

MINUTE ITEM
This Calendar Item No. 29
was approved by the Board
No. 29 of the State Lands
Commission on 1/26/78
10-0-0-113-126(17)
1/26/78
MINUTE ITEM

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29. CONSENT TO HOLDOVER STATUS; SUNSET FARMS, INC.; DON BARGIACCHI,
PETER ARVELAS; WP 5367; WP 5368; WP 5369; PRC 5367; PRC 5368;
PRC 5369.

During consideration of Calendar Item 29 attached, Chairman Kenneth
Cory requested that the staff send him a map of the subject area.
In addition, by administrative action, on page 1 of this item,
second paragraph, second sentence, the word "inquiries" was changed
to "injuries".

Upon motion duly made and carried, the resolution as presented
in Calendar Item 29 was adopted by a vote of 3-0.

Attachment: Calendar Item 29 (2 pages)

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CALENDAR ITEM

29.

1/78
WP 5367
WP 5368
WP 5369
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PRC
5367
5368
5369

CONSENT TO HOLDOVER STATUS

By Minute Item 21 at the May 27, 1977 meeting the Commission approved an exchange of lands with the Erickson Lumber Company, whereby the State acquired 950 acres of land adjoining the Pacific Ocean in Santa Cruz County. The land was taken subject to 3 existing leases. The leases expired on December 31, 1977. The following is an abstract of the leases.

LEASE NO.	LESSEE	USE	AREA	CONSIDERATION
PRC 5367.2	Sunset Farms, 194 Archer Dr. Santa Cruz, CA 95060	Agricultural (Brussel Sprouts)	134 acs. approx.	\$12,720
PRC 5368.2	Don Bargiacchi 160 Plateau Santa Cruz, CA 95060	Agricultural (Brussel Sprouts)	82 acs. approx.	4,920
PRC 5369.2	Peter Arvelas 116 Grandview Santa Cruz, CA 95060	Grazing Lease	734 acs.	1,250

Each lease provides for \$100,000 liability insurance for personal injuries to one person with \$300,000 limit per accident along with property damage insurance of \$25,000.

Portions of the property are ultimately to be leased to the Department of Parks and Recreation. Other portions will remain to be leased by the Commission to the highest qualified bidder.

Because substantial work is required to set up the various lease parcels, perform appraisal and engineering work, advertise and call for bids and present the matter for Commission approval, it is expected that the process will go well into 1978.

The tenants under the above mentioned leases are still in possession of the property, and have expressed interest in continuing the occupancy as long as is possible.

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The options of the Commission include dispossessing the tenants or consenting to holdover status of the tenants. Dispossessing the tenants would require some expense, without any return in revenue. Consent to the holdover status would save expense of dispossession and provide an interim revenue from the property.

By consenting to this continued occupancy of the land, the Commission is authorizing another year of use of the land under the same terms and conditions contained in the expired leases.

The staff feels that it is in the State's best interest to continue the present occupants as holdover tenants.

This project is not situated on State land identified as possessing significant environmental values.

Staff review indicates that there will be no significant effect upon the environment. This is an existing activity for which no adverse comments have been received.

These leases are minimal, on-going uses which are exempt from the requirements of Article 6.5, of title 2, of the California Administrative Code.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC 21100, 14 CAL. ADM. CODE 15101.
2. DETERMINE THAT THIS PROJECT IS EXEMPT FROM THE REQUIREMENTS OF ARTICLE 6.5, OF TITLE 2, OF THE CALIFORNIA ADMINISTRATIVE CODE BECAUSE THIS PROJECT IS NOT A DEVELOPMENT WITHIN THE MEANING OF SECTION 2503 OF TITLE 2, OF THE CALIFORNIA ADMINISTRATIVE CODE AND SECTION 30105, OF THE PUBLIC RESOURCES CODE.
3. CONSENT TO THE HOLDOVER OF TENANTS UNDER PRC'S 5367.1, 5368.1 AND 5369.1 NOT EXTENDING BEYOND DECEMBER 31, 1978.