

MINUTE ITEM -

32. POLICY RELATIVE TO ADVERTISING VACANT STATE SCHOOL LANDS FOR SALE, APPLICATION NO. 11096, LOS ANGELES LAND DISTRICT, STANFORD C. SHAW - S.W.O. 6621.

Following presentation of Calendar Item 48 attached, Mr. Harry Pon appeared on behalf of Ellsworth & Pon, who have applications on file to purchase exchange lands, and asked the Commission not to adopt the recommendation made by the staff because of resulting revisions of the conditions upon which applicants had relied in filing purchase applications. The Chairman replied that the recommendation appeared to be in accordance with the past practice of the Commission.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE COMMISSION ADOPTED THE FOLLOWING RESOLUTION:

THE COMMISSION DETERMINES THAT IT IS IN THE BEST INTEREST OF THE STATE TO REQUIRE THAT ALL PUBLISHED NOTICES FOR RECEIPT OF SEALED BIDS ON STATE SCHOOL LANDS AND ON LANDS ACQUIRED IN PLACE THEREOF WHICH ARE AUTHORIZED TO BE SOLD UNDER SCHOOL LAND REGULATIONS, SHALL PROVIDE FOR THE SUBMISSION OF COMPETITIVE BIDS ON INDIVIDUAL PARCELS EMBRACED IN AN APPLICATION (A PARCEL CONTAINING A FULL SECTION OR LESS), AND THAT IN INSTANCES WHERE NON-CONTIGUOUS PARCELS EXIST WITHIN A SECTION OF LAND SEPARATE BIDS LIKEWISE SHALL BE REQUIRED.

Attachment

Calendar Item 48 (2 pages)

CALENDAR ITEM

48.

POLICY RELATIVE TO ADVERTISING VACANT STATE SCHOOL LANDS FOR SALE, APPLICATION NO. 11096, LOS ANGELES LAND DISTRICT, STANFORD C. SHAW - S.W.O. 6621.

An application to purchase 20,769.30 acres of vacant State school lands in San Bernardino County by Stanford C. Shaw was filed on April 4, 1957. The application is comprised of lands in 35 separate sections, with a total appraised value of \$293,967.36 established.

By letter dated November 3, 1958, the applicant was advised of the appraised value and was allowed twenty days within which to deposit the additional amount required to meet such value. The Commission, at its meeting of February 24, 1959, confirmed extensions of deposit periods, and set 5:00 p.m. April 19, 1959, as a final date for deposit of required amounts to meet the appraised value. The Commissioners also authorized a further extension of deposit time until 5:00 p.m. April 30, 1959, subject to confirmation at the meeting of April 30, 1959.

During these extension periods the applicant, on January 22, 1959, submitted a check in the amount of \$966.28 to meet the appraised value of two parcels; on April 1, 1959, the applicant met the appraised value of four parcels requiring the deposit of the sum of \$35,186.01; and on April 23, 1959, the appraised value of nineteen parcels was met, requiring the deposit of the sum of \$58,518.12. Also, on January 22, 1959, the applicant withdrew two parcels from his application.

A definite policy with respect to the method of advertising lands in applications containing substantial acreage has never been established by the Commission.

Only one sale of land containing substantial acreage has been made in the recent past. This was a sale by Jennings Land Company, embracing 26,153.94 acres in San Bernardino County, patent for which was issued on August 29, 1956. Advertising of the lands for receipt of sealed bids was made on the basis of publication of sixteen separate notices, with each notice containing lands in four to six individual sections. This procedure therefore required a prospective applicant to bid on all lands set forth in a particular notice, even though he may have been desirous of purchasing only the lands in a single section. This method was used at the time in consideration of the equities of the original applicant who had, in good faith, applied for purchase of the entire acreage.

Also to be considered are the equities of a second applicant who has applied for the purchase of a single parcel which is embraced in a prior application containing substantial acreage. In this instance the applicant has, in good faith, submitted an application accompanied with the required deposits in the belief that, in due course, he will be entitled to submit a bid on the single parcel in which he is interested.

It has been the experience of the Division, in conducting the sale of vacant State school lands, that a higher return is received by the State in instances

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where bids are received on single parcels or on parcels containing comparatively small acreages. It is felt that in order to provide for the largest return to the State, irrespective of the acreage in an application, publication of notice of sale to receive competitive bids should require the submission of bids on single parcels, usually for a complete section of 640 acres or less.

IT IS RECOMMENDED THAT A DETERMINATION BE MADE BY THE COMMISSION THAT IT IS CONSIDERED TO BE IN THE BEST INTEREST OF THE STATE TO REQUIRE THAT ALL PUBLISHED NOTICES FOR RECEIPT OF SEALED BIDS ON STATE SCHOOL LANDS AND ON LANDS ACQUIRED IN PLACE THEREOF WHICH ARE AUTHORIZED TO BE SOLD UNDER SCHOOL LAND REGULATIONS, SHALL PROVIDE FOR THE SUBMISSION OF COMPETITIVE BIDS ON INDIVIDUAL PARCELS EMBRACED IN AN APPLICATION (A PARCEL CONTAINING A FULL SECTION OR LESS), AND THAT IN INSTANCES WHERE NONCONTIGUOUS PARCELS EXIST WITHIN A SECTION OF LAND SEPARATE BIDS LIKEWISE SHALL BE REQUIRED.