

**MINUTE ITEM**

This Calendar Item No C109 was approved as Minute Item No 109 by the California State Lands Commission by a vote of 3 to 0 at its 03/29/12 Meeting.

**CALENDAR ITEM  
C109**

A	32, 34, 36, 37, 59, 65, 77, 80	03/29/12 W 26543
S	17, 18, 31, 36, 37, 40	J. DeLeon W. Crunk J. Porter

**CONSIDER AUTHORIZING THE EXECUTIVE OFFICER, OR HIS DESIGNEE, PURSUANT TO AB 982 (SKINNER), TO EXECUTE A MEMORANDUM OF AGREEMENT BETWEEN THE CALIFORNIA STATE LANDS COMMISSION AND THE UNITED STATES DEPARTMENT OF THE INTERIOR, ACTING BY AND THROUGH THE BUREAU OF LAND MANAGEMENT, RELATING TO LAND EXCHANGES TO CONSOLIDATE SCHOOL LAND PARCELS INTO CONTIGUOUS HOLDINGS SUITABLE FOR RENEWABLE ENERGY PROJECTS**

**PARTIES:**

California State Lands Commission

United States Department of the Interior, Bureau of Land Management

**AREA, TYPE LAND AND LOCATION:**

School land parcels located in the California desert as described in Section 1781 of Title 43 of the United State Code, also known as the California Desert Conservation Area (CDCA).

**BACKGROUND:**

The California State Lands Commission (Commission) manages hundreds of thousands of acres of school lands for the benefit of the State Teachers Retirement System (STRS). In 2011, the California Legislature enacted, and the Governor signed, Chapter 485, Statutes of 2011 (AB 982, Skinner) directing the Commission to enter into a Memorandum of Agreement (MOA) with the United States Department of the Interior, acting by and through the Bureau of Land Management (BLM) to facilitate the exchange of school lands in the CDCA for the purpose of consolidating school land parcels into contiguous holdings to promote and facilitate renewable energy projects.

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Legislation and policy directives on both the federal and State level have established the development of renewable and clean energy sources as a high priority. These shared directives have fostered a cooperative and collaborative relationship between a great number of agencies, both federal and State. The California Department of Fish and Game (CDFG), the California Energy Commission (CEC), the BLM, and the United States Fish and Wildlife Service (USFWS), collectively known as the Renewable Energy Action Team Agencies (REAT Agencies), have entered into a Memorandum of Understanding (REAT MOU). The purpose of this REAT MOU is to facilitate the development of renewable energy projects in the desert regions of southern California in an environmentally responsible manner.

To this end, the REAT Agencies are in the process of developing the Desert Renewable Energy Conservation Plan (DRECP). The dual goals of the DRECP are to identify optimal sites for the development of renewable energy projects and to identify areas with high conservation values for long-term environmental protection. Recognizing that these goals furthered common directives, the Commission entered into the REAT MOU in September 2011. The Commission manages approximately 322,000 acres of School Lands within the DRECP Planning Area. However, a significant portion of these lands are fragmented and isolated within national parks, preserves, monuments, and forests.

The current situation provides a unique opportunity for the Commission to benefit from the significant surveys and studies already being conducted in the DRECP Planning Area to identify opportunities to maximize income derived from School Lands. The proposed MOA, aims to facilitate land exchanges between BLM and the Commission. Such exchanges benefit the State by exchanging fragmented and isolated parcels for unified, contiguous parcels with greater income potential allowing the State to obtain lands that can potentially generate revenue in exchange for School Lands that are currently wholly within National Parks, National Monuments and Federal Wilderness areas and are unusable at this time. The exchanges intended under this MOA will further the goals of the Governor's Executive Order S-14-08 by facilitating the development of renewable energy facilities.

**STATUTORY AND OTHER REFERENCES:**

- A. Ch. 485, Statutes of 2011, AB 982-Skinner

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**PROPOSED MEMORANDUM OF AGREEMENT:**

The proposed MOA would formalize the working relationship between the Commission and BLM and provide for inter-agency cooperation to enter into land exchanges in the CDCA. The principles of this MOA are:

- BLM's objective is to acquire School Lands within the national parks, national monuments, and federal wilderness areas within the CDCA.
- The Commission's objective is to obtain federal lands suitable for siting utility-scale renewable energy projects or which otherwise have potential to generate revenue for STRS.
- The Parties to the MOA agree to use the DRECP data and any other resources to expedite the process of identifying parcels for exchange.
- All parcels to be exchanged shall include the underlying mineral estates.

Although Chapter 485 directs the Commission to propose acre-for-acre exchanges, BLM has no authority to enter into such exchanges. Accordingly, all exchanges will follow required federal and State regulations and procedures for land exchanges.

The Commission is directed by Chapter 485 to prepare and submit a proposal for one or more exchanges within 240 days of the execution of this MOA. If the parties mutually agree to proceed with a proposed exchange, the parties will enter into a nonbinding agreement to initiate a land exchange. After all necessary studies, appraisals, and reports have been completed, each party will have an opportunity to review the exchange prior to entering into any binding agreements. This review period will provide Commission staff an opportunity to analyze the agreement and make a recommendation to the Commission for its consideration of any proposed exchange.

**OTHER PERTINENT INFORMATION:**

1. The Staff recommends that the Commission find that the subject authorization to execute a Memorandum of Agreement does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

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**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the subject authorization to execute a Memorandum of Agreement is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

**AUTHORIZATION:**

1. Authorize the Executive Officer or his designee to execute a Memorandum of Agreement between the United States Department of the Interior, acting by and through the Bureau of Land Management, and the California State Lands Commission, relating to land exchanges to consolidate school land parcels into contiguous holdings suitable for renewable energy projects, in substantially the form as on file in the Sacramento office of the Commission.
  
2. Authorize the Executive Officer or his designee the authority to enter into a nonbinding agreement to initiate a land exchange, provided that the Commission retains the full discretion to approve or disapprove any binding agreement to exchange lands under this Memorandum of Agreement.