

MINUTE ITEM

This Calendar Item No. C11
was approved as Minute Item
No. 11 by the State Lands
Commission by a vote of 2
0 at its 12-16-80
meeting.

CALENDAR ITEM

C11

12/80
W 22216
Chatfield
PRC 1929

AGRICULTURAL LEASE

APPLICANT: Arne Belsby
250-4 So. Orange Street
Escondido, California 92025

AREA, TYPE LAND AND LOCATION:
40 acres of school land near Desert Center,
Riverside County.

LAND USE: Jojoba cultivation.
Improvements consist mainly of portable
irrigation facilities.

TERMS OF PROPOSED LEASE:
Initial period: 25 years from January 1,
1981.
Public liability insurance: \$200,000/\$500,000
per occurrence for bodily
injury and \$100,000 for
property damage.
Special: Lessee to provide annual
income expense records.

CONSIDERATION: \$225 per annum for the first five years,
the statutory minimum for a commercial
lease, with the State reserving the right
to fix a different rental on each fifth
anniversary of the lease.

BASIS FOR CONSIDERATION:
Pursuant to 2 Cal. Adm. Code 2005.

PREREQUISITE TERMS, FEES AND EXPENSES:
Filing fee and environmental costs have
been received.
Lessee to provide detailed annual income
and expense records.

STATUTORY AND OTHER REFERENCES:
A. P.R.C.: Div. 6, Parts 1 & 2; Div. 13.
B. Cal. Adm. Code: Title 2, Div. 3; Title 14,
Div. 6.

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OTHER PERTINENT INFORMATION:

1. The applicant owns land on which he has recently planted Jojoba seedlings, some of which are adjacent to the State parcel covered in the application. None of his plantations have reached production age, so the economics of the enterprise have yet to be proved, although survival of the immature plants appears satisfactory. It appears, therefore, that Jojoba cultivation in the manner proposed by Mr. Belsby is a less speculative venture in the Desert Center area than in the 29 Aims or Lucerne and Johnson Valley areas, where others have expressed interest in leasing State lands for Jojoba. (See Calendar Item for Wolf.)

The five year period at the statutory minimum rental will allow the immature Jojoba plants to begin bearing commercially, at which time the then Current Administrative Code percentage of land value will determine the rental.

The time limitation imposed by the AB 884 process in this instance precludes soliciting and evaluating bids from others who may be interested in the parcel included in this application. Considering the still experimental nature of Jojoba production, it appears wise to proceed with the current applicant who has experience in Jojoba cultivation to provide the best chance to prove the value of State lands here and elsewhere for this use.

2. A Negative Declaration was prepared by the staff, pursuant to CEQA and the State EIR Guidelines. No adverse comments were received, and the Commission approved Certification at its March 19, 1980 meeting, Minute Item No. 17.
3. This project is situated on school lands not identified as possessing significant environmental values. A staff review of available environmental information indicates no reason to

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identify the subject school land parcel as having such values at this time.

EXHIBITS: A. Land Description. B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT NEGATIVE DECLARATION NO. 254 HAS BEEN PREPARED FOR THIS PROJECT BY THE COMMISSION, AND THAT A FINDING OF NO SIGNIFICANT ENVIRONMENTAL EFFECT HAS BEEN MADE AT THE COMMISSION MEETING OF MARCH 19, 1980, IN MINUTE ITEM NO. 17.

2. AUTHORIZE ISSUANCE TO ARNE BELSBY OF A 25-YEAR AGRICULTURAL LEASE FROM JANUARY 1, 1981; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$225 FOR THE FIRST FIVE YEARS; WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF PUBLIC LIABILITY INSURANCE IN AMOUNTS OF \$300,000/\$500,000 PER OCCURRENCE FOR BODILY INJURY AND \$100,000 FOR PROPERTY DAMAGE; LESSEE TO PROVIDE DETAILED ANNUAL INCOME AND EXPENSE RECORDS FOR JOJOBA CULTIVATION AND APPURTENANT PURPOSES ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

EXHIBIT "A"

LAND DESCRIPTION

W 22216

A parcel of State-owned school land located in the NE-1/4 of the NW-1/4 of Section 16, T5S, R16E, SBM, Riverside County, California, as shown on the official Township Plat thereof.

END OF DESCRIPTION

PREPARED NOVEMBER 21, 1980 BY TECHNICAL SERVICES UNIT, ROY MINNICK,
SUPERVISOR.

