

**STAFF REPORT
C65**

A 35
S 17

12/03/18
PRC 5672.2
C. Hudson

GENERAL LEASE – GRAZING USE

APPLICANT:

Bidart Livestock, Inc.

PROPOSED LEASE:

AREA, LAND TYPE, AND LOCATION:

Approximately 200 acres, more or less, of State-owned lieu land located in a portion of Section 15, Township 31 South, Range 21 East, MDM, south of McKittrick, San Luis Obispo County.

AUTHORIZED USE:

Cattle grazing, and the use and maintenance of an existing access road, drift fence, water pipeline, and water troughs.

LEASE TERM:

10 years, beginning February 1, 2019.

CONSIDERATION:

\$600 per year, with an annual Consumer Price Index adjustment.

SPECIFIC LEASE PROVISIONS:

- Liability insurance in an amount no less than \$1,000,000 per occurrence.
- The number of animals permitted on the lease premises is restricted to those that can be supported by vegetation.
- Applicant must exercise good grazing practices to avoid overgrazing by livestock.

STAFF ANALYSIS AND RECOMMENDATION:

Authority:

Public Resources Code sections 6005, 6216, 6217.5, 6501.1, 6503, and 6505.5; California Code of Regulations, title 2, sections 2000 and 2003.

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State's Best Interests Analysis:

On August 11, 2009, the Commission authorized a 10-year General Lease – Grazing Use, effective February 1, 2009, to Bidart Bros. for cattle grazing and the use and maintenance of an existing access road, drift fence, water pipeline, and water troughs ([Item C20, August 11, 2009](#)). The lease will expire on January 31, 2019. The Applicant submitted an application for grazing use of State-owned lieu land. The Applicant has since changed the company's name from Bidart Bros. to Bidart Livestock, Inc. 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 lease requires the lessee to insure and indemnify the State for any liability incurred as a result of the lessee's activities hereon. The lessee is required to use good grazing practices to avoid overgrazing of the lease premises. Staff may at any time during the lease term make an analysis of forage conditions utilizing accepted range management practices. The number of animals permitted on the lease premises is restricted to those that can be supported by the forage available in this ephemeral range area taking into consideration forage reserved for necessary wildlife use. The lease requires the lessee to maintain the land at no expense to the State. The lease also requires the payment of annual rent, generating revenue for the California State Teachers' Retirement System, consistent with Public Resources Code section 6217.5.

Climate Change:

As stated in *Safeguarding California Plan: 2018 Update* (California Natural Resources Agency 2018), climate change is projected to increase the frequency and severity of natural disasters related to flooding, fire, drought, extreme heat, and storms. The lease premises and surrounding land may be vulnerable to these weather events; however, the lease requires the lessee to maintain the land in a manner that does not contribute to the projected climate change effects. Therefore, regular maintenance within the lease premises will help minimize the threat of natural disasters.

Conclusion:

For the reasons stated above, staff believes issuance of this lease is in the best interests of the State.

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

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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. **Cattle Grazing:** 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).
3. **Existing Facilities (access road, drift fence, water pipeline, and water troughs):** Staff recommends that the Commission find that this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

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

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Cattle Grazing: 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).

Existing Facilities (access road, drift fence, water pipeline, and water troughs): 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 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

STATE'S BEST INTERESTS FINDING:

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

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AUTHORIZATION:

Authorize issuance of a General Lease – Grazing Use to Bidart Livestock, Inc. beginning February 1, 2019, for a term of 10 years, for cattle grazing, and the use and maintenance of an existing access road, drift fence, water pipeline, and water troughs as 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 \$600, with an annual Consumer Price Index adjustment; and liability insurance in an amount no less than \$1,000,000 per occurrence.

EXHIBIT A

PRC 5672.2

LAND DESCRIPTION

Parcels of state school (lieu) lands situate in San Luis Obispo County, described as follows:

The NW $\frac{1}{4}$ of NW $\frac{1}{4}$, SE $\frac{1}{4}$ of NW $\frac{1}{4}$, SW $\frac{1}{4}$ of NE $\frac{1}{4}$, NE $\frac{1}{4}$ of SE $\frac{1}{4}$, and SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 15, T31S, R21E, MDM, as shown on official U.S. Government Plat approved August 25, 1874.

