

**CALENDAR ITEM
C71**

A 66
S 38

01/26/12
WP 5265.2
J. Porter

GENERAL LEASE - AGRICULTURAL USE

APPLICANT:

BSTCO, a California General Partnership
1320 E. Olympic Blvd., Suite 215
Los Angeles, CA 90021

AREA, LAND TYPE, AND LOCATION:

38.7 acres, more or less, of State Indemnity school lands located in Section 13, Township 10 South, Range 3 West, SBM, north of Escondido, San Diego County.

AUTHORIZED USE:

Operation of an existing avocado and citrus orchard.

LEASE TERM:

10 years, beginning April 1, 2012.

CONSIDERATION:

\$10,000 minimum rent per year, with payment of additional rent whenever gross income in a lease year exceeds \$300,000; the additional rent shall be 10% of any amount of gross income in excess of \$300,000, as provided in the lease, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance in the amount of no less than \$2,000,000.

Bond:

\$5,000.

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OTHER PERTINENT INFORMATION:

1. On February 5, 2002, the Commission approved the issuance of Lease No. PRC 5265.2, a General Lease – Agricultural Use to BSTCO, A California General Partnership, (BSTCO), for a term of 10 years, for the continued operation of an avocado and citrus orchard previously authorized by the Commission. That lease expires on March 31, 2012. BSTCO is now applying for a new lease for the continued operation of the existing avocado and citrus orchard. No further improvements or changes are planned for the lease premises.

2. Pursuant to the Commission’s delegation of authority and the State CEQA Guidelines (Cal. Code Regs., tit 14, § 15061), the staff has determined that this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, Title 2, section 2905 9 subdivision (a)(5).

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

3. This activity involves lands which have NOT been identified as possessing significant environmental value pursuant to Public Resources Code section 6370 et seq. However, the Commission has declared that all lands are “significant” by nature of their public ownership (as opposed to “environmentally significant”). Since such declaration of significance is not based on the requirements and criteria of Public Resources Code section 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 California Code of Regulations, Title 2, section 2954 is not applicable.

EXHIBITS:

- A. Land Description
- B. Location and Site 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 California Code of Regulations, Title 14, section 15061 as a

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categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905 subdivision (a)(2).

AUTHORIZATION:

Authorize issuance of a General Lease – Agricultural Use to BSTCO, a California General Partnership, beginning April 1, 2012, for a term of 10 years, for continued operation of an avocado and citrus orchard for the State Indemnity school lands as described in Exhibit A and as shown on Exhibit B (for reference purposes only), both attached and by this reference made a part hereof; annual minimum rent in the amount of \$10,000, with payment of additional rent whenever gross income in a lease year exceeds \$300,000; the additional rent shall be 10% of any amount of gross income in excess of \$300,000, as provided in the lease, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; liability insurance with coverage in the amount of no less than \$2,000,000, and a \$5,000 surety bond.

EXHIBIT A

WP5265

LAND DESCRIPTION

A parcel of school land situate in San Diego County, California, patented to said State and approved May 10, 1960 and filed in "Approved List No. 295 of School Indemnity Lands" at the California State Lands Commission, Sacramento, California, more particularly described as follows:

The SW 1/4 of the NE 1/4 of Section 13, T10S, R3W, SBM.

END OF DESCRIPTION

Prepared on 08/09/2006 by the California State Lands Commission Boundary Unit



NO SCALE

SITE



SW 1/4 NE 1/4 of Section 13, T10S, R3W, SBM
Avocado & Citrus Orchards

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

WP 5265.2
BSTCO
APN 125-232-20
GENERAL LEASE -
AGRICULTURAL USE
SAN DIEGO COUNTY



SITE

MJF 10/7/11

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.