

CALENDAR ITEM

C79

12/05/12
W 26594
K. Colson
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CONSIDER THE PURCHASE, WITH KAPILOFF LAND BANK FUNDS, OF CAMP POLLOCK, TOTALING 11 ACRES OF LAND, LOCATED ADJACENT TO THE AMERICAN RIVER, SACRAMENTO COUNTY; AND APPROVAL OF A GENERAL LEASE TO THE SACRAMENTO VALLEY CONSERVANCY

APPLICANT/PARTIES

Sacramento Valley Conservancy
North Sacramento Land Company
California State Lands Commission, as Trustee of the Kapiloff Land Bank Fund

PROPOSED ACQUISITION:

The Sacramento Valley Conservancy (Conservancy) has requested that the California State Lands Commission (Commission), as Trustee of the Kapiloff Land Bank Fund, acquire two parcels of land totaling 11 acres adjacent to the American River, commonly referred to as Camp Pollock (Subject Property). The Subject Property consists of a 10-acre parcel (APN: 274-0120-007) and an adjacent one acre parcel (APN: 274-0120-009).

The Subject Property is located adjacent to the north side of the American River, west of Northgate Boulevard within the City of Sacramento, Sacramento County. The property has been owned by the Golden Empire Council, which is part of the Boy Scouts of America, since the 1950s. According to information from the Boy Scouts, the lodge on the property was built in the 1920s and the property has been used for camping, training, and other recreational uses since that time. There are several improvements located on the Subject Property, including a lodge with a kitchen and main lodge room that can accommodate 150 people, a shower building with restrooms, landscaped grounds, a well and two septic systems, and various storage buildings and sheds, as well as riparian habitat and open space.

The North Sacramento Land Company entered into a purchase contract with the Golden Empire Council to acquire the property. If the Commission approves the acquisition, the purchase contract will be assigned to the Commission.

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The Subject Property is located within the active flood plain of the American River and is subject to a flood easement encompassing the entire Subject Property. The flood easement allows the Sacramento Area Flood Control Agency or the Reclamation Board to remove natural obstructions which might impede the flow of water in the flood plain. The Subject Property is part of the American River Parkway (Parkway). The Parkway is an open space greenbelt which extends approximately 29 miles from Folsom Dam at the northeast to the American River's confluence with the Sacramento River at the southwest. The goal of the Parkway is to provide, protect and enhance for public use a continuous open space greenbelt along the American River extending from the Sacramento River to Folsom Dam.

The Conservancy was founded in 1990 and has been involved in several fee title acquisitions, and conservation easements. It also manages lands that are owned by public agencies. The Conservancy operates with six staff members, a 13-member board of trustees, a 25-member advisory board, and 1,500 annual community donors. The Conservancy's first land acquisition project was a half-acre and its latest purchase was 1,682 acres. During its first five years, the Conservancy completed only two land transactions. Over the past 13 years, the Conservancy has completed 25 land transactions, and raised more than \$27 million in land acquisition funds.

The purchase price for the Subject Property is \$300,000. In return for the payment of the purchase price, the Commission, as Trustee, will take fee title to the Subject Property. The value of the property is equal to or greater than the purchase price. Title to the Subject Property will be vested and held by the Commission as sovereign tide and submerged lands subject to the Public Trust, pursuant to provisions of Division 6 of the Public Resources Code (PRC) section 6000, *et seq.* and Division 7 of the PRC section 8600, *et seq.*

As part of the proposed acquisition agreement, the Commission will also obtain a non-exclusive and perpetual easement and the right to use of the existing unpaved access road from the County of Sacramento within Assessor's Parcel Numbers 274-0180-025, 274-0190-043, 274-0120-017, and 274-0120-021.

