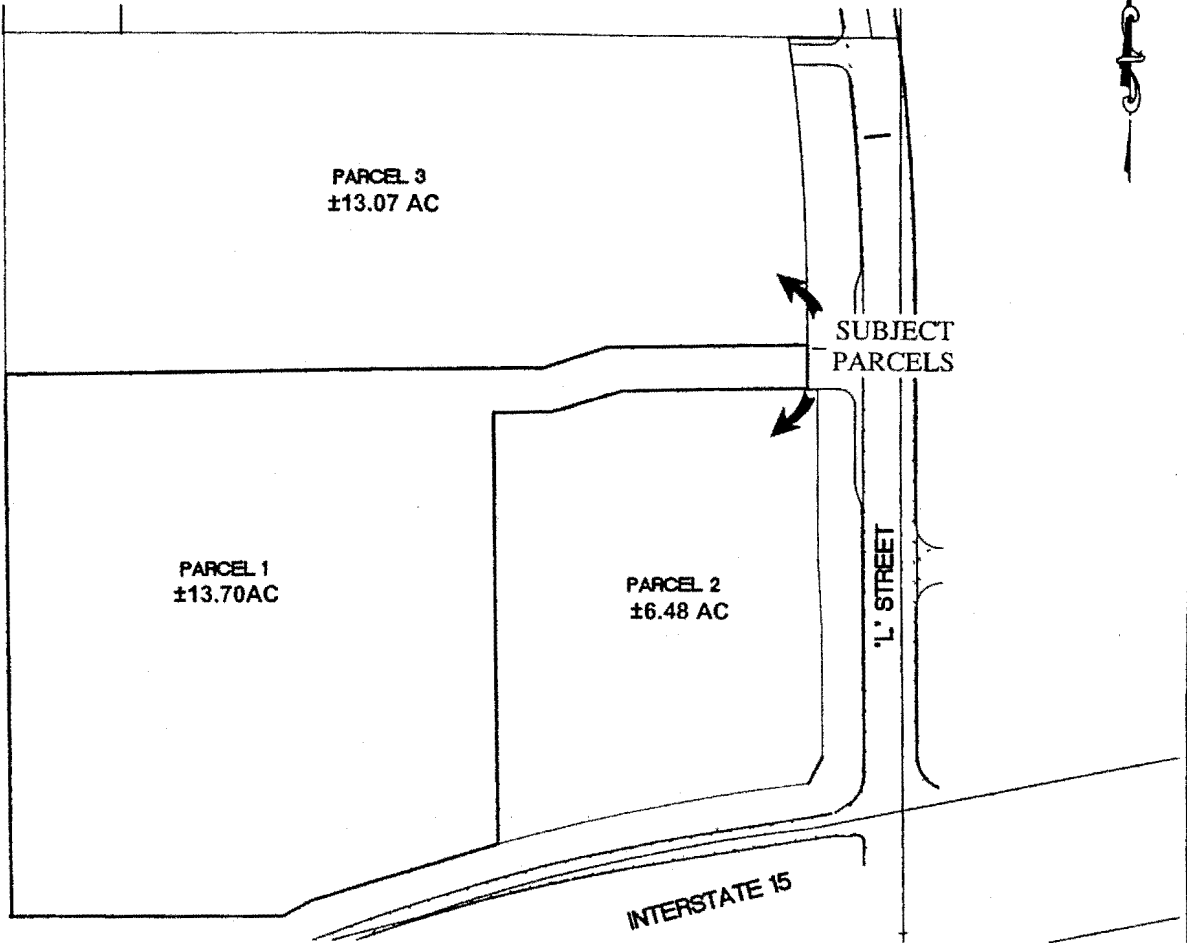
- A. Location Map

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND, AS TO THE ISSUANCE OF A REQUEST FOR PROPOSALS, THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF 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.
2. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE, IN ACCORDANCE WITH STATE POLICIES AND PROCEDURES, TO ISSUE A REQUEST FOR PROPOSALS, IN ESSENTIALLY THE FORM AS IS ON FILE WITH THE COMMISSION, TO SOLICIT BIDS FOR THE LONG TERM GROUND LEASING OF TWO REMAINDER PARCELS OF STATE SCHOOL LANDS LOCATED AT THE INTERSECTION OF INTERSTATE 15 AND L STREET, CITY OF BARSTOW, SAN BERNARDINO COUNTY, AS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART THEREOF.

NO SCALE

SITE



PORTION OF S½ NW¼ OF SECTION 11 T9N R2W, SBBM, BARSTOW

NO SCALE

LOCATION

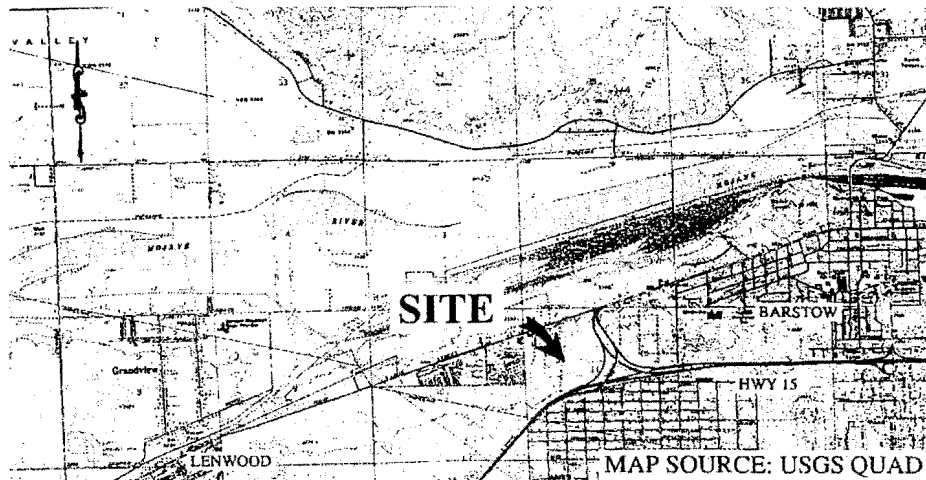


Exhibit A

STATE SCHOOL LANDS
 REQUEST FOR PROPOSALS
 FOR PROPOSED COMMERCIAL
 GROUND LEASING
 CITY OF BARSTOW
 SAN BERNARDINO CO.



This Exhibit is solely for purposes of generally defining the subject parcels and is based on unverified information provided by 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.

MJ 03/05

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