

**STAFF REPORT  
C74**

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**AMENDMENT OF OFFER TO PURCHASE REAL ESTATE  
IN THE COUNTY OF SAN BERNARDINO AND  
ACCEPTANCE OF OFFER TO PURCHASE**

**PARTIES:**

California State Lands Commission

Barstow Spanish Trail, LLC, a California limited liability company

**BACKGROUND:**

At its meeting of August 17, 2017, acting as the trustee of the School Land Bank Fund, the Commission authorized the Executive Officer or her designee to execute the document entitled "Offer to Purchase Real Estate in the County of San Bernardino and Acceptance of Offer to Purchase" (Offer) between the Commission and Barstow Spanish Trail, LLC, a California limited liability company (Applicant) ([Item C67, August 17, 2017](#)). The Offer includes a provision that allows either party to terminate the agreement without penalty until August 1, 2018. Due to unforeseen circumstances, the closing of the sale has been delayed. The Applicant has requested an amendment to the Offer that would extend the date that allows either party to terminate the agreement without penalty to December 31, 2018. The extension is necessary for the Applicant to obtain financing for the purchase.

**STATE'S BEST INTEREST ANALYSIS:**

The amendment to the Offer provides the necessary time and assurances to complete the transaction. Proceeds from the sale will be deposited into the State Treasury to the credit of the School Land Bank Fund pursuant to Public Resources Code section 6217.7. Properties may be acquired with monies from the Fund that would be managed for revenue-generating purposes with net revenues deposited in the State Treasury to the credit of the California Teachers' Retirement Fund, which benefits the State Teachers' Retirement System, consistent with the School Land Bank Act. For this reason, staff believes authorization of the amendment to the Offer is in the best interests of the State.

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**OTHER PERTINENT INFORMATION:**

1. 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.
2. The authorization to amend the "Offer to Purchase Real Estate in San Bernardino County and Acceptance of Offer to Purchase" is not a project as defined by the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**STATE'S BEST INTERESTS FINDING:**

Find that the authorization for the Executive Officer (or her designee) to amend the Offer to Purchase Real Estate in San Bernardino County and Acceptance of Offer to Purchase is in the best interests of the State.

**AUTHORIZATION:**

1. Find that the Commission is acting as the School Land Bank Trustee.
2. Authorize the Executive Officer, or her designee, with the written agreement of Barstow Spanish Trail, LLC, a California limited liability company, to amend the "Offer to Purchase Real Estate in the County of San Bernardino and Acceptance of Offer to Purchase" previously authorized by the Commission to extend the date that allows either party to terminate the agreement without penalty from August 1, 2018 to December 31, 2018.