PROPOSED LEASE:

Along with approval of the acquisition, staff recommends that the Commission also authorize a General Lease with the Sacramento Valley Conservancy for management of the area as described in attached Exhibit A and depicted in attached Exhibit B, for a term of 25 years. The lease would authorize the use, maintenance and operation of the land and existing improvements for the purposes of public access, conservation, recreation, education, and public/private events. The proposed lease provides for a

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minimum annual rent in the amount of \$500 per year, against three percent of the gross income derived from sublease, license, and event fees; and five percent of the gross income from all other sources derived from the lease premises. The lease also provides for reductions to gross income for expenses related to maintenance, repair and operation of the lease premises. The proposed lease requires the Conservancy to maintain general and employer liability, workers' compensation, property, and flood insurance during the term of the lease. The Conservancy agrees to manage, maintain and repair the existing improvements on the site without any cost to the Commission.

The Conservancy has developed an initial two-year Management Plan to establish appropriate recreation and management practices. All management activities that occur on the lease premises must meet the guidelines of the American River Parkway Plan to preserve and protect the natural resources, and to provide appropriate access and facilities so that present and future generations can enjoy the amenities and resources of the Parkway. The Conservancy plans to hire a manager/caretaker to manage the day-to-day maintenance and security of the property. The manager will reside and have use of a single mobile home located on the lease premises, provided by the Conservancy.

LEGAL REQUIREMENTS:

Pursuant to Public Resources Code section 8600 *et seq.*, the Commission, acting as Land Bank Trustee, may expend monies to purchase interests in lands adjoining or nearby lands where the public use and ownership of the land is necessary or extremely beneficial for furtherance of public trust purposes. The purchase price is not to exceed the fair market value of the outstanding interests to be acquired. Prior to any such acquisition, the trustee must review the evidence and applicable law and determine whether the State may have any right, title, or interest therein and deduct from the economic value of the acquisition. The trustee is also to make all reasonable attempts to acquire the mineral and other subsurface rights.

STAFF ANALYSIS:

Staff has conducted an independent analysis of the Subject Property, including reviewing maps, surveys, and other relevant information. Staff has concluded that the Subject Property is useful for public trust purposes of water-related recreation, public access and recreation, open space, and wildlife habitat due the location of the Subject Property being immediately adjacent to the American River and within the American River Parkway. The Commission's interest acquired in the Subject Property will be leased to the Conservancy, and the Conservancy will assume all liability for the Subject Property.

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The proposed acquisition by the Commission of the Subject Property will include fee simple interest, including all mineral and subsurface rights. Staff has also reviewed the appraisal for the Subject Property and finds the Subject Property has a value equal to or greater than \$300,000. Staff therefore recommends that the Commission, as Trustee for the Kapiloff Land Bank Fund, authorize the expenditure of funds set forth above.

OTHER PERTINENT INFORMATION:

1. A Notice of Potential Land Bank Acquisition containing a short description of the Subject Property, Assessor's Parcel Number, and a depiction of the property was issued on September 24, 2012, pursuant to the requirements of Public Resources Code section 8622.
2. Commission has reviewed preliminary title reports, appraisal documents, Phase I Environmental Assessment, building inspections, as well as maps, surveys and other relevant documents.
3. **Acquisition:** 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 it involves an action taken pursuant to the Kapiloff Land Bank Act, Public Resources Code section 8600 *et seq.*

Authority: Public Resources Code section 8631.

4. **Lease:** The staff recommends that the Commission find that this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

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

5. 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 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

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

EXHIBITS:

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

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDINGS:

Acquisition: 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 8631, an action taken pursuant to the Kapiloff Land Bank Act, Public Resources Code section 8600 *et seq.*

Lease: 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 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

AUTHORIZATION:

1. Find that the value of that portion of land depicted in Exhibit A to be acquired by the California State Lands Commission, as Trustee of the Kapiloff Land Bank Fund, is greater than or equal to \$300,000.
2. Authorize the expenditure of \$300,000 from the Kapiloff Land Bank Fund, for the purchase of the 11 acres of land as described in Exhibit A and depicted on Exhibit B attached hereto, and acceptance of title to the Subject Property.
3. Authorize the Executive Officer of the California State Lands Commission to execute any and all documents required to effectuate the acquisition of the 11-acre Subject Property described in Exhibit A and depicted on Exhibit B, attached hereto.
4. Authorize acceptance and recordation of the Road Access Easement granted from the County of Sacramento to the California State Lands Commission.

