

MINUTE ITEM

2/6/74
RJS

22. EXCHANGE OF SCHOOL LANDS IN RIVERSIDE COUNTY - W 8807

During consideration of Calendar Item 23 attached, the Assistant Manager, Land Operations, presented a brief summary of the transaction to the Commission. The Executive Officer submitted a mail-o-gram from Mr. William Savage to the Commission, at which time Mr. Savage, in pro per, came before the Commission and presented testimony in opposition to the exchange. Mr. Savage's concern lies mostly with 1) the low value that is placed on the property because of the mineral value, and 2) thereby reducing the common school fund share in the mining revenue.

After Mr. Savage's testimony, Director of Finance Verne Orr asked the staff if there was any urgency in approving this transaction this month. The Executive Officer stated that he was not aware of any urgency except that the bill under which this exchange was enacted requires the establishment of a priority system for resolving some of these kinds of problems for the general benefit of the Department of Parks and Recreation, this exchange being the most urgent one.

The Executive Officer stated that the Division's appraisal of the property, which was subsequently verified by the Department of General Services, indicated there were no mineral values as such on the property.

Because of the questions which were posed regarding the mineral rights, the valuation of the property, etc., the Commissioners decided to set the matter over a month. During the interim the Commissioners can read the appraisals on both properties involved in the exchange.

Attachment:

Calendar Item 23 (5 pages)

CALENDAR ITEM

23.

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EXCHANGE OF SCHOOL LANDS IN RIVERSIDE COUNTY

Under the provisions of Chapter 973, Statutes of 1973, the State Lands Commission is authorized to exchange vacant State school lands under its jurisdiction for lands owned by any State agency, political subdivision, or person, partnership, company or corporation for the purpose of acquiring land for specific projects, including Big Horn Sheep habitat in Riverside County, subject to the conditions that:

1. Lands acquired shall have equal or greater value than lands conveyed;
2. Lands acquired shall have the same status as to administration, control and disposition as the lands conveyed;
3. Mineral rights may be included with lands to be conveyed provided mineral rights are included with lands to be acquired;
4. The transactions are approved by the Department of General Services and the Public Works Board.

Accordingly, an Exchange Agreement is proposed (a copy being on file in the office of the State Lands Commission and by reference made a part hereof) providing for the exchange of 466.66 acres of State school land near Eagle Mountain in Section 36, T 3 S, R 14 E, SBM, for 640 acres of private lands owned by Kaiser Steel Corporation in Section 33, T 8 S, R 17 E, SBM, both in Riverside County, providing that:

1. The State grants to Kaiser Steel Corporation all right, title and interest including minerals in the State school land described in Exhibit "A";
2. Kaiser Steel Corporation grants to the State all right, title and interest including minerals in the lands described in Exhibit "B";
3. The parties agree to provide title insurance covering the respective parcels;
4. Kaiser Steel Corporation agrees to pay all fees, costs and expenses of escrow;
5. The agreement is to become effective upon execution and recordation of the Exchange Agreement and delivery and recordation of the patent and deed to the respective parcels.

In support of the provisions of Chapter 973, Statutes of 1973, (1) the Department of Fish and Game has determined that the lands to be acquired

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are valuable for Big Horn Sheep habitat; (2) the lands have been appraised and it has been estimated that the fair market value of the lands to be conveyed is \$28,000 and the value of the lands to be acquired is \$30,720; and (3) the Division has reviewed and concurs in a mineral report submitted by Kaiser Steel Corporation in which it is determined that the parcel to be conveyed contains no commercial quantities of minerals. Study and field inspection by the Division indicates the ore body at Eagle Mountain does not extend onto the parcel to be conveyed.

OTHER PERTINENT INFORMATION:

The State land is the site of trespass involving open pit mining operations by Kaiser at its Eagle Mountain mine. The mining operation has been in progress since 1954. It is planned that disposal on the school land parcel would continue until 1989. After that date the area would be utilized primarily for access to adjacent disposal areas. The plan of development provides that the waste pile slopes are to be at a natural angle of repose of 38° to 36°. The piles are to be left in a relatively level condition, with sides shaped so as to resemble the surrounding area as much as possible.

The private parcel proposed to be acquired is on the south slope of the Chuckwalla Mountains. It is remote, although a county-maintained dirt road traverses the parcel.

A draft environmental impact report was prepared and circulated to affected governmental agencies, including a plan of use of the State school land by Kaiser Steel Corporation. The circulation was initiated in contemplation of a lease of the State land for use as a disposal site. Resources Agency departments recommended that since the greater part of the parcel has already been utilized, the parcel be exchanged for lands of equal or higher value as wildlife habitat. Following this recommendation, the subject land exchange has been developed.

An environmental study indicates the land exchange will result in a trade-off that will not have a significant detrimental environmental effect.

The exchange has been approved by the Department of General Services and the Public Works Board.

EXHIBITS: A. Land Description--parcel to be conveyed.
 B. Land Description--parcel to be acquired.
 C. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS PROJECT, BUT THAT A NEGATIVE DECLARATION HAS BEEN PREPARED BY THE DIVISION.

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2. CONSIDER AND ADOPT NEGATIVE DECLARATION EIR NO. 135.
3. DETERMINE THAT THE PROJECT WILL HAVE NO SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. FIND AND DETERMINE THAT THE EXCHANGE OF STATE SCHOOL LANDS, AS DESCRIBED IN EXHIBIT "A", FOR PRIVATE LANDS, AS DESCRIBED IN EXHIBIT "B", BOTH EXHIBITS ATTACHED AND BY REFERENCE MADE A PART HEREOF, IS IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 973, STATUTES OF 1973.
5. AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE AN EXCHANGE AGREEMENT IN THE FORM ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF.

Attachments: Exhibits "A" and "B"

EXHIBIT "A"

W 8807

STATE SCHOOL LAND TO BE EXCHANGED FOR PRIVATE LAND

A parcel of land in Riverside County, State of California, described as follows:

All of Section 36, T 3 S, R 14 E, SBM.

EXCEPTING THEREFROM Lot 7 as shown on the Plat of Survey of said Section 36 by the U. S. Bureau of Land Management dated September 9, 1954, and any heretofore patented mining claims.

END OF DESCRIPTION

EXHIBIT "B"

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PRIVATE LAND TO BE EXCHANGED FOR STATE SCHOOL LAND

A parcel of land in Riverside County, State of California, described as follows:

All of Section 33, T 8 S, R 17 E, SBM.

END OF DESCRIPTION.