

## STAFF REPORT

**37**

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W 27211

J. Porter

### GENERAL LEASE – RIGHT-OF-WAY USE

#### APPLICANT:

Sierra Pacific Industries

#### PROPOSED LEASE:

##### *AREA, LAND TYPE, AND LOCATION:*

6.6 acres, more or less, of State-owned school land located in portions of Section 36, Township 36 North, Range 4 West and Section 36, Township 36 North, Range 5 West, MDM, northeast of Lakehead, Shasta County.

##### *AUTHORIZED USE:*

Construction, use, and maintenance of two access roads.

##### *LEASE TERM:*

20 years, beginning December 6, 2019.

##### *CONSIDERATION:*

\$503 per year, with an annual Consumer Price Index adjustment; and a one-time payment of \$9,943 as compensation for the market value of the timber that will be harvested on the State-owned land as part of the construction activity.

##### *SPECIFIC LEASE PROVISIONS:*

- Insurance: Liability insurance in an amount no less than \$1,000,000 per occurrence.
- Lessee will take all reasonable and necessary actions to prevent, suppress, and control fires on the Lease Premises.
- No herbicidal chemical may be used for vegetation control without the prior written consent of the Lessor's staff.

#### STAFF ANALYSIS AND RECOMMENDATION:

##### **Authority:**

Public Resources Code sections 6005, 6216, 6217.5, 6501.1, and 6503; and 8701, et seq.; California of Regulations, title 2, sections 2000 and 2003.

## STAFF REPORT NO. 37 (CONT'D)

### **State's Best Interests Analysis:**

The Applicant owns land adjacent to two parcels of State-owned school land and has received approvals from the Department of Forestry and Fire Protection to conduct two timber harvests on its land. The Applicant does not currently have physical access to its land and is applying for a General Lease – Right-of-Way Use on the two State-owned school land parcels for the construction, use, and maintenance of two access roads. Some trees will need to be removed in order to construct the access roads. The Applicant will reimburse the State for the timber that is harvested within the area of the two roads. No other State-owned timber will be harvested. The proposed lease is limited to a 20-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 Applicant to insure and indemnify the State for any liability incurred as a result of the lessee's activities on the lease premises and to maintain the roads at its sole expense. The lease requires the payment of annual rent and a one-time payment for the timber harvested on the State's property, 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 proposed lease area is forested land with moderate to high vegetation fuels and is vulnerable to the above events, including flash flooding from thunderstorms and wildland fires. The 2018 Hirz Fire burned through the Bass Canyon Timber Harvest Plan (THP) area, and 90 percent of the forest stand is dead or likely to die within the next year. This could increase the leased area's vulnerability to flooding, erosion, and bank destabilization from winter storms, and therefore the THP provides measures to address runoff and erosion. The lease premises and surrounding land will continue to be vulnerable to these weather events; however, these projected climate change effects have been evaluated and measures adopted to minimize the effect on the uses of the lease premises (forest roads).

Furthermore, the Applicant will be responsible for any damage, destruction, or loss occurring to the State lands within the lease premises caused by the Applicant, and will indemnify and hold the State harmless for any damage, destruction, or loss occurring as a result of acts authorized by this lease.

## STAFF REPORT NO. 37 (CONT'D)

### **Conclusion:**

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

### **OTHER PERTINENT INFORMATION:**

1. Approval or denial of the application is a discretionary action by the Commission. Each time the Commission approves or rejects a use of State-owned school land, it exercises legislatively delegated authority and responsibility as trustee of the State's school lands as authorized by law. If the Commission denies the application, the Applicant would have no right to a lease. Upon expiration or prior termination of the lease, the lessee would have no right to a new lease or to renewal of any previous lease.
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, reservation 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. The California Department of Forestry and Fire Protection (CDF) prepared an environmental document pursuant to its certified regulatory program (Cal. Code Regs., tit. 14, § 15251, subd. (a)) and granted Permit Nos. 2-18-017-SHA and 2-18-026-SHA for this project on May 23, 2018, and July 26, 2019, respectively.
4. Staff has reviewed the documents and determined that the conditions, as specified in the California Code of Regulations, title 14, section 15253, subdivision (b), have been met for the Commission to use these documents for its compliance with the California Environmental Quality Act (CEQA).
5. The value of the timber to be harvested on the State-owned land was independently reviewed and approved by a California licensed forester.
6. This activity involves lands identified as possessing significant environmental values nominated by California Department of Fish and Wildlife pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon participation from the agency nominating such lands through the Timber Harvest Plan review and permitting process, it is staff's opinion that the project, as proposed, is consistent with its use classification.

