

**CALENDAR ITEM
C74**

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S 2

04/20/17
PRC 6618.2
C. Hudson

GENERAL LEASE – GRAZING USE

APPLICANT:

WHR, Inc.

PROPOSED LEASE:

AREA, LAND TYPE, AND LOCATION:

Approximately 249.89 acres, more or less, of State-owned Indemnity school lands located within portions of Sections 2, 3, 4, 9, and 10, Township 11 North, Range 9 West, MDM, near Cloverdale, Sonoma County.

AUTHORIZED USE:

Livestock grazing.

LEASE TERM:

10 years, beginning February 6, 2017.

CONSIDERATION:

\$1,044 per year, with an annual Consumer Price Index adjustment.

SPECIFIC LEASE PROVISIONS:

1. Liability insurance in an amount no less than \$1,000,000 per occurrence.
2. Number of animals permitted on the Lease Premises is restricted to those that can be supported by vegetation.
3. Lessee must exercise good grazing practices to avoid overgrazing by livestock.

STATE'S BEST INTERESTS ANALYSIS:

On February 5, 2007, the Commission authorized a 10-year General Lease – Grazing Use to WHR, Inc. for livestock grazing ([Calendar Item C30, February 5, 2007](#)). The lease expired on February 5, 2017. The Applicant submitted an application for grazing use of State-owned Indemnity school lands.

CALENDAR ITEM NO. **C74** (CONT'D)

The proposed lease is limited to a 10-year term, does not alienate the State's fee simple interest, and does not grant the lessee exclusive rights to the lease premises. The number of animals permitted on the lease premises is restricted to those that can be supported by the forage available on this ephemeral range area, taking into consideration forage reserved for necessary wildlife use. The lease also requires the lessee to use good grazing practices to avoid overgrazing of the lease premises. Commission staff may at any time during the lease term make an analysis of forage conditions utilizing accepted range management practices. The lease requires the lessee to insure and indemnify the State for any liability incurred as a result of the lessee's activities hereon. The lease requires the lessee to maintain the land at no expense of the State. The lease also requires the payment of annual rent, generating revenue for the California State Teachers' Retirement System, consistent with the School Land Bank Act. For the reasons stated above, Commission staff believes issuance of this lease is in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. School lands were granted to the State of California by the federal government under the Act of March 3, 1853 (ch. 145, 10 Stat. 244), and consisted of the 16th and 36th sections in each township (with the exception of lands reserved for public use, lands taken by private land claims, and lands known to be mineral in character). In cases of preemption, due to the exceptions described above, the State was given the opportunity to select replacement lands from the United States in lieu of a Section 16 or a Section 36. These replacement lands are now known as Indemnity school lands or lieu lands.
2. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation and responsible economic use of the lands and resources under the Commission's jurisdiction and Strategy 2.1 to optimize returns for the responsible development and use of State lands and resources, both onshore and offshore.
3. Staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 4, Minor Alteration to Land; California Code of Regulations, title 2, section 2905, subdivision (d)(1).

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

CALENDAR ITEM NO. **C74** (CONT'D)

4. This activity involves lands which have NOT been identified as possessing significant environmental values 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 upon 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. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 4, Minor Alteration to Land; California Code of Regulations, title 2, section 2905, subdivision (d)(1).

STATE'S BEST INTERESTS FINDING:

Find that the proposed lease is in the best interests of the State.

AUTHORIZATION:

Authorize issuance of a General Lease – Grazing Use to WHR, Inc., beginning February 6, 2017, for a term of 10 years, for livestock grazing on 249.89 acres, more or less, of State-owned Indemnity school lands described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; annual rent in the amount of \$1,044 per year, with an annual Consumer Price Index adjustment; and liability insurance in an amount no less than \$1,000,000 per occurrence.

EXHIBIT A

PRC 6618.2

LAND DESCRIPTION

Two parcels of California State lieu lands in Sonoma County, California and described as follows:

PARCEL 1

Lots, 17, 18, 19, 20 and 21 in Section 2, T11N, R9W, MDM

PARCEL 2

Minerals Lots 37, 45, 46, 47 and 48 lying within Sections 3, 4, 9 and 10, T11N, R9W, MDM.