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5. Authorize issuance of a General Lease to the Sacramento Valley Conservancy, for a term of 25 years, beginning the sooner of the close of escrow or February 1, 2013, for the purposes of public access, conservation, recreation, education, and public/private events, consisting of 11 acres of land improved with a lodge, shower building with restrooms, landscaped grounds including a well and two septic systems, and various storage buildings and sheds, as described in Exhibit A and as shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; minimum annual rent in the amount of \$500 per year, against three percent of the gross income derived from sublease, license, and event fees, and five percent of the gross income from all other sources derived from the lease premises, with reduction allowances from gross income for expenses related to maintenance, repair and operation of the lease premises; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; general liability and employer liability insurance in the amount of no less than \$1,000,000 per occurrence, workers' compensation insurance, property insurance in the amount of no less than \$200,000, and flood insurance in the amount of no less than the minimum required under FEMA AE Flood Zone, but in no event in an amount of less than \$200,000.

EXHIBIT A

W26594

LAND DESCRIPTION

Two (2) parcels of land being a portion of Swamp Land Survey 484, patented September 13, 1866, and a portion of Swamp Land Survey 809, patented November 1, 1869, County of Sacramento, State of California, and more particularly described as follows:

Parcel 1

All those lands as described in Book 2773 at Page 38 recorded February 21, 1955 in Official Records of said County.

Parcel 2

All those lands as described in Book 2773 at Page 40, recorded February 21, 1955 in Official Records of said County.