STAFF REPORT NO. **37** (CONT'D)

**APPROVALS OBTAINED:**

California Department of Fish and Wildlife  
California Department of Forestry and Fire Protection  
California Department of Conservation – California Geological Survey  
California State Water Resources Control Board – Central Valley Region

**EXHIBITS:**

- A-1. Land Description
- A-2. Land Description
- B-1. Site and Location Map
- B-2. Site and Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that CDF Permit Nos. 2-18-017-SHA and 2-18-026-SHA (the environmental documents), prepared for this project and adopted on May 23, 2018, and July 26, 2019, respectively, by CDF pursuant to its certified regulatory program (Cal. Code Regs., tit. 14, § 15251, subd. (a)), are substitute documents as provided by the California Code of Regulations, title 14, section 15252, subdivision (a), and that the Commission has reviewed and considered the information therein.

Find that the conditions described in the California Code of Regulations, title 14, section 15253, subdivision (b), have been met for the Commission, acting as a responsible agency, to use the environmental documents to comply with the requirements of CEQA (Cal. Code Regs., tit. 14, § 15096).

Determine that the project, as approved, will not have a significant effect on the environment.

**STATE'S BEST INTERESTS:**

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

**SIGNIFICANT LANDS INVENTORY FINDING:**

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

STAFF REPORT NO. **37** (CONT'D)

**AUTHORIZATION:**

Authorize issuance of a General Lease – Right-of-Way Use to the Applicant beginning December 6, 2019, for a term of 20 years, for construction, use, and maintenance of two access roads, as described in Exhibits A-1 and A-2 and shown on Exhibits B-1 and B-2, attached and by this reference made a part hereof; rent in the amount of \$503 per year, with an annual Consumer Price Index adjustment; additional compensation of \$9,943 as a one-time payment for the market value of timber harvested during construction; and liability insurance in an amount no less than \$1,000,000 per occurrence.

**LAND DESCRIPTION**

A strip of State School Land, fifty (50.00) feet wide, lying twenty-five (25.00) feet on each side of centerline, located in the West Half of Section 36, Township 36 North, Range 4 West, of the Mt. Diablo Base and Meridian, **County of Shasta, State of California**, the centerline of said strip being described as follows:

**Commencing** at a 2 1/2 inch outside diameter stainless steel post with a 3 1/4 inch diameter brass cap stamped "1987" marking the 1/4 section corner of Sections 35 and 36, as described in the Bureau of Land Management field notes for the Dependent Resurvey of Township 36 North, Range 4 West, approved February 5, 1990;

thence along the west line of said Section 36, South 1° 27' 30" East, a distance of 365.85 feet to the **TRUE POINT OF BEGINNING** of this centerline description;

thence, leaving said west line, South 47° 42' 14" East, a distance of 85.81 feet;

thence North 39° 02' 12" East, a distance of 75.98 feet;

thence North 27° 23' 51" East, a distance of 117.73 feet;

thence North 62° 46' 03" East, a distance of 44.58 feet;

thence North 78° 46' 30" East, a distance of 138.20 feet;

thence North 10° 34' 47" East, a distance of 117.53 feet;

thence North 4° 38' 42" East, a distance of 124.48 feet;

thence North 18° 33' 15" East, a distance of 59.50 feet;

thence North 31° 59' 45" East, a distance of 87.00 feet;

thence North 4° 39' 54" West, a distance of 53.84 feet;

thence North 6° 28' 28" West, a distance of 99.99 feet;

thence North 2° 50' 22" East, a distance of 39.69 feet;

thence North 28° 23' 32" West, a distance of 65.95 feet;

