

MINUTE ITEM

This Calendar Item No. C21
was approved as Minute Item
No. 21 by the State Lands
Commission by a vote of 3
to 0 at its 9-9-93
meeting.

CALENDAR ITEM

C21

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S 15

09/09/93

W 20704 SA 5713

Reese

**CONSIDER APPROVAL AND EXECUTION OF A
MEMORANDUM OF AGREEMENT**

PARTIES:

State Lands Commission
1807 13th Street
Sacramento, California 95814

Department of General Services
Office of Real Estate and Design Services
400 R Street, Suite 5000
Sacramento, California 95814-6280

Department of Parks and Recreation
Acquisition Section
P.O. Box 942896
Sacramento, California 94296-0001

BACKGROUND

Chapter 973/73 authorizes the SLC to exchange vacant State school lands under its jurisdiction for other lands to allow another State agency, in this instance DPR, to acquire that land for specific projects such as the acquisition of coastal beach and uplands in Santa Cruz County for the State Park System. Pursuant to this directive, the SLC acquired the Scaroni Ranch Property in Santa Cruz County.

Chapter 620/89 provides that certain property, including three parcels totaling approximately 0.48 acres, fronting on Palisades Beach Road in Santa Monica (Santa Monica Properties) in the possession of DPR, is surplus and it may be sold, exchanged or leased by the Director of General Services and the proceeds used for State park planning, acquisition, and development.

Chapter 879/84 declares the intent of the Legislature that the SLC plan and implement all school land transactions, including exchanges, sales, and acquisitions for revenue generating purposes. In order to meet that intent, the SLC proposes to sell approximately 950 acres of coastal beach and uplands property (Scaroni Ranch Property) in Santa Cruz County.

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CURRENT SITUATION

It is the intent of the parties, under the terms of this Agreement, to 1) include the coastal beach and uplands of the Scaroni Ranch Property, Santa Cruz County, in the State park system, as contemplated by Chapter 973/73; 2) secure, by General Services, a qualified buyer or buyers and to sell the Santa Monica Property as authorized by Chapter 620/89; and, 3) use the funds derived from that sale to compensate the SLC for a transfer of the Scaroni Ranch Property to the DPR in accordance with Chapter 879/84.

CONSIDERATION:

\$3,235,000

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13; Div. 7.7.
- B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

AB 884:

N/A

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a statutorily exempt project. The project is exempt because it involves an action taken pursuant to the School Land Bank Act, P.R.C. 8700, et seq.

Authority: P.R.C. 8710.

2. The consideration of \$3,235,000.00± will be deposited into the School Land Bank to facilitate the management of school lands for the purpose of generating revenue and carrying out the goal of the School Land Bank Act. The SLC will be acting as trustee for the School Land Bank pursuant to Division 7.7 of the P.R.C.

EXHIBIT:

- A. Memorandum of Agreement

CALENDAR ITEM NO. C21 (CONT'D)

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 AS A STATUTORILY EXEMPT PROJECT PURSUANT TO P.R.C. 8710, AN ACTION TAKEN PURSUANT TO THE SCHOOL LAND BANK ACT, P.R.C. 8700, ET SEQ.
2. AUTHORIZE EXECUTION, BY THE EXECUTIVE OFFICER, OF THE MEMORANDUM OF AGREEMENT, IN SUBSTANTIALLY THE FORM ATTACHED HERETO AS EXHIBIT "A", REGARDING THE SALE/PURCHASE OF THE SCARONI RANCH PROPERTY BY THE DEPARTMENT OF PARKS AND RECREATION.
3. AUTHORIZE ISSUANCE OF A PATENT SUBJECT TO APPLICABLE STATUTORY AND CONSTITUTIONAL RESERVATIONS, FOR THE SCARONI RANCH PROPERTY; TO THE STATE OF CALIFORNIA UPON RECEIPT OF ALL SALE REVENUES.
4. AUTHORIZE THE DEPOSIT OF ALL SALE REVENUES INTO THE SCHOOL LAND BANK.

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EXHIBIT "A"

AGREEMENT:

DPR agrees to request the Director of General Services to offer the Santa Monica Properties for sale to a private party or parties using the public bid process. Upon obtaining a qualified buyer or buyers with signed purchase agreements and corresponding funds DGS will place the agreement(s) and funds in an escrow account with an escrow agent selected by DGS and agreeable to DPR and SLC. The SLC agrees to prepare a patent to the Scaroni Ranch Property in favor of the State of California (DPR) and place it in the escrow.

The escrow agent will be instructed, on completion of the sale of the Santa Monica Properties, and receipt of: 1) executed purchase agreement(s) and funds from the purchaser(s), 2) executed Quitclaim Deed or Deeds to the Santa Monica Properties from DGS, and 3) a patent for the Scaroni Ranch Property from SLC; to pay to the SLC, from the proceeds of the Santa Monica sale, \$3,235,000, the agreed value of Scaroni Ranch; to deliver the patent to Scaroni Ranch to DPR; to remit the remaining proceeds less any costs of sale and escrow to DPR for deposit in the State Parks and Recreation Fund, thereby issuing Quitclaim Deeds to the private party or parties for the completed sale of the Santa Monica Properties, and to cause escrow to be closed.

Should the sale of the three Santa Monica Properties be less than the cumulative amount of \$3,235,000, the agreed value of Scaroni Ranch, SLC agrees to provide a patent for Scaroni Ranch to DPR for that portion of land equal in value to the amount of proceeds received from the sale. Value for Scaroni Ranch is agreed to be at a prorated amount of \$3,405/per acre. That portion of Scaroni Ranch conveyed in a partial conveyance, if required by insufficient funds received from the sale of the Santa Monica Properties, shall be as mutually agreed by SLC and DPR but shall be contiguous land extending from the most northerly property boundary, in a southerly direction, toward the Pacific Ocean. Should a partial conveyance be required, SLC may retain that portion of Scaroni Ranch which is between the Pacific Ocean and U.S. Highway 1, even though DPR has sufficient funds to purchase a part of that portion of such property. If proration of Scaroni Ranch is required, the legal description of the property conveyed will be issued by a licensed surveyor and will be provided by DPR to escrow.

If for any reason, completion of this agreement is not possible, SLC and DPR agree that DPR will pay all DGS staff costs associated with the sale of the Santa Monica Properties.

The parties agree to prepare, review and execute in a timely manner all documents necessary and appropriate to accomplishing the purposes set out in this memorandum of agreement.

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This agreement will be effective on the date of the last signature.

Dated _____

STATE LANDS COMMISSION

By _____

Dated _____

DEPARTMENT OF PARKS AND RECREATION

By _____

Dated _____

DEPARTMENT OF GENERAL SERVICES

By _____

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