MINUTE ITEM

This Calendar Item No. C31 was approved as Minute Item No. 21 by the California State Lands Commission by a vote of 3 to c at its meeting.

CALENDAR ITEM C31

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GENERAL LEASE - AGRICULTURE

LESSEE:

William P. Smith and Theodore F. Bisi 4048 Muirfield Place Lompoc, CA 93436-0000

AREA, LAND TYPE, AND LOCATION:

445 acres of dry crop farming and 165 acres of grazing on a rotational basis, for a total of 610 acres, more or less, of sovereign lands near the town of Lompoc, Santa Barbara County, commonly referred to as the "Burton Mesa Preserve".

AUTHORIZED USE:

Agriculture.

LEASE TERM:

Two years, beginning November 1, 2003, ending October 31, 2005, unless sooner terminated as provided in the lease.

CONSIDERATION:

25% of the gross proceeds, from crops, and \$1,650.00 per annum for cattle grazing.

SPECIFIC LEASE PROVISIONS:

Insurance:

\$1,000,000.

Bond:

N/A

OTHER PERTINENT INFORMATION:

 The State, acting through the California State Lands Commission (CSLC), received 5,125 acres of land in north Santa Barbara County to be held as sovereign lands by the State of California from Union Oil Company of California (UNOCAL) as part of a settlement agreement reached in

-1-

000142 CALENDAR PAGE

001699 MINUTE PAGE

CALENDAR ITEM NO. C31 (CONT'D)

July 1991. The settlement agreement between the CSLC and UNOCAL resolved issues regarding UNOCAL's activities in the Long Beach area of California. This property (among others in California) was included in the agreement because of the high value of its environmentally sensitive resources. The acreage supports one of the last significant natural stands of Burton Mesa Chaparral. On December 3, 1999, the CSLC approved a 49-year lease, beginning on December 4, 1999, to the California Department of Fish and Game (CDFG) for management, operation and maintenance of the property.

- 2. Of the 5,125 acres, approximately 445 acres is dry farmed. Cattle graze on 165 acres of oak scrub within the Burton Mesa Preserve and are allowed to forage on the cultivated fields after the harvest. This operation occurs in conjunction with grazing and cultivation on adjacent land outside of the preserve. Agriculture on the property was originally established in support of the Los Angeles Prisima Mission. The existing agricultural operations, including location, crops, and methods of farming, have essentially remained the same for over a century. Mr. Bisi has farmed the property for approximately 60 years and Mr. Smith for approximately 25 years.
- 3. The proposed lease is consistent with and supported by the CDFG. CDFG is currently developing a management plan for the preserve. The new lease is timed to concede with the finalization of the management plan. The plan will be the basis for determing whether agriculture use should be continued and if so the terms and condition of the agriculture use.
- 4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 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 "ongoing project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21169 and Title 14, California Code of Regulations, section 15261.

-2-

000153 CALENDAR PAGE



CALENDAR ITEM NO. C31 (CONT'D)

EXHIBITS:

A. Site Map

B. Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A STATUTORILY EXEMPT PROJECT PURSUANT TO PUBLIC RESOURCES CODE SECTION 21169 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15261, AN ACTIVITY INVOLVING AN ONGOING PROJECT.

SIGNIFICANT LANDS INVENTORY FINDING:

THE PROPERTY ASSUMED THE LEGAL CHARACTER OF SOVEREIGN LANDS UPON THE COMMISSION TAKING OWNERSHIP IN 1991.

THIS ACTIVITY INVOLVES LANDS WHICH WERE NOT IDENTIFIED IN 1975 AS POSSESSING SIGNIFICANT ENVIRONMENTAL VALUES PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

HOWEVER, THE COMMISSION HAS DECLARED THAT ALL SOVEREIGN LANDS ARE "SIGNIFICANT" BY NATURE OF THEIR PUBLIC OWNERSHIP. SINCE SUCH DECLARATION OF SIGNIFICANCE IS NOT BASED UPON THE REQUIREMENTS AND CRITERIA OF PUBLIC RESOURCES CODE SECTIONS 6370 ET SEQ., THE FINDING OF THE PROJECT'S CONSISTENCY WITH THE USE CLASSIFICATION AS REQUIRED BY TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 2954 IS NOT APPLICABLE.

