

# Staff Report 54

## **PARTIES:**

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Heinz Ranch, LLC (Heinz)

Western Land Office, LLC (WLO)

California State Lands Commission (Commission)

## **PROPOSED ACTION:**

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Consideration of the Honey Lake Access and Public Utilities Easement Exchange Agreement

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

Easements benefitting state owned school lands located near Honey Lake in Sections 32, 33, 34, and 35 of Township 28 North, Range 15 East; Sections 3, 4, 9, 13, 14, 15, 23, 25, and 27 of Township 27 North, Range 15 East; and Sections 17, 18, and 20 of Township 27 North, Range 16 East, MDM, Lassen County .

Easements benefitting Heinz Ranch, LLC near Honey Lake in Sections 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 24, and 25 of Township 27 North, Range 15 East; Sections 20, 29, 30, 31, and 32 of Township 27 North, Range 16 East; Section 1 of Township 26 North, Range 15 East; Sections 5 and 6 of Township 26 North, Range 16 East, MDM, Lassen County.

Easements benefitting Western Land, LLC near Honey Lake in Sections 22, 26, 27, 34, and 35 of Township 27 North, Range 15 East, MDM, Lassen County (as shown in Figure 1 and Figure 2).

Figure 1. Location

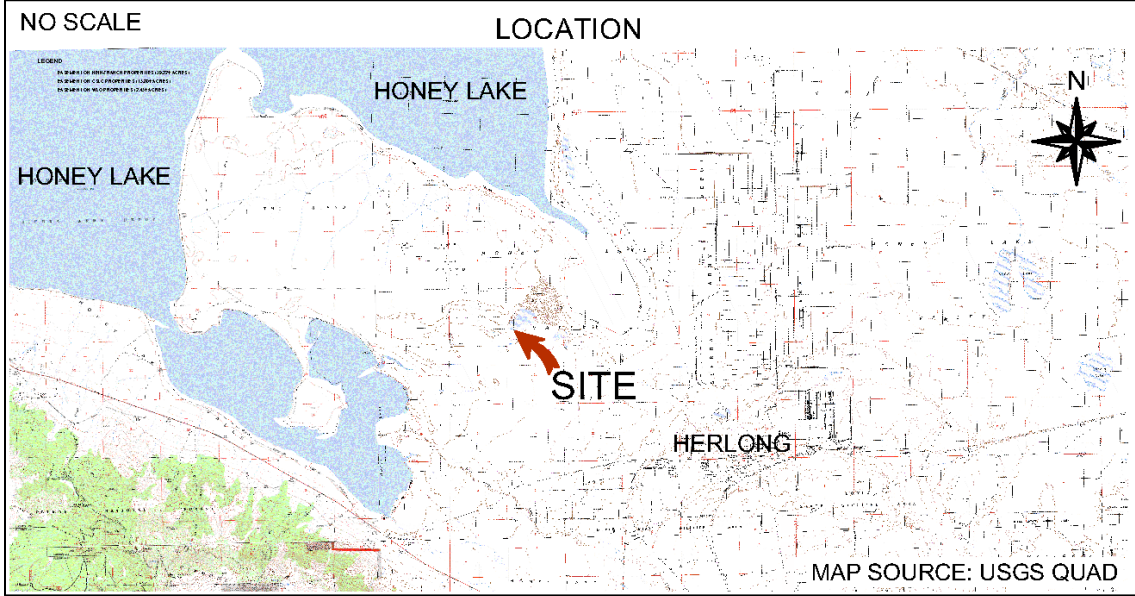
