MINUTE ITEM

This Calendar Item No <u>C34</u> was approved as Minute Item No <u>34</u> by the California State Lands Commission by a vote of <u>3</u> to <u>4</u> at its 12/9/04 meeting.

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12/09/04 School Lands Bid Log 2004-02 SA 5760 J. Porter J. Frey

CONSIDERATION OF A SOLICITATION OF BIDS FOR THE CONSTRUCTION OF INFRASTRUCTURE IMPROVEMENTS FOR 33.5 ACRES OF STATE SCHOOL LANDS AND THE SALE OF APPROXIMATELY 13.70 ACRES OF SCHOOL LANDS, LOCATED AT THE INTERSECTION OF INTERSTATE 15 AND L STREET, CITY OF BARSTOW, SAN BERNARDINO COUNTY

PARTY:

California State Lands Commission 100 Howe Avenue, Suite 100 South Sacramento, CA 95825-8202

BACKGROUND:

The California State Lands Commission (CSLC), through its State School Lands Management Program, manages approximately 473,000 acres of school lands held in fee ownership by the State and the reserved mineral interests on another 790,000 acres of school lands. Section 8700 et seq. of the Public Resources Code (School Land Bank 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 with the objective of facilitating management of 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 Teacher's Retirement System. The CSLC is responsible for developing school lands into a permanent and productive resource base to ensure such financial support.

PROPOSED ACTIVITY:

Staff proposes, pursuant to the provisions of PRC section 8700 et seq., to solicit proposals for the sale of approximately 13.70 acres of commercially zoned unimproved vacant state school lands (subject property) located at the intersection of Interstate 15 and L Street in Barstow. The subject property is a portion of a larger parcel containing a total of approximately 33.5 acres that is identified as a portion of the south half of the northwest quarter of Section 11, Township 9 North, Range 2 West, San Bernardino Base Meridian, and further

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Request for Proposals (RFP) will set a minimum sales price for the subject property based on a staff-approved fair market appraisal. The proceeds from any sale will be deposited into the School Land Bank Fund.

The RFP also will require the winning bidder to install certain specified infrastructure improvements, (e.g., water, sewer, electrical and gas lines, street improvements), as well as pay all city fees associated with the improvements, and post a surety bond or similar financial security instrument guaranteeing the timely construction of the required infrastructure improvements. The specified infrastructure improvements will meet all of the city of Barstow's requirements for the full commercial development of the entire 33.5-acre property. Upon any sale of the 13.70-acre parcel and completion of the required infrastructure improvements, the CSLC will have approximately 19.79 acres of vacant land that will be suitable for immediate commercial ground leasing that will provide longterm regular income. Pursuant to Public Resources Code section 6217.5, the income provided by the ground leasing will be deposited into the State Treasury to the credit of the State Teachers' Retirement Fund. The RFP will reserve to the Commission the right to reject any and all bids for reasonable cause and does not commit the Commission to enter into a sale of the 13.70-acre parcel or any part of the 33.5-acre larger property. At a future meeting of the Commission after the conclusion of the RFP process, staff will seek separate authorization from the Commission for the sale of the 13.70-acre parcel to the winning bidder.

OTHER PERTINENT INFORMATION:

 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.

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.

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EXHIBIT:

A. Location Map

IT IS RECOMMENDED THAT THE COMMISSION:

- FIND, AS TO THE ISSUANCE OF A REQUEST FOR PROPOSALS (RFP), 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 TO SOLICIT BIDS FOR THE CONSTRUCTION OF INFRASTRUCTURE IMPROVEMENTS FOR 33.5 ACRES OF STATE SCHOOL LANDS AND THE SALE OF APPROXIMATELY 13.70 ACRES OF STATE SCHOOL LANDS LOCATED AT THE INTERSECTION OF INTERSTATE 15 AND L STREET, CITY OF BARSTOW, SAN BERNARDINO COUNTY.

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