

**CALENDAR ITEM  
C107**

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12/18/15  
PRC 6962.2  
C. Hudson

**GENERAL LEASE – GRAZING USE**

**APPLICANT:**

Karlo Ranch, LLC  
4 Woodstone Lane  
Chico, CA 95928

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

2,340 acres, more or less, of State school and lieu lands, located in portions of Sections 21, 32, 34, and all of Sections 28 and 33, Township 31 North, Range 15 East, MDM; and a portion of Section 36, Township 31 North, Range 14 East, MDM, near Honey Lake, Lassen County.

**AUTHORIZED USE:**

Livestock grazing.

**LEASE TERM:**

10 years, beginning April 1, 2017.

**CONSIDERATION:**

\$600 per year; with an annual Consumer Price Index adjustment.

**SPECIFIC LEASE PROVISIONS:**

1. Liability insurance in an amount no less than \$1,000,000 per occurrence.
2. The number of animals permitted on the Lease Premises is restricted to those that can be supported by vegetation.
3. Applicant must exercise good grazing practices to avoid overgrazing by livestock.

**BACKGROUND:**

School lands were granted to the State of California by the federal government under the Act of March 3, 1853 (10 Stat. 244), and consisted of the 16<sup>th</sup> and 36<sup>th</sup> sections of land in each township (with the exceptions of lands reserved for

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public use, lands taken by private land claims, and lands known to be mineral in character). In cases of preemption due to the exceptions described above, the State was given the opportunity to select replacement lands from the United States in lieu of a Section or 16 or a Section 36. These replacement lands are now known as State indemnity school lands or lieu lands.

**OTHER PERTINENT INFORMATION:**

1. Applicant owns the land adjoining the lease premises.
2. On June 28, 2007, the Commission authorized a 10 year General Lease – Grazing Use to Sandra Braden, Paula Rosser and Bruce Jacobson, Successor Co-Trustees of the Henry and Dorothy Schechert Trust, dated March 24, 1982. In 2008, the Commission authorized an assignment of the lease to Karlo Ranch, LLC. The lease will expire on March 31, 2017. The Applicant is now applying for a new General Lease – Grazing Use.
3. The number of animals permitted on the Lease Premises is restricted to those that can be supported by forage available on this ephemeral range area taking into consideration forage reserved for necessary wildlife use. The estimated carrying capacity of the Lease Premises is approximately 150 animal unit months (AUM). The cattle are generally grazed during the months of May and June in years when ephemeral forage is available, but the grazing period may vary over the term of this lease due to climatic conditions and/or other natural phenomena. Water sources are available on the land adjoining the Lease Premises.
4. The Applicant is required to use good grazing practices to avoid overgrazing of the Lease Premises. Commission staff may, at any time during the lease term, analyze the forage conditions utilizing accepted range management practices.
5. The staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 4, Minor Alteration to Land; California Code of Regulations, Title 2, section 2905, subdivision (d)(1).

Authority: Public Resources Code section 21084 and California Code of Regulations, Title 14, section 15300 and California Code of Regulations, Title 2, section 2905.

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

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section 6370 et seq.; however, the Commission has declared that all 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 section 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 California Code of Regulations, Title 2, section 2954 is not applicable.

**EXHIBITS:**

- A. Land Description
- B. Site and Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 4, Minor Alteration to Land; California Code of Regulations, Title 2, section 2905, subdivision (d)(1).

**AUTHORIZATION:**

Authorize issuance of a General Lease – Grazing Use to Karlo Ranch, LLC, beginning, April 1, 2017, for a term of 10 years, for livestock grazing as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; annual rent in the amount of \$600, with an annual Consumer Price Index adjustment; and liability insurance in an amount no less than \$1,000,000 per occurrence.

EXHIBIT A

PRC 6962.2

LAND DESCRIPTION

Those parcels of California State lieu lands and school lands in Lassen County, California, described as follows:

S ½ of SW ¼ of Section 21, T31N, R15E, MDM.

Section 28, T31N, R15E, MDM.

E ½ of Section 32, T31N, R15E, MDM.

EXCEPTING THEREFROM any portion lying  
Within the railroad right-of-way.

Section 33, T31N, R15E, MDM.

Section 34, T31N, R15E, MDM.

EXCEPTING THEREFROM any portion lying  
Easterly of the U.S. Highway 395.

N ½ and N ½ of S ½ of Section 36, T31N, R14E, MDM.

