

This Calendar Item No. C01 was approved as Minute Item No. 01 by the California State Lands Commission by a vote of 3 to 6 at its 6-2-03 meeting.

**CALENDAR ITEM
C01**

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SA 5759

H. Anderson

J. Frey

**CONSIDER ADDENDUM TO CALENDAR ITEM C01, FEBRUARY 21, 2003,
COMMISSION MEETING; THE SALE AND ISSUANCE OF A PATENT TO
ROSEBURG RESOURCES CO. FOR 481 ACRES MORE OR LESS OF STATE
SCHOOL LAND IN LASSEN COUNTY**

PURCHASER:

Roseburg Resources Co.
c/o Gaylord Briggs
P. O. Box 680
Weed, CA 96094

AREA, LAND TYPE, AND LOCATION:

481 acres, more or less, of State School Land, near the community of Westwood, Lassen County, Assessor's Parcel Number 123-140-08 (The Northwest ¼, the West ½ of the East ½ and Lots 1, 2, 3, and 4 of Section 36 T. 28 N., R. 8 E., Mount Diablo Meridian).

BACKGROUND

On February 21, 2003, the Commission authorized:

1. The Executive Office, or his designee, to execute those certain documents entitled "Offer to Purchase Real Estate in Lassen County and Acceptance of Offer to Purchase", "General Terms of the Sale" and "Escrow Instructions" and other necessary documents, in substantially the same form as on file with the Commission, and take whatever steps necessary to consummate the sale;
2. Issuance of a Patent to Roseburg Resources Co., subject to applicable statutory and Constitutional reservations, and easements and right of ways for the land described in Exhibit A attached and by this reference made a part hereof; and

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3. Authorize the acceptance and deposit of the net proceeds of the sale into the School Land Bank Fund.

PROPOSED ADDENDUM

The California Code of Regulations, Title 2, Article 2.1, Section 2030 (b) (1) states that "Sales of school...lands are restricted as follows (1) no new purchase applications shall be accepted except...under the circumstances determined by the Commission to be in the best interest of the State. Such sales may be accomplished with or without competitive bidding"

Staff's conclusion that the sale of the subject State School Land parcel is in the best interest of the state and its recommended actions to the Commission was based on the following information:

1. The subject State School Land parcel is isolated and the sole access is controlled by Roseburg Resources Co., which owns and manages approximately 12,000 acres of the lands surrounding the subject parcel.
2. The sale would potentially facilitate access to the subject landlocked parcel by providing summer and winter recreational opportunities for the general public.
 - A. In November 2000 approximately 63% of the county-wide voters supported, by ballot initiative, the amendment to the General Plan, zoning ordinance and Westwood Area Plan to provide for the development of a four-season resort at Dyer Mountain. The stated purpose and findings of the initiative included a desire to increase the range of summer and winter recreational opportunities available to County residences, including golf, skiing, fishing, bicycling, hiking and horseback riding; provide new full-time and part-time jobs; revitalize the County's economy; and generate new tax revenues.
 - B. The subject parcel is included in the development concept plan as part of the ski facility that will include two chair lifts and ski trails and accounts for approximately 13% of the ski hill component of the overall development.
3. The purchase price of \$2,900,000 is within the range of fair market value for the subject property and is supported by a staff review and update of an appraisal prepared for the Commission by a contract appraiser.

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4. In order to assure the highest value, the fair market value appraisal and update were based on the hypothetical assumption that the subject school land parcel has legal access.
5. The fair market value of the development potential of the ski facility located on the subject parcel is included in the sales price.
6. The timber is over mature and in a state of decline with a significant amount of woody debris and blow downs. Fiber growth is near or less than 0% with a high level of natural defect estimated at 17%.
7. The sale was accomplished without competitive bidding because the subject State School Land parcel is isolated and the sole access is controlled by Roseburg Resources Co., which owns and manages approximately 12,000 acres of the lands surrounding the subject parcel.

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 had determined that this activity is exempt from the requirements of the CEQA because it involves an action taken pursuant to the School Land Bank Act, Public Resources Code, sections 8700, et. seq.