thence North 32° 21' 07" East, a distance of 75.44 feet;  
thence North 14° 36' 34" East, a distance of 44.91 feet;  
thence North 17° 41' 34" West, a distance of 105.67 feet;  
thence North 9° 00' 20" East, a distance of 155.46 feet;  
thence North 37° 47' 36" East, a distance of 101.80 feet;  
thence North 0° 39' 37" West, a distance of 88.37 feet;  
thence North 18° 16' 27" East, a distance of 243.78 feet;  
thence North 34° 39' 00" East, a distance of 131.30 feet;  
thence North 45° 12' 56" East, a distance of 193.73 feet;  
thence North 50° 02' 53" East, a distance of 109.40 feet;  
thence North 70° 05' 32" East, a distance of 92.83 feet;  
thence North 64° 54' 54" East, a distance of 135.31 feet;  
thence North 71° 46' 51" East, a distance of 136.10 feet;  
thence North 83° 01' 55" East, a distance of 105.49 feet;  
thence North 77° 41' 02" East, a distance of 59.59 feet;  
thence North 35° 17' 00" West, a distance of 122.51 feet;  
thence North 24° 21' 13" West, a distance of 80.87 feet;  
thence North 32° 37' 22" West, a distance of 82.19 feet;  
thence North 26° 54' 45" West, a distance of 53.24 feet;  
thence North 11° 42' 33" West, a distance of 94.10 feet;  
thence North 1° 24' 52" West, a distance of 70.95 feet;  
thence North 48° 04' 38" East, a distance of 151.07 feet;

thence North 0° 35' 46" East, a distance of 125.18 feet;

thence North 2° 36' 50" West, a distance of 148.04 feet;

thence North 18° 31' 35" East, a distance of 135 feet, more or less, to the north line of said Section 36 and the TERMINUS of this centerline description.

The sidelines of this strip being prolonged or shortened to begin on the west line of Section 36 and terminate of the north line of Section 36.





EXHIBIT A-2

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LAND DESCRIPTION

All that portion of a strip of State School Land, fifty (50.00) feet wide, lying twenty-five (25.00) feet on each side of centerline, located in the Northeast Quarter of Section 36, Township 36 North, Range 5 West, of the Mt. Diablo Base and Meridian, **County of Shasta, State of California**, the centerline of said strip being described as follows:

**Commencing** at a 2 1/2 inch outside diameter aluminum post with a 3 1/4 inch diameter aluminum cap stamped "1985" marking the corner of Sections 25 and 36, T.36N., R5W., and the corner of Sections 30 and 31, T.36N., R.4W., as described on that certain map filed July 17, 2017 in the office of the Shasta County Recorder in Book 59 of Land Surveys, page 31;

thence along the north line of said Section 36, South 88° 45' 30" West, a distance of 1376.24 feet to the **TRUE POINT OF BEGINNING** of this centerline description;

thence, leaving said north line, South 46° 55' 57" East, a distance of 76.09 feet;

thence South 41° 51' 22" East, a distance of 86.23 feet;

thence South 42° 36' 13" East, a distance of 34.02 feet;

thence South 32° 24' 58" East, a distance of 99.52 feet;

thence North 72° 51' 03" East, a distance of 46.41 feet;

thence South 82° 09' 09" East, a distance of 58.86 feet;

thence South 58° 18' 48" East, a distance of 91.99 feet;

thence South 61° 16' 34" East, a distance of 65.29 feet;

thence North 75° 09' 01" East, a distance of 72.30 feet;

thence North 6° 59' 11" East, a distance of 62.58 feet;

thence North 11° 33' 12" East, a distance of 43.81 feet;

thence North 16° 55' 20" East, a distance of 53.22 feet;

thence North 8° 50' 20" East, a distance of 45.10 feet;

thence North 13° 30' 37" East, a distance of 46.99 feet to POINT "A", hereinafter referenced;

thence North 26° 57' 34" East, a distance of 41.12 feet;

thence North 82° 27' 51" East, a distance of 39.56 feet;

thence South 70° 52' 44" East, a distance of 28.39 feet;

thence South 74° 43' 17" East, a distance of 147.90 feet;

thence South 49° 55' 58" East, a distance of 127.26 feet;

thence South 74° 49' 10" East, a distance of 40.24 feet;

thence North 74° 00' 05" East, a distance of 44.18 feet;

thence North 61° 58' 11" East, a distance of 115.84 feet;

thence North 55° 28' 39" East, a distance of 43.06 feet;

thence North 66° 52' 11" East, a distance of 60.98 feet;

thence North 84° 52' 36" East, a distance of 81.51 feet;

thence North 77° 48' 14" East, a distance of 44.98 feet;

thence North 78° 06' 05" East, a distance of 45.68 feet;

thence North 82° 18' 32" East, a distance of 22.75 feet;

thence South 75° 37' 35" East, a distance of 38 feet, more or less, to the east line of Section 36 and the **TERMINUS** of this centerline description.