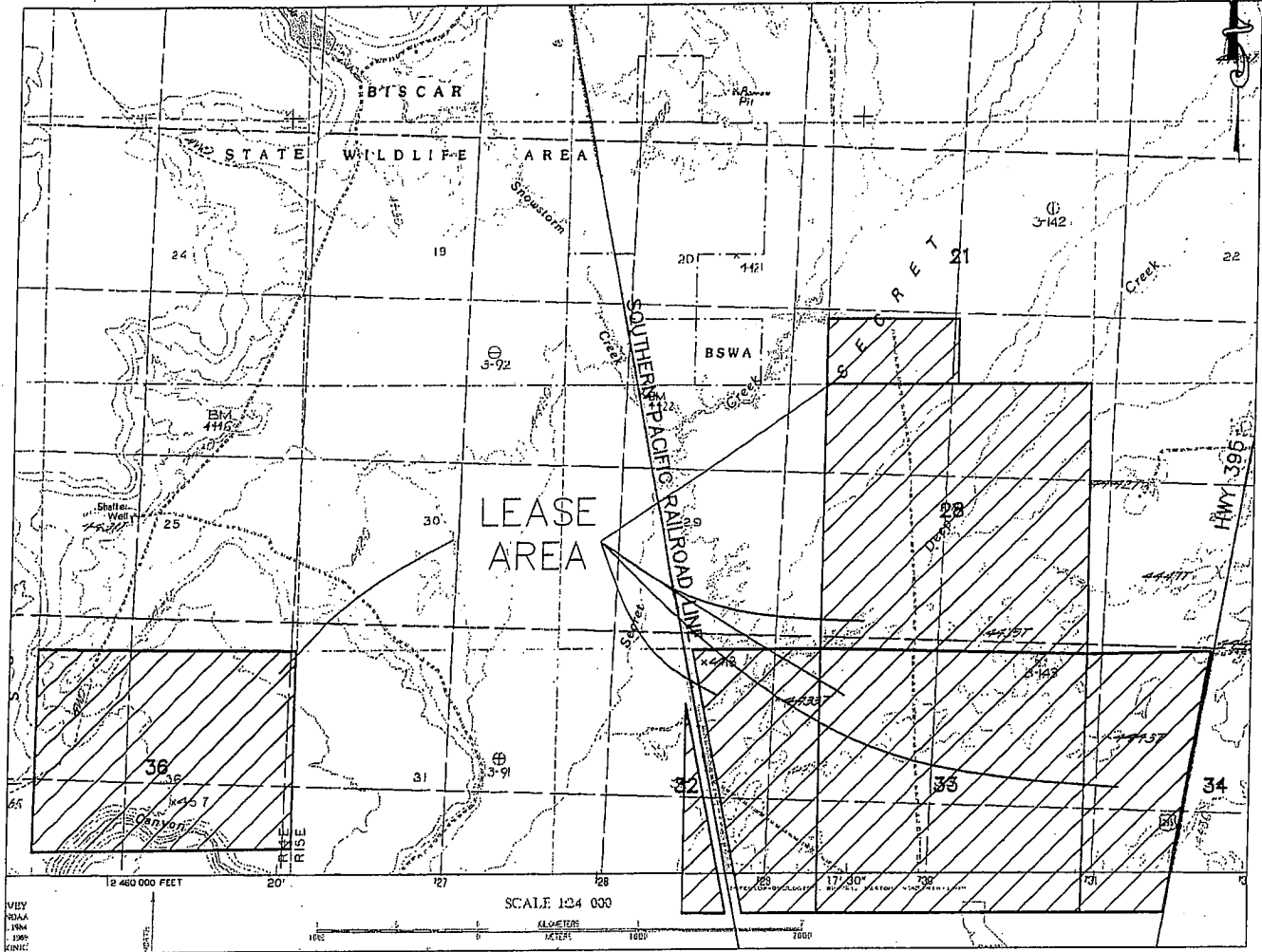
**END OF DESCRIPTION**

REVISED JUNE 12, 2007 BY CALIFORNIA STATE LANDS BOUNDARY UNIT.



NO SCALE

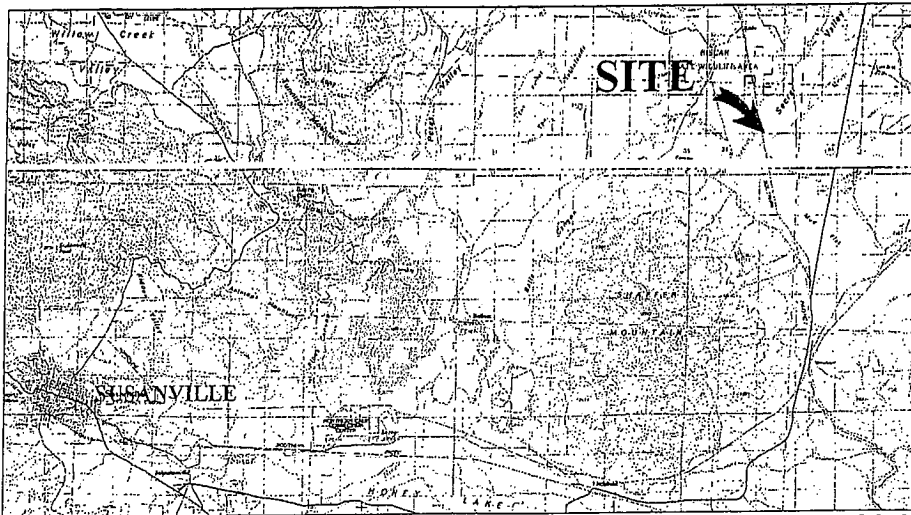
# SITE



20 MI NE OF SUSANVILLE, PORTIONS OF SECTIONS 21, 32, 34 AND ALL OF SECTION 28 & 33 OF T31N, R15E AND A PORTION SECTION 36 OF T31N, R14E MDM

NO SCALE

# LOCATION



MAP SOURCE: USGS QUAD

## Exhibit B

PRC 6962.2  
 Karlo Ranch, LLC  
 APN 93-130-20;  
 APN 93-120-05, 09, 10, & 11;  
 APN 93-110-06; APN 93-080-17  
 GENERAL LEASE - GRAZING USE  
 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.