Authority: Public Resources Code section 8710.

2. Any activities proposed for the parcel following its acquisition by Roseburg Resources Co., will be subject to all applicable federal, State and local laws, rules and regulations.

EXHIBITS:

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

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE SALE OF THE SUBJECT SCHOOL LANDS IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTIONS 15061 AS A STATUTORILY EXEMPT PROJECT PURSUANT TO THE PUBLIC

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RESOURCES CODE SECTION 8710, AN ACTION TAKEN PURSUANT TO THE SCHOOL LAND BANK ACT, PUBLIC RESOURCES CODE SECTIONS 8700 ET SEQ.

2. FIND THE GENERAL PLAN FOR THE ACTIVITY WAS FILED WITH THE LEGISLATURE PURSUANT TO PUBLIC RESOURCES CODE 6373.
3. FIND THE SALE OF THE SUBJECT STATE SCHOOL LAND PARCEL IS IN THE BEST INTEREST OF THE STATE.
4. FIND THAT THIS ADDENDUM AND CALENDAR ITEM CO1, APPROVED ON FEBRUARY 21, 2003, CONSTITUTE ITS APPPROVAL OF THE SALE AND ISSUANCE OF A PATENT TO ROSEBURG RESOURCES CO. FOR 481 ACRES MORE OR LESS OF STATE SCHOOL LAND IN LASSEN COUNTY DESCRIBED IN EXHIBIT A.

EXHIBIT A

LAND DESCRIPTION

That certain parcel of State School Land in Lassen County, State of California, more particularly described as follows:

NW ¼, W ½ of E ½ and Lots 1,2,3,and 4 of Section 36, T.28N., R.8E., MDM, as shown on the Official U.S. Government Township Plat approved November 12, 1926.

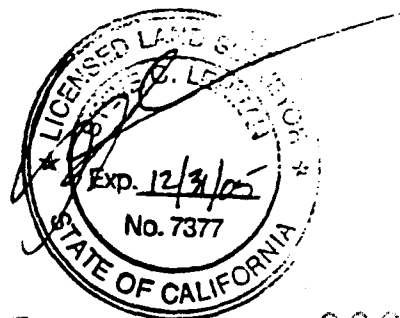
RESERVING to the State of California, in all the lands described herein, all minerals and mineral deposits, including, but not limited to, oil and gas, other gases, including, but not limited to nonhydrocarbon and geothermal gases, oil shale, coal, phosphate, alumina, silica, fossils of all geological ages, sodium, gold, silver, metals and their compounds, alkali, alkali earth, sand, clay, gravel, salts and mineral waters, uranium, trona, and geothermal resources, together with the right of the State or persons authorized by the State to prospect for, drill for, extract, mine and remove such deposits or resources, and to occupy and use so much of the surface of the lands as may be necessary therefore.

ALSO RESERVING to the Grantor, in all the lands described herein, the absolute right of the people to fish thereupon, as provided by Section 25 of Article 1 of the Constitution of the State of California.

SUBJECT TO those rights granted to the United States of America by the State of California, acting by and through the State Lands Commission, for an easement for the construction and maintenance of a road and telephone line across the W ½ of NE ¼ and E ½ of NW ¼ of Section 36, T.28N., R.8E., MDM by lease number 19B pursuant to Section 675 of the Political Code, issued in December 28, 1939.

SUBJECT TO those rights granted to the United States of America by the State of California, acting by and through the State Lands Commission, for an easement for the construction, operation and maintenance of a logging road for access to adjoining Forest Service lands, and for access for fire prevention and fire suppression across the E ½ of NE ¼ of Section 36, T.28N., R.8E., MDM by lease number PRC 593, issued February 6, 1951.

