

CALENDAR ITEM

C46

MINUTE ITEM  
This Calendar Item No. C46  
was approved as Minute Item  
No. 46 by the State Lands  
Commission by a vote of 3  
to 0 at its 4/6/94  
meeting.

04/06/94

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Statewide

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AUTHORIZATION FOR SALE OF  
LANDLOCKED SCHOOL LAND PARCELS

BACKGROUND:

The Legislature enacted the School Land Bank Act in 1984. Pursuant to Section 8702 of this act, the legislature declared that the State's School Lands, through the Commission, shall plan and implement all transactions, including sales to facilitate the management of school land interests for revenue generating purposes. The Commission is directed to conduct its transactions in a manner which maximizes revenue. The Commission contracted with the real estate consulting firm of Williams-Kuelbelbeck and Associates Inc. to evaluate the Commission's management of school lands and to make recommendations on achieving these legislatively mandated goals.

In 1987, the consultant submitted a report of its analysis and recommendations. One recommendation was to enhance revenue production through a cost effective sales program. The consultant noted that, in many cases, the Commission could meet its mandate by selling school lands and placing the proceeds in the School Land Bank until suitable investments could be made.

The staff has, since the report, identified for sale and with Commission approval, sold many parcels of school land. During review of the criteria that has been established to determine if a parcel of school land should be retained or sold or exchanged, staff is discovering many parcels to which legal access does not exist. Because of the costs associated with obtaining such access, and in light of the limited utility and value of these parcels without access, they are, in most instances, excellent candidates for inventory reduction.

**CURRENT SITUATION:**

Title 2, California Code of Regulations, Section 2030 (Sale Restrictions) states in part that no new purchase applications shall be accepted except those from public agencies, entities or utilities or under the circumstances determined by the Commission to be in the best interest of the State (emphasis added). The Section further states that the Commission on a selective basis may offer individual parcels for sale to the general public pursuant to competitive bid. Generally, once the Commission has approved staff's recommendation to sell a parcel(s) of school land, the land is marketed by competitive bid. However, in those cases where the school land parcels are landlocked, without legal access, staff is of the opinion that the most cost-effective method for the Commission to comply with its legislatively mandated goals would be for the Commission to authorize staff to negotiate direct sales of landlocked school land parcels to the adjacent property owner(s).

AB 884: N/A

**CEQA FINDING:**

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 because it involves an action taken pursuant to the School Land Bank Act, P.R.C. 8700, et seq. Authority: P.R.C. 8710.

**RECOMMENDED ACTION:**

IT IS RECOMMENDED THAT THE COMMISSION:

AUTHORIZE THE OFFERING, FOR DIRECT SALE, OF ALL LANDLOCKED SCHOOL LAND PARCELS, WITHOUT LEGAL ACCESS, TO THE ADJACENT PROPERTY OWNER(S), SUBJECT TO SUBSEQUENT COMMISSION ACCEPTANCE OF APPROVAL OF SALE AND ISSUANCE OF PATENTS IN CONFORMANCE WITH ALL APPLICABLE LAWS, RULES, AND REGULATIONS.