

Minute Item
This Calendar item No. 45
was approved as Minute Item
No. 45 by the State Lands
Commission by a vote of 2
to 0 at its 3-2-88
meeting.

CALENDAR ITEM

A 1, 2, 7, 8, 28, 32

45

03/02/88

PRC 6194

D. Brown

S 1, 2, 4, 5, 13, 15, 17

AUTHORIZATION TO AMEND INTERAGENCY AGREEMENT
WITH CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION
FOR ADMINISTERING SCHOOL LANDS TIMBER PARCELS

APPLICANT: California Department of Forestry
and Fire Protection
1416 Ninth Street
Sacramento, California 95814

The State Lands Commission (SLC) and the Department of Forestry and Fire Protection (CDF) are parties to an interagency agreement which provides that CDF will manage certain School Land timber parcels as part of its Demonstration Forest Program. The annual cost to CDF to manage these parcels in the 1986-87 fiscal year exceeded \$115,000. There are occasions during the management of these parcels that timber sales are held. To date, all revenue from these sales has been deposited to the State Teacher's Retirement Fund (STRF) in accordance with Public Resources Code, Section 6217.5. Revenues collected since the inception of the agreement total \$93,796.

CDF has requested that the Commission consider a partial reimbursement to offset their cost of preparing and administering the sales. A timber sale has been scheduled for the 1987-88 fiscal year with the possibility of another sale the following year prior to the expiration of the agreement in 1989. The suggested terms of the agreement would provide that CDF would retain a portion of the sales revenue for reimbursement of their costs in preparing the sale up to 25 percent of the total receipts from the sale. Total sales are estimated to be about \$200,000 resulting in \$150,000 net revenue to STRF.

The 25 percent figure is supportable by SLC experience in preparing similar timber sales. Since 1980, annual timber sale revenue has averaged \$220,000, while staff costs chargeable to

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the sale preparation and administration has averaged \$45,000 or about 20 percent of the revenues. Recent salary and other budgetary increases would support the higher percentage.

CDF has been doing a commendable job under this agreement. The revenue to be generated will benefit STRF. If the sales are deferred until after the expiration of the agreement, Commission costs will be deducted from the gross revenues generated resulting in the same net revenue to the fund. The percentage limitation will ensure that costs do not exceed those which would be experienced if SLC were to conduct the sale.

OTHER PERTINENT INFORMATION

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15373.

AB 884: N/A.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. AUTHORIZE THE EXECUTIVE OFFICER TO AMEND THE AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION TO ALLOW FOR DEDUCTING OF TIMBER SALE PREPARATION COSTS FROM THE REVENUES RECEIVED AS A RESULT OF THE SALE NOT TO EXCEED 25 PERCENT OF THE SALE REVENUES.