END OF DESCRIPTION



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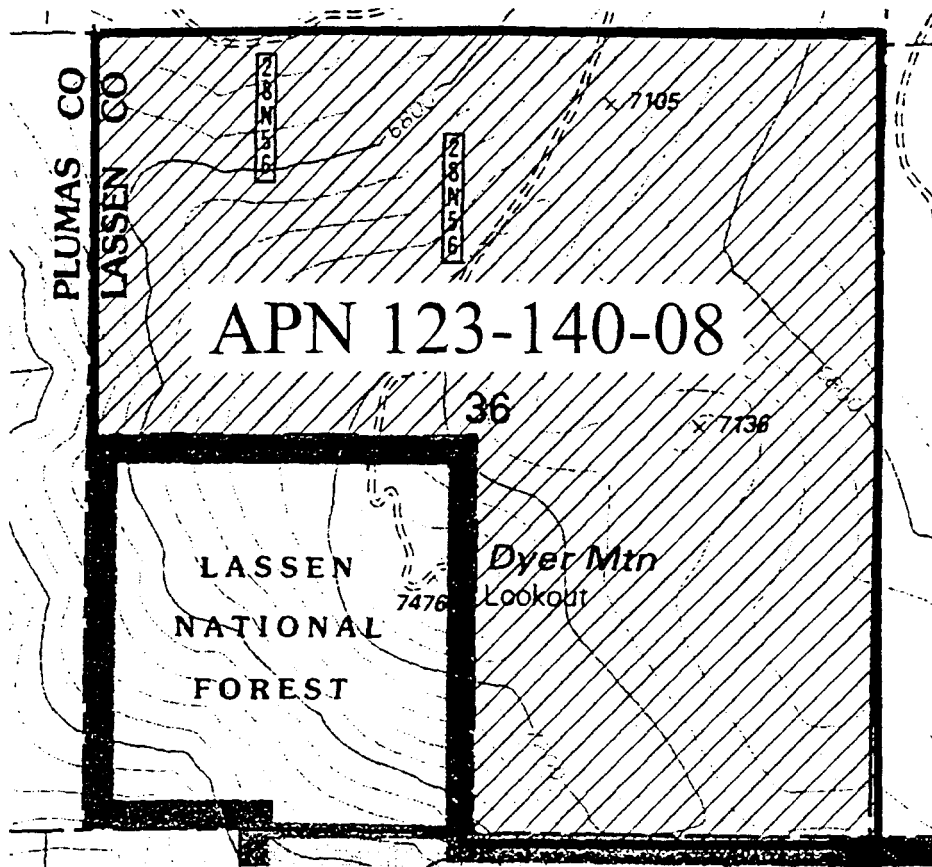
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NO SCALE

SITE MAP



State School Lands
 A portion of Section 36, T28N, R8E, Lassen County

LOCATION MAP NO SCALE

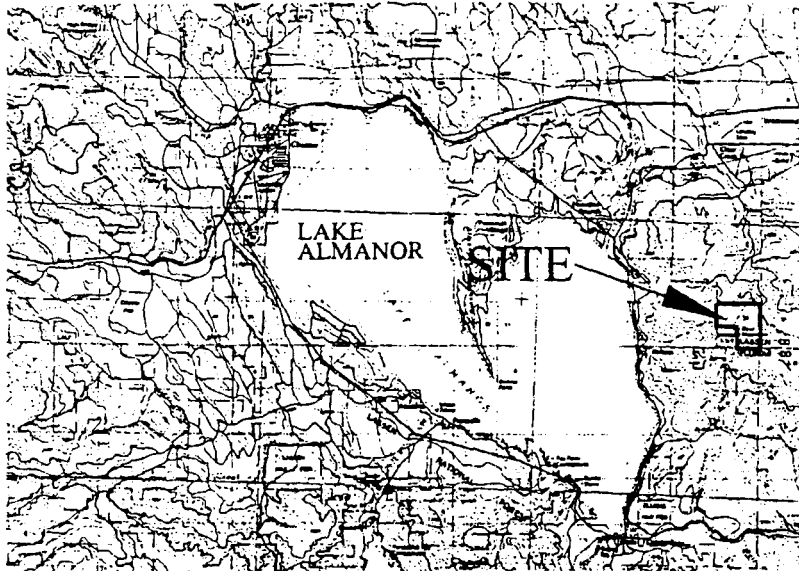


Exhibit B
 SA 5759
 APN 123-140-08
 Roseburg Resources Co.
 Lassen County



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.
 MAP SOURCE: USGS QUAD

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