END OF DESCRIPTION

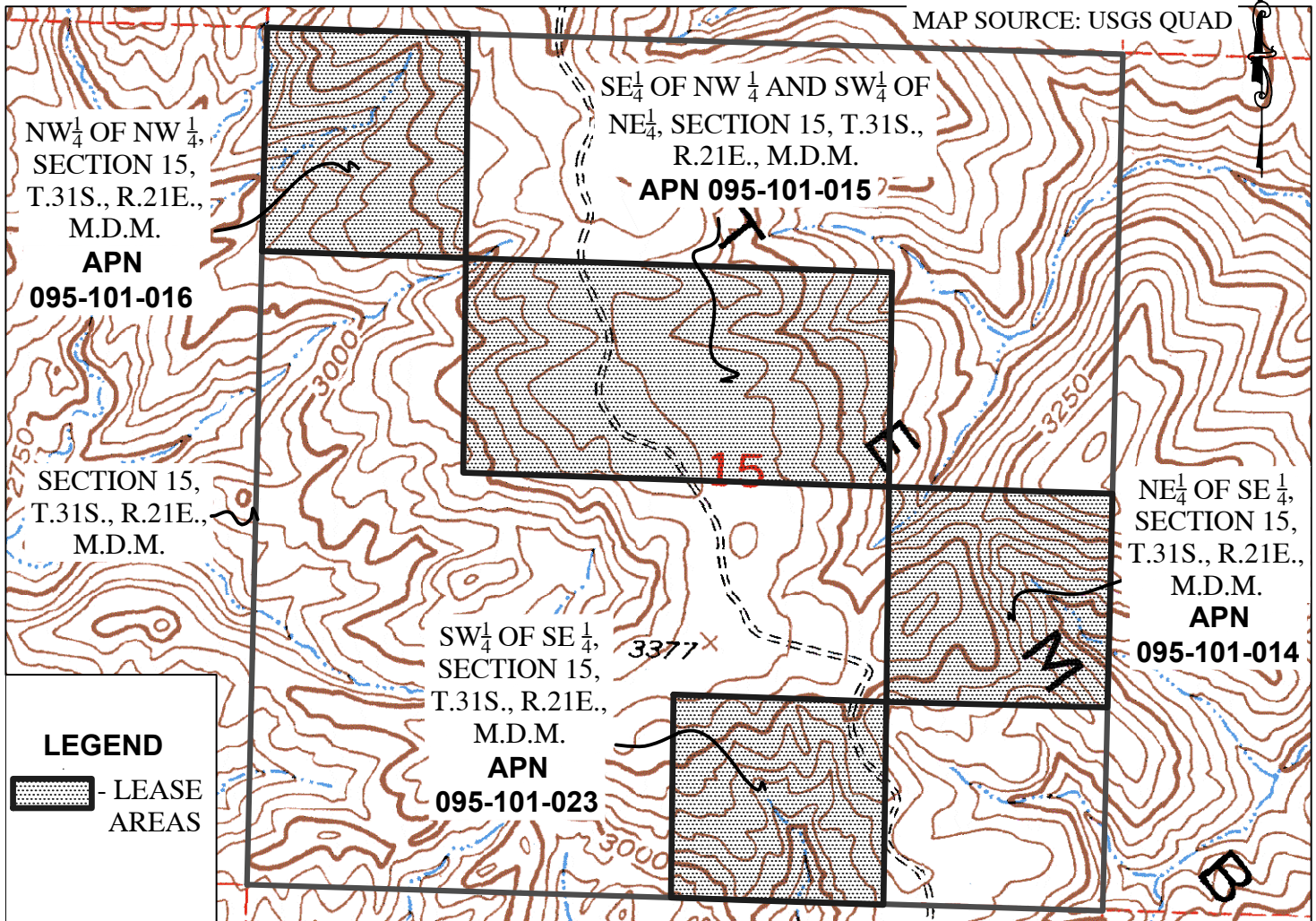
Prepared August 30, 2018 by the California State Lands Commission Boundary Unit.



NO SCALE

SITE

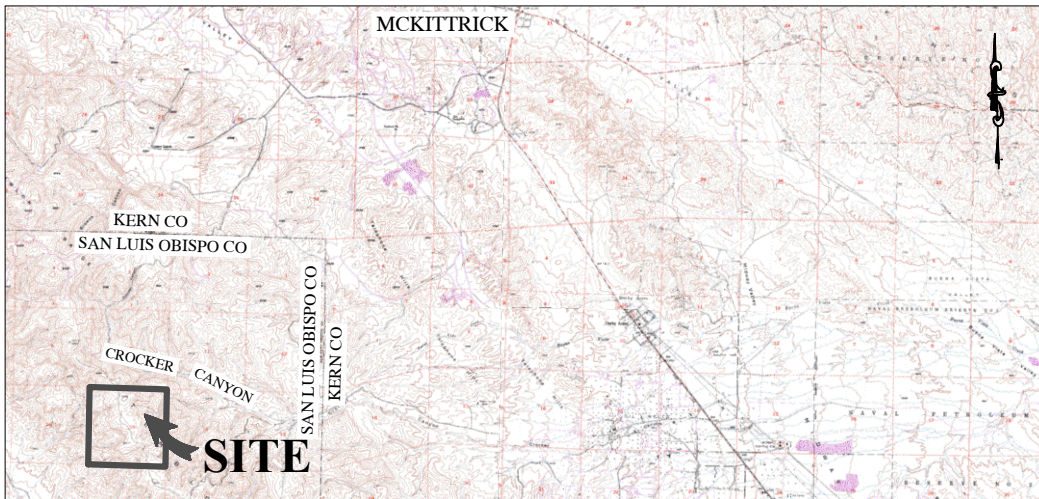
MAP SOURCE: USGS QUAD



STATE SCHOOL (LIEU) LANDS
 NW $\frac{1}{4}$ OF NW $\frac{1}{4}$, SE $\frac{1}{4}$ OF NW $\frac{1}{4}$, SW $\frac{1}{4}$ OF NE $\frac{1}{4}$, NE $\frac{1}{4}$ OF SE $\frac{1}{4}$, AND
 SW $\frac{1}{4}$ OF SE $\frac{1}{4}$ OF SECTION 15, T.31S., R.21E., M.D.M.

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

PRC 5672.2
 BIDART LIVESTOCK, INC.
 APNs 095-101-014, 095-101-015,
 095-101-016, 095-101-023
 GENERAL LEASE -
 GRAZING USE
 SAN LUIS OBISPO COUNTY



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.