

MINUTE ITEM

8. APPLICATION FOR ISSUANCE OF AGRICULTURAL LEASE, INYO COUNTY; R. W. KELSEY - S.W.O. 7981, P.R.C. 3046.2.

After consideration of Calendar Item 19 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE TO R. W. KELSEY AN AGRICULTURAL LEASE COVERING THE E $\frac{1}{2}$ OF SECTION 36, T. 7 S., R. 35 E., M.D.M., CONTAINING 320 ACRES IN INYO COUNTY, FOR A PERIOD OF FIVE YEARS, AT AN ANNUAL RENTAL OF \$112, THE FIRST AND FIFTH YEARS' RENTALS TO BE PAID AT THE TIME OF EXECUTION OF THE LEASE.

Attachment

Calendar Item 19 (2 pages)

CALENDAR ITEM

19.

APPLICATION FOR ISSUANCE OF AGRICULTURAL LEASE, INYO COUNTY; R. W. KELSEY-S.W.O. 7981.

An application has been received from R. W. Kelsey of San Jose, California, for an agricultural lease, for a term of five years, covering the E $\frac{1}{2}$ of Section 36, T. 7 S., R. 35 E., M.D.M., containing 320 acres in Inyo County.

An appraisal by the staff on June 12, 1963, indicates the fair agricultural rental value to be 35¢ per acre per year, or a total of \$112 per year.

THE PROPERTY

Location: Big Pine is 21 miles west by dirt road.

Access: Poor. One mile of dirt road to unnumbered State Highway between Big Pine and Dyer, Nevada, from which it is 20 miles to Big Pine.

Cover: Consists of creosote, joint fir, sage, some cactus, and saltbush. Land is of the mountain desert type.

Highest Use: Agriculture (rated as poor).

Water: Water potential at reasonable depth is considered good.

The \$5 filing fee, the necessary deposit to defray appraisal expenses, and \$224 for the first and fifth years' rentals at the rate of \$112 per year, have been submitted.

The applicant owns and leases other lands in the immediate vicinity. The staff appraisal indicates that the subject land is, at best, marginal for agricultural purposes. The elevation is 5,000 feet, thereby considerably limiting the growing season. It is estimated that not more than three cuttings of alfalfa could be made during a year. Extensive improvements, such as rock removal, leveling, terracing, well drilling and fencing, are required to adapt the acreage to agricultural use. The applicant advises that he wishes to undertake the venture because, if successful, it will assist materially in providing pasture and feed for his proposed cattle operation in this general area.

Three to four wells are proposed to be drilled on the property to furnish necessary irrigation water. Improvements of this type will be permanent in nature and will, of course, enhance the value of the land. Other improvements, such as necessary buildings and pumping equipment, will be subject to removal upon termination of the lease. The lease would specify those improvements which, by their nature, will become permanent and affixed to the land, and those which are to be removed upon termination.

In arriving at the proposed rental rate of 35¢ per acre per year, consideration was given to the fact that this type of venture is unproven for lands of this classification. If the operation proves successful and the applicant

CALENDAR ITEM 19. (CONTD.)

applies for renewal, there will be ample opportunity for review as to possible justification for a rental adjustment at the end of the first five-year period.

IT IS RECOMMENDED THAT THE EXECUTIVE OFFICER BE AUTHORIZED TO ISSUE TO R. W. KELSEY AN AGRICULTURAL LEASE COVERING THE E $\frac{1}{2}$ OF SECTION 36, T. 7 S., R. 35 E., M.D.M., CONTAINING 320 ACRES IN INYO COUNTY, FOR A PERIOD OF FIVE YEARS, AT AN ANNUAL RENTAL OF \$112, THE FIRST AND FIFTH YEARS' RENTALS TO BE PAID AT THE TIME OF EXECUTION OF THE LEASE.