

MINUTE ITEM

This Calendar Item No. ~~92~~ was approved as
Minute Item No. 92 by the California State Lands
Commission by a vote of 3 to 0 at its
08/21/96 meeting.

CALENDAR ITEM

92

A 60
S 29

08/21/96
W 24480 AD 280
D. Reese
J. Frey
P. Pelkofer
S. Sekelsky

**CONSIDER APPROVAL OF THE EXCHANGE OF
STATE SCHOOL LAND FOR FEDERAL SURPLUS LAND,
PURSUANT TO THE PROVISIONS OF THE
CALIFORNIA DESERT PROTECTION ACT (PL103-433),
AND TO SELL AND SUBSEQUENTLY ISSUE A PATENT
FOR THE ACQUIRED FEDERAL SURPLUS LAND
TO THE CITY OF POMONA**

PARTIES:

California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, California 95825

Mr. David McLnay
U.S. Department of Interior
Bureau of Land Management
2800 Cottage Way
Sacramento, California 95825

Mr. Clark Van Epps
U.S. Department of General Services Administration
525 Market Street
San Francisco, California 94105-2799

Mr. Darrell George
Director of Economic Development
City of Pomona, City Hall
505 Garey Street, Box 660
Pomona, CA 91769

CALENDAR ITEM NO. 92 (CONT'D)

LOCATION:

State School Land: San Bernardino, Riverside and Inyo Counties.
Federal surplus land: City of Pomona, Los Angeles County.

LAND USE:

The State School Lands to be transferred to federal control are within the list prepared by the U. S. Bureau of Land Management (BLM) and designated as wilderness areas or National Park System Units pursuant to the California Desert Protection Act of 1994 (CDPA).

BACKGROUND:

On October 31, 1994, the California Desert Protection Act of 1994 (CDPA) was signed into law by the President (Public Law 103-433). The CDPA designates 3.6 million acres in Southern California as wilderness to be administered primarily by the Bureau of Land Management (BLM), and 4 million acres as additions to the National Park Service (NPS) system. The purpose of the CDPA is to set aside areas in the California Desert to protect the desert's natural, cultural, scenic, and historical values and to provide for public enjoyment.

At its November 15, 1994, meeting, the California State Lands Commission (SLC) approved Calendar Item No. C114, authorizing staff to enter into an agreement with the U.S. Department of Interior (DOI) and to take all other actions necessary to expeditiously implement the provisions of the CDPA.

At its October 17, 1995, meeting, the SLC approved Calendar Item No. C97, authorizing the Executive Officer or his designee, to enter into and execute the Memoranda of Agreement (MOA) between the SLC, DOI, BLM and the U.S. General Services Administration (GSA) to facilitate the exchange of lands or interests therein pursuant to the provisions of Section 707 of the CDPA.

The Federal surplus land, originally known as the Naval Industrial Reserve Ordnance Plant, is an improved industrial site located in the City of Pomona. The GSA is responsible for negotiations regarding this land under the aforementioned MOA.

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CURRENT SITUATION:

The GSA has negotiated a proposed price and terms for which the SLC would take title to the above parcel, approximately 100-acres, more or less, in exchange for school lands. The City of Pomona will purchase the parcel from the Commission pursuant to the provisions of the School Land Bank Act.

The City of Pomona's Redevelopment Agency intends to use 25-acres, more or less, of the land as a Material Recovery Facility. This project will provide for over 300 jobs and reduce the environmental impact's of waste disposal activities in the region and assist local agencies to meet the mandated goals of the California Integrated Waste Management Act of 1989, Chapter 1095 of the Statutes of 1989. This Act requires local governments to reduce solid waste disposed of in land fills by 50 percent by 2000.

A proposed use for another portion of the land is that of a furniture manufacturing plant which is expected to produce \$4,000,000 in taxable sales and 850 jobs in the region. The development of the sites will place the land back on the tax rolls.

This project will benefit both the economy and the environment of the region and will provide approximately \$13,200,000 in revenue to the School Land Bank Fund.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code: Div. 6, Part 1 and 2; Div. 7.7; Div. 13
- 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 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, Public Resources Code Sections 8700, et seq.

Authority: Public Resources Code Section 8710

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2. Pursuant to Federal regulations, public notice of this proposed action will be published and circulated by the BLM.
3. The SLC's Mineral Resources Management staff and the BLM's mineral staff have evaluated the State parcels to be exchanged and the parcels have been assessed as having "low mineral potential". Therefore, this exchange complies with the provisions set forth in the BLM/SLC Memorandum of Understanding for "Treatment of Mineral Potential in Land Exchanges", and will be made pursuant to Public Resources Code Section 6402.
4. The Proposed terms of the sale to the city are generally as follows:
 - a. Purchase price is approximately \$13,200,000.*
 - b. \$100,000 remitted into escrow as a non-refundable earnest money deposit.
 - c. \$3,100,000 remitted as an additional deposit at close of escrow.
 - d. \$10,000,000 due seven years after closing with quarterly interest on the unpaid balance due and payable during the term of the note. The interest rate to be 6.50% simple interest.

** Final purchase price will be determined by final property description and area calculations pursuant to the completion of a land survey currently being prepared.*

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 PUBLIC RESOURCES CODE SECTION 8710, AN ACTION TAKEN PURSUANT TO THE SCHOOL LAND BANK ACT, PUBLIC RESOURCES CODE SECTION 8700, ET SEQ.

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2. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.
3. AUTHORIZE THE EXECUTIVE OFFICER, OR HIS DESIGNEE, TO EXECUTE THOSE CERTAIN DOCUMENTS ENTITLED "AGREEMENT FOR THE CONVEYANCE OF REAL PROPERTY"; "OFFER TO PURCHASE REAL ESTATE AND ACCEPTANCE"; "JOINT ESCROW INSTRUCTIONS"; IN SUBSTANTIALLY THE SAME FORM AS ON FILE WITH THE COMMISSION , AND TO TAKE WHATEVER STEPS NECESSARY TO CONSUMMATE THE EXCHANGE AND SALE.
4. AUTHORIZE THE EXCHANGE AND ISSUANCE OF A PATENT SUBJECT TO APPLICABLE STATUTORY AND CONSTITUTIONAL RESERVATIONS, FOR STATE SCHOOL LAND TO THE UNITED STATES OF AMERICA IN ACCORDANCE WITH THE CALIFORNIA DESERT PROTECTION ACT (PL103-433).
5. AUTHORIZE ACCEPTANCE AND CONSENT TO RECORDATION OF TITLE TO THE FEDERAL SURPLUS LANDS IN ACCORDANCE WITH THE CALIFORNIA DESERT PROTECTION ACT (PL103-433).
6. AUTHORIZE THE SALE AND SUBSEQUENT ISSUANCE OF A PATENT FOR THE ACQUIRED FEDERAL SURPLUS LANDS TO THE CITY OF POMONA, SUBJECT TO APPLICABLE STATUTORY AND CONSTITUTIONAL RESERVATIONS.
7. AUTHORIZE THE DEPOSIT OF THE NET PROCEEDS INTO THE SCHOOL LAND BANK FUND.