

**CALENDAR ITEM
C62**

A 80

03/25/08
PRC 8668.2
WP 8668
J. Porter

S 40

GENERAL LEASE - AGRICULTURAL USE

APPLICANT:

A-Z Farms, Inc.
P.O. Box 1079
Calipatria, CA 92233

AREA, LAND TYPE, AND LOCATION:

76.97 acres, more or less, of school lands southwest of Niland, Imperial County.

AUTHORIZED USE:

Agricultural use.

LEASE TERM:

Ten years years, beginning July 15, 2007, ending July 14, 2017, unless terminated as provided in the Lease.

CONSIDERATION:

\$5,250 per year, payable bi-annually (\$2,625 on July 15 and \$2,625 on January 15 of each lease year), and subject to modification by Lessor as specified in the Lease.

SPECIFIC LEASE PROVISIONS:

Liability Insurance:

No less than \$1,000,000 Combined Single Limit Coverage.

OTHER PERTINENT INFORMATION:

1. On April 26, 2005, the Commission approved a land exchange whereby the Commission, acting as trustee of the School Land Bank Fund, acquired 76.97± acres of agricultural land (Lease Premises) located southwest of Niland in a rural area of Imperial County. The exchange was completed and the transaction closed in November 2006.

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2. At the time of the acquisition, the Lease Premises were encumbered by an existing agricultural lease that is now identified as Lease No. PRC 8668.2. The lease expired on July 15, 2007, and has been in hold-over since then. The Lessee at the time of the acquisition of the property was A-Z Farms, Inc., who is now applying for a new General Lease Agricultural Use.
3. A-Z Farms, Inc., may use the lease premises for the farming of wheat, alfalfa, Sudan hay and oats. No other crops may be grown without the prior authorization from the Commission.
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 categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

5. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. However, the Commission has declared that all state school lands and submerged lands are "significant" by nature of their public ownership (as opposed to "environmentally significant"). Since such declaration of significance is not based upon the requirements and criteria of Public Resources Code sections 6370, et seq., use classifications for such lands have not been designated. Therefore, 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.

EXHIBITS:

- A. LOCATION MAP
- B. LAND DESCRIPTION

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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 CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES; TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 2905 2905 (a)(2).

AUTHORIZATION:

AUTHORIZE ISSUANCE OF A GENERAL LEASE – AGRICULTURAL USE, TO A-Z FARMS, INC., BEGINNING JULY 15, 2007, FOR A TERM OF TEN YEARS, FOR 76.97 ACRES, MORE OR LESS, OF SCHOOL LANDS AS SHOWN ON EXHIBIT A AND DESCRIBED ON EXHIBIT B, BOTH ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; CONSIDERATION OF \$5,250 PER YEAR, PAYABLE BI-ANNUALLY (\$2,625 ON JULY 15 AND \$2,625 ON JANUARY 15 OF EACH YEAR), AND SUBJECT TO MODIFICATION BY LESSOR AS SPECIFIED IN THE LEASE; AND LIABILITY INSURANCE IN THE AMOUNT OF NO LESS THAN \$1,000,000 COMBINED SINGLE LIMIT COVERAGE.