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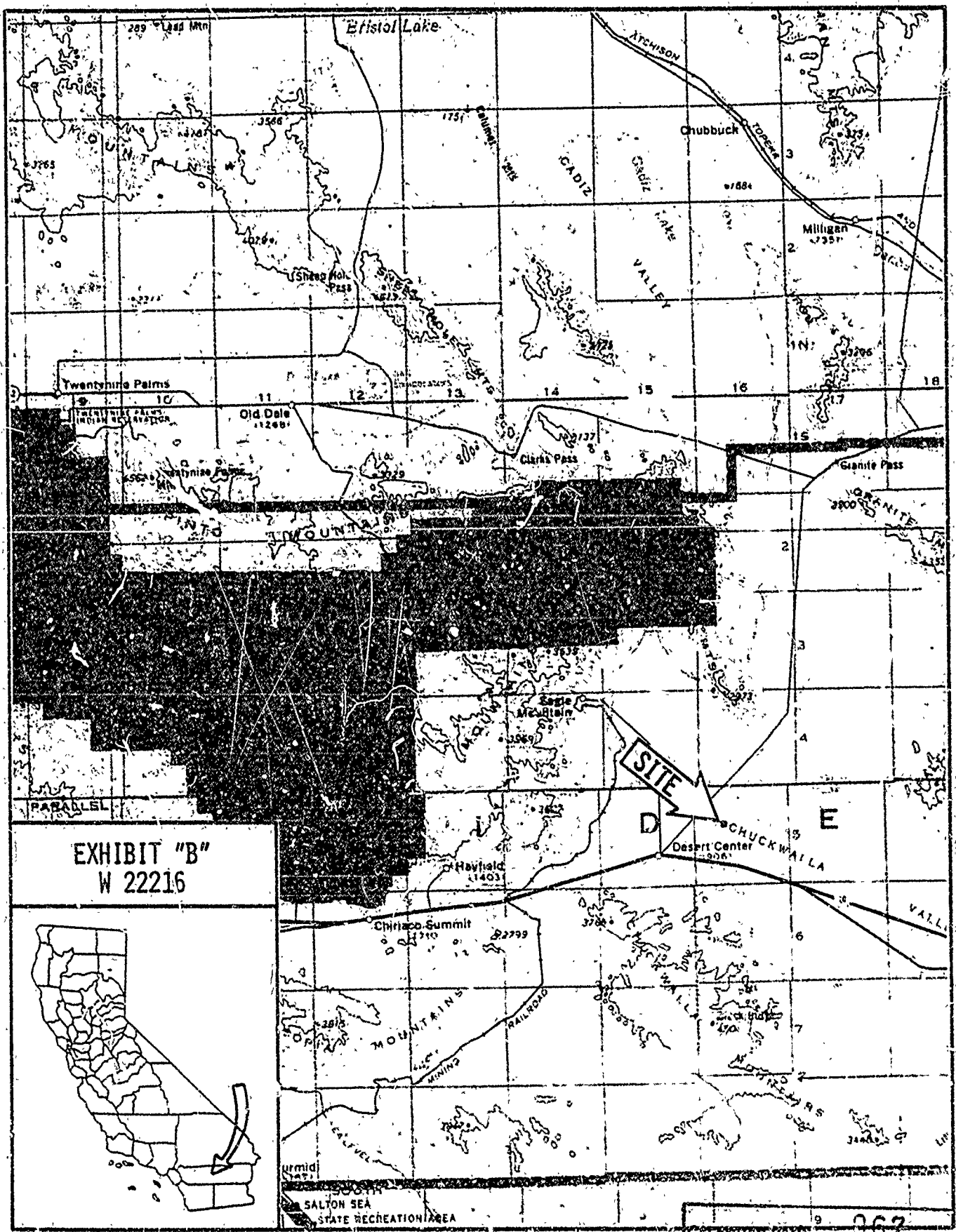
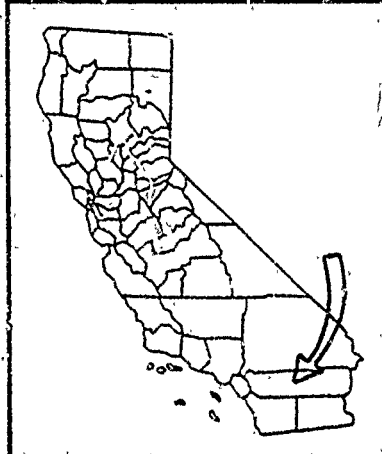


EXHIBIT "B"
W 22216



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