-3-

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CALENDAR PAGE



CALENDAR ITEM NO. C31 (CONT'D)

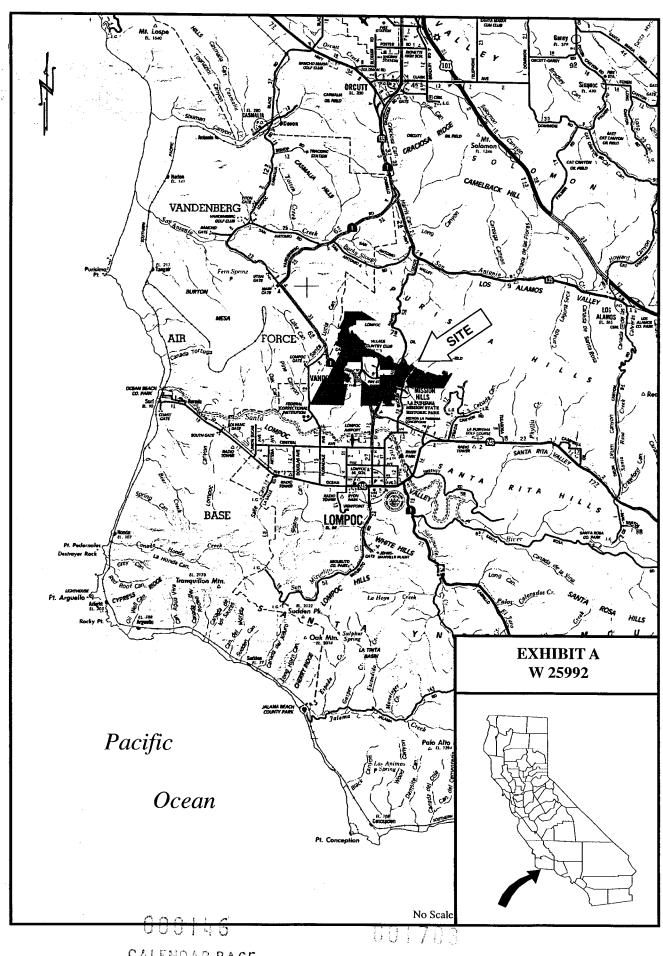
AUTHORIZATION:

AUTHORIZE ISSUANCE TO WILLIAM P. SMITH AND THEODORE F. BISI OF A GENERAL LEASE - AGRICULTURE, BEGINNING NOVEMBER 1, 2003, FOR A TERM OF TWO YEARS, FOR AGRICULTURAL USES, AS DESCRIBED, OF THE LAND AS REPRESENTED ON EXHIBIT B ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

-4-

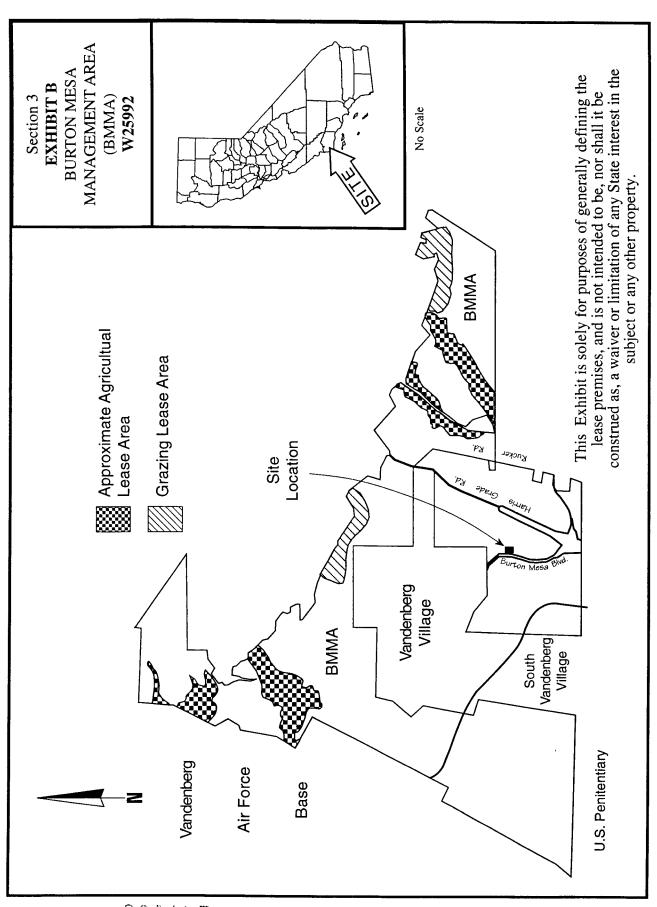
000145 CALENDAR PAGE

001702 MINUTE PAGE



CALENDAR PAGE

HINUTE PAGE



000147
CALENDAR PAGE

001704 MINUTE PAGE