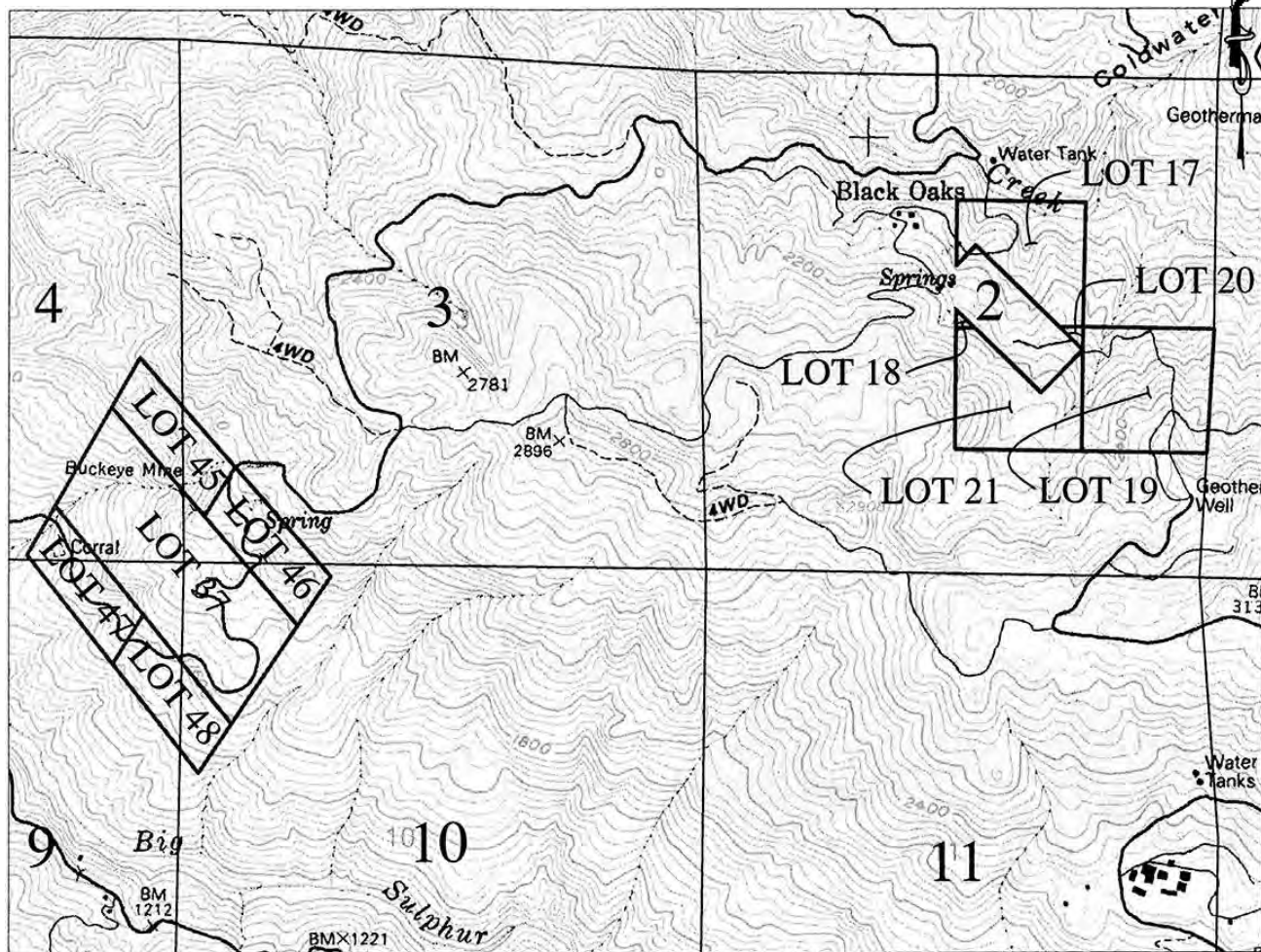
END OF DESCRIPTION

PREPARED 1/30/17 BY THE CALIFORNIA STATE LANDS COMMISSION BOUNDARY UNIT



NO SCALE

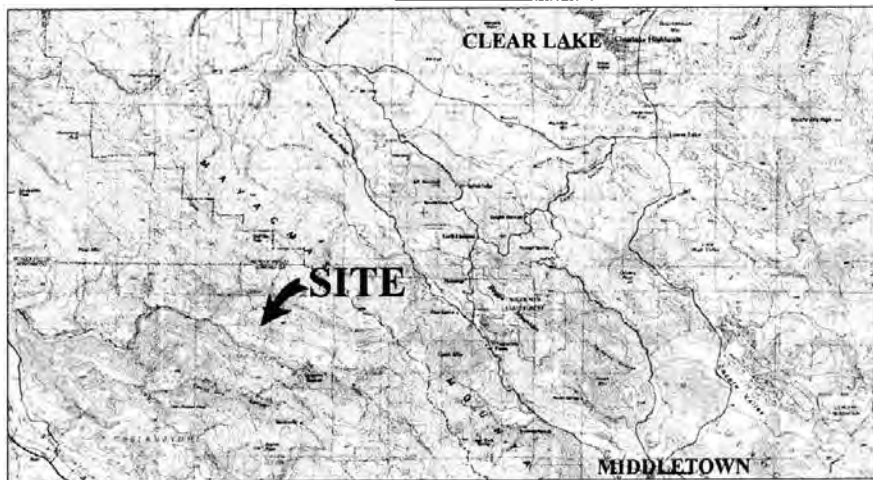
SITE



PORTIONS OF SECTIONS 2, 3, 4, 9, AND 10 T11N, R9W, MDM

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

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.

Exhibit B

PRC 6618.2
WHR INC.
GENERAL LEASE -
GRAZING USE
MAYACMAS MOUNTAINS
SONOMA COUNTY



MDT 1/30/17