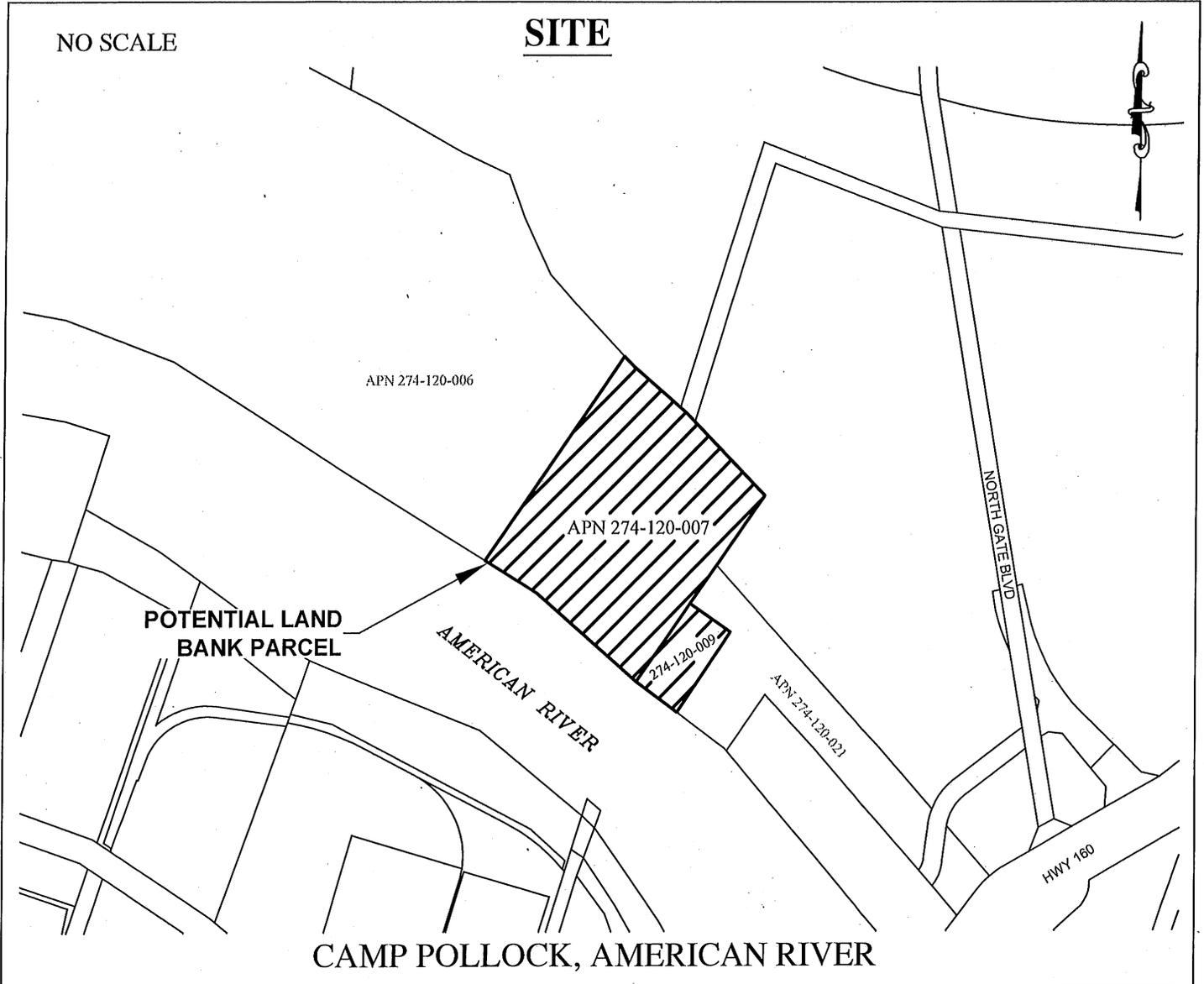
END OF DESCRIPTION

Prepared December 4, 2012 by the California State Lands Commission Boundary Unit.



NO SCALE

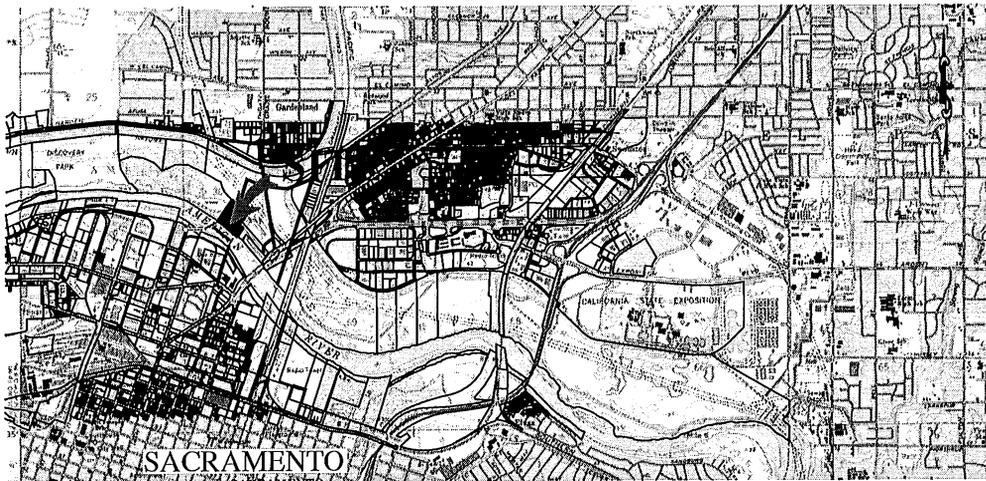
SITE



CAMP POLLOCK, AMERICAN RIVER

NO SCALE

LOCATION



SACRAMENTO

MAP SOURCE: USGS QUAD

Exhibit B

POTENTIAL LAND
 BANK PARCEL
 CAMP POLLOCK
 APN 274-120-007, 009
 SACRAMENTO COUNTY



SITE

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.

JAK 09/19/12