The sidelines of this strip being prolonged or shortened to begin on the north line of Section 36 and terminate of the east line of Section 36.

**ALSO INCLUDING** a strip of State School Land, fifty (50.00) feet wide, lying twenty-five (25.00) feet on each side of centerline, located in the Northeast Quarter of Section

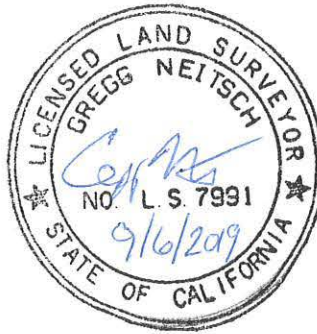
36, Township 36 North, Range 5 West, of the Mt. Diablo Base and Meridian, **County of Shasta, State of California**, the centerline of said strip being described as follows:

**BEGINNING** at hereinbefore described POINT "A";

thence North  $22^{\circ} 42' 08''$  West, a distance of 33.56 feet;

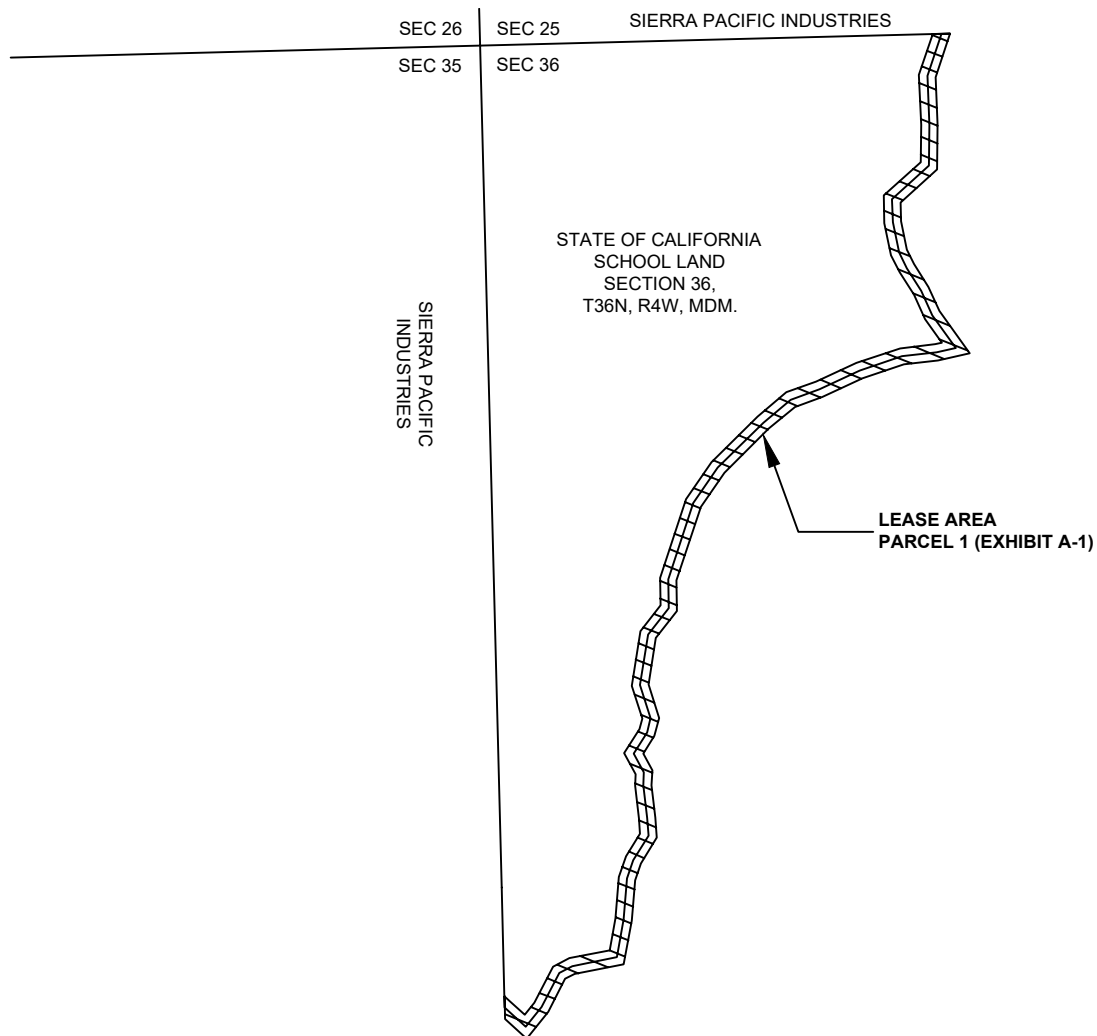
thence North  $52^{\circ} 11' 36''$  West, a distance of 24.08 feet, to the north line of said Section 36 and the **TERMINUS** of this centerline description.

The sidelines of this strip being prolonged or shortened to terminate on the north line of Section 36.



NO SCALE

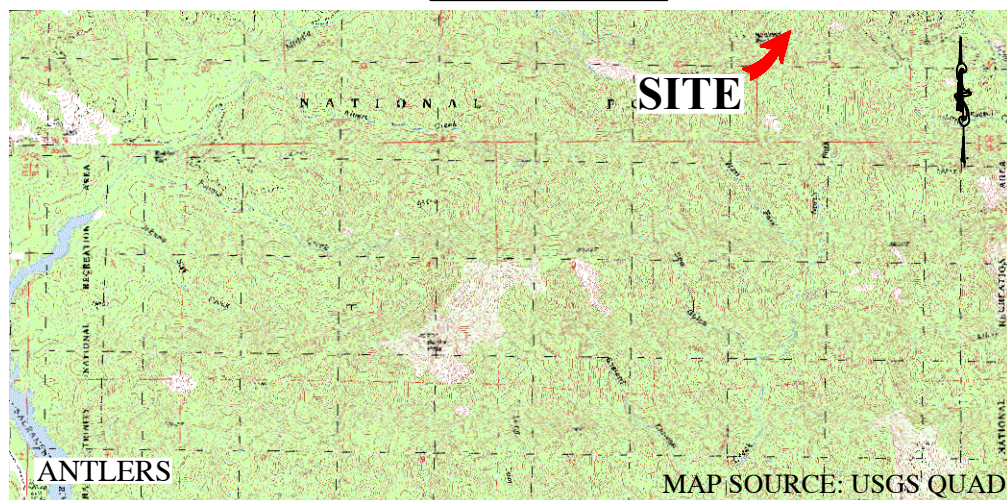
## SITE



PORTION OF SECTION 36, T36N, R4W, MDM.

NO SCALE

## LOCATION



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-1

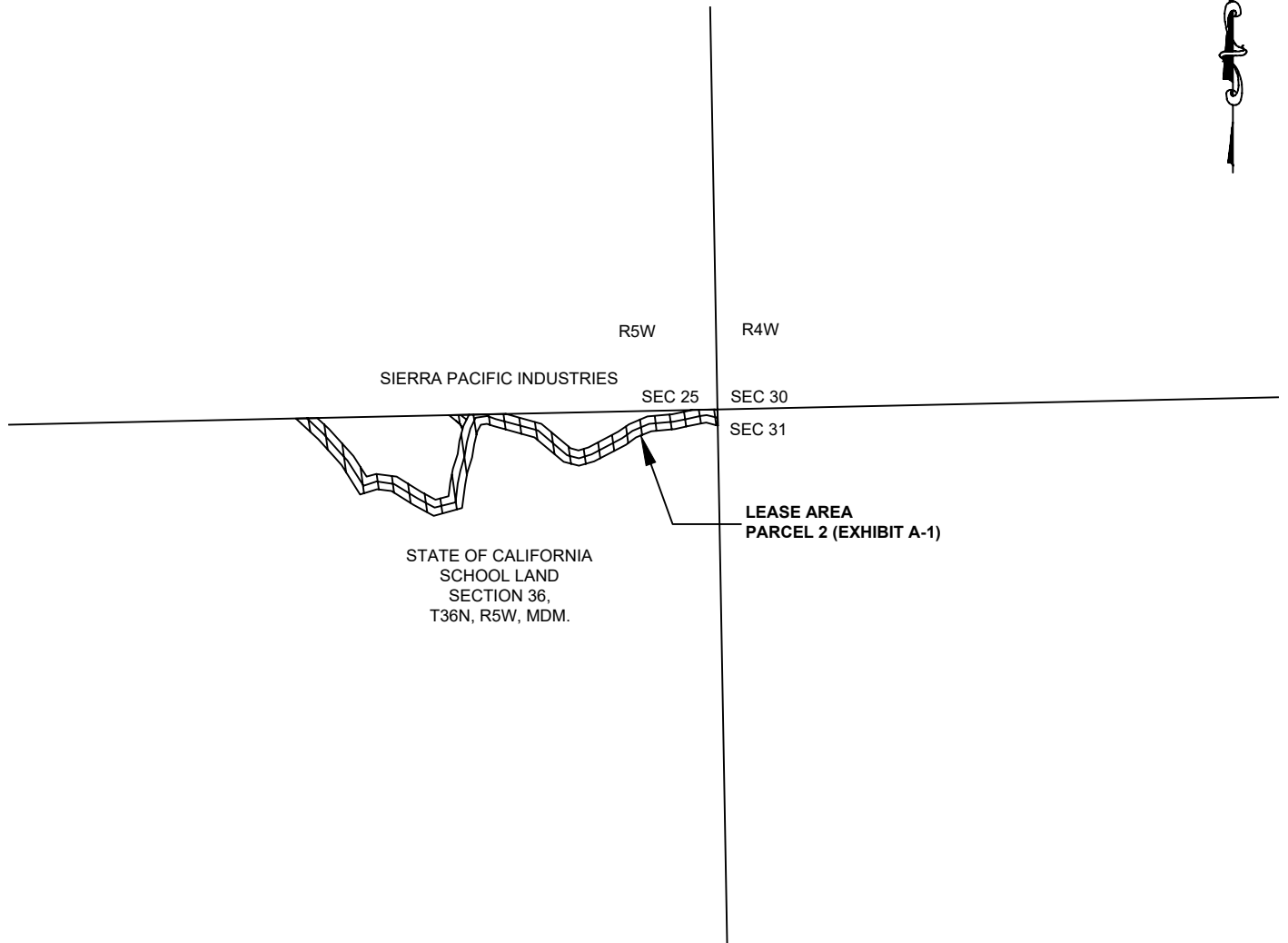
W 27211  
SIERRA PACIFIC INDUSTRIES  
APN 020-180-001  
GENERAL LEASE -  
RIGHT-OF-WAY USE  
SHASTA COUNTY



JAK 9/19

NO SCALE

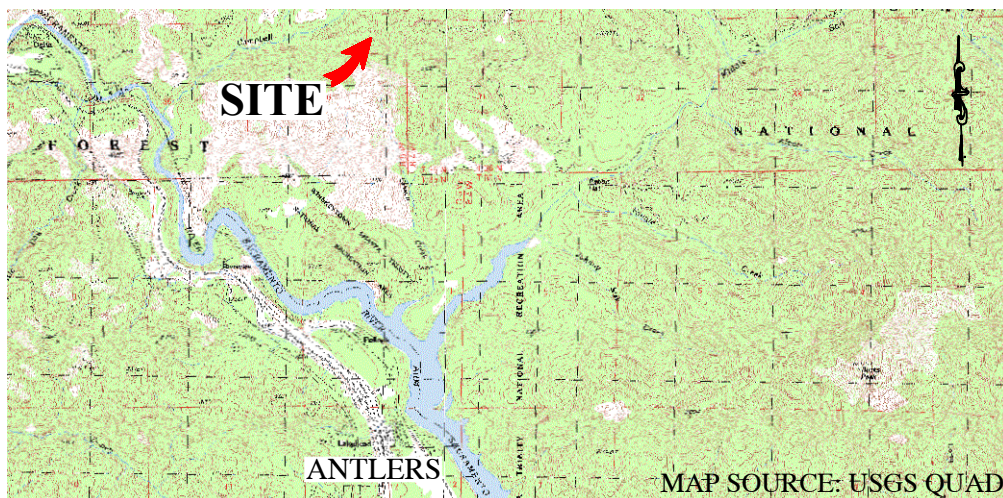
## SITE



PORTION OF SECTION 36, T36N, R5W, MDM.

NO SCALE

## LOCATION



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-2

W 27211  
SIERRA PACIFIC INDUSTRIES  
APN 019-230-001  
GENERAL LEASE -  
RIGHT-OF-WAY USE  
SHASTA COUNTY



JAK 9/19