

MINUTE ITEM

32. SALE OF VACANT STATE SCHOOL LAND, APPLICATION NO. 10983, LOS ANGELES LAND DISTRICT, INYO COUNTY, STATE OF CALIFORNIA, DEPARTMENT OF PUBLIC WORKS, DIVISION OF HIGHWAYS - S.W.O. 6453.

After consideration of Calendar Item 44 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE STATE LANDS COMMISSION:

1. APPROVES THE NEGOTIATED SETTLEMENT OUTLINED ABOVE AND FINDS THAT THE  $N\frac{1}{2}$  OF THE NE $\frac{1}{4}$  OF SECTION 36, T. 18 S., R. 41 E., M.D.M, CONTAINING 80 ACRES IN INYO COUNTY, IS NOT SUITABLE FOR CULTIVATION WITHOUT ARTIFICIAL IRRIGATION;
2. AUTHORIZES THE SALE OF SAID LAND, WITHOUT COMPETITIVE BIDDING, TO THE STATE OF CALIFORNIA, DEPARTMENT OF PUBLIC WORKS, DIVISION OF HIGHWAYS, AT THE NEGOTIATED PRICE OF \$3,100, SUBJECT TO ALL STATUTORY RESERVATIONS INCLUDING MINERALS;
3. APPROVES TERMINATION OF LEASE P.R.C. 1849.9 TO BE EFFECTIVE UPON THE DATE OF ISSUANCE OF A PATENT TO THE DEPARTMENT OF PUBLIC WORKS, DIVISION OF HIGHWAYS.

Attachment

Calendar Item 44 (2 pages)

CALENDAR ITEM

44.

SALE OF STATE SCHOOL LAND, APPLICATION NO. 10983, LOS ANGELES LAND DISTRICT, INYO COUNTY, STATE OF CALIFORNIA, DEPARTMENT OF PUBLIC WORKS, DIVISION OF HIGHWAYS - S.W.O. 6453.

In July 1956, the Department of Public Works, Division of Highways, filed an application to purchase Section 36, T. 18 S., R. 41 E., M.D.M., containing 640 acres in Inyo County. A minimum offer of \$2 per acre, or a total of \$1,280, was made.

At the time of filing, a portion of the section lying in the  $N\frac{1}{2}$  of the  $NE\frac{1}{4}$  was subject to a withdrawal by the Federal Power Commission. Thus the State did not have title to the full section. However, through negotiation, the staff was successful in obtaining a revocation of the withdrawal in December 1957; thereupon title to the withdrawn area was vested in the State.

The area withdrawn covered a pipe line right-of-way, inclusive of a spring which flows at the rate of approximately 1,500 gallons daily. Water rights in and to this spring were subject to an appropriation by the State Department of Water Resources dating from 1939 when the land was Federally owned. This appropriation is currently held by the Department of Public Works, Division of Highways, as a successor in interest. The Division of Highways application to purchase the subject land has been made to protect its interests in the water, which is being used at a maintenance station located on adjoining property.

By letter dated June 19, 1959, the applicant filed an amended application requesting the purchase of only the  $N\frac{1}{2}$  of the  $NE\frac{1}{4}$  of the section, containing 80 acres, i.e., the area on which the spring and a pipe line are located. The reason given for this application change was that if the full section were to be purchased, the remainder of the lands would immediately have to be declared surplus and disposed of.

This request is at variance with a long standing Commission practice requiring applicants to apply for and purchase contiguous parcels within a section, thus preventing the selection and purchase of only the choice portion of a section.

The Division of Highways also holds a "no consideration" easement, P.R.C. 1849.9, from the State Lands Commission, covering the area of the pipe line traversing the land proposed to be purchased. Section 6210.4(d) of the Public Resources Code requires the State to reserve fee title to such rights-of-way. Highways has requested termination of this easement effective with the date of issuance of patent, since upon purchase of the land there would be a merger of title.

The lands proposed to be purchased were appraised by the staff and a value of \$8 per acre has been established. Subsequently, by negotiation between the parties, it was agreed that the value of the State Lands Division interest in the water rights is \$2,500.

CALENDAR ITEM 44. (CONTD.)

Therefore, the total purchase price offered is: -----

1. Lands at \$8 per acre	\$ 640.00
2. Value of the water rights interest	<u>2,500.00</u>
Total Purchase Price	\$3,140.00

Inasmuch as the State Lands trust interests in the water rights is at least subject to some question, and in view of the fact that the State Lands Commission would receive the full appraised value for the lands to be sold; and, since the lands are to be acquired by another State agency for public use,

IT IS RECOMMENDED THAT THE STATE LANDS COMMISSION:

1. APPROVE THE NEGOTIATED SETTLEMENT OUTLINED ABOVE AND FIND THAT THE N $\frac{1}{2}$  OF THE NE $\frac{1}{4}$  OF SECTION 36, T. 18 S., R. 41 E., M.D.M., CONTAINING 80 ACRES IN INYO COUNTY, IS NOT SUITABLE FOR CULTIVATION WITHOUT ARTIFICIAL IRRIGATION;
2. AUTHORIZE THE SALE OF SAID LAND, WITHOUT COMPETITIVE BIDDING, TO THE STATE OF CALIFORNIA, DEPARTMENT OF PUBLIC WORKS, DIVISION OF HIGHWAYS, AT THE NEGOTIATED PRICE OF \$3,140, SUBJECT TO ALL STATUTORY RESERVATIONS INCLUDING MINERALS;
3. APPROVE TERMINATION OF LEASE P.R.C. 1849.9 TO BE EFFECTIVE UPON THE DATE OF ISSUANCE OF A PATENT TO THE DEPARTMENT OF PUBLIC WORKS, DIVISION OF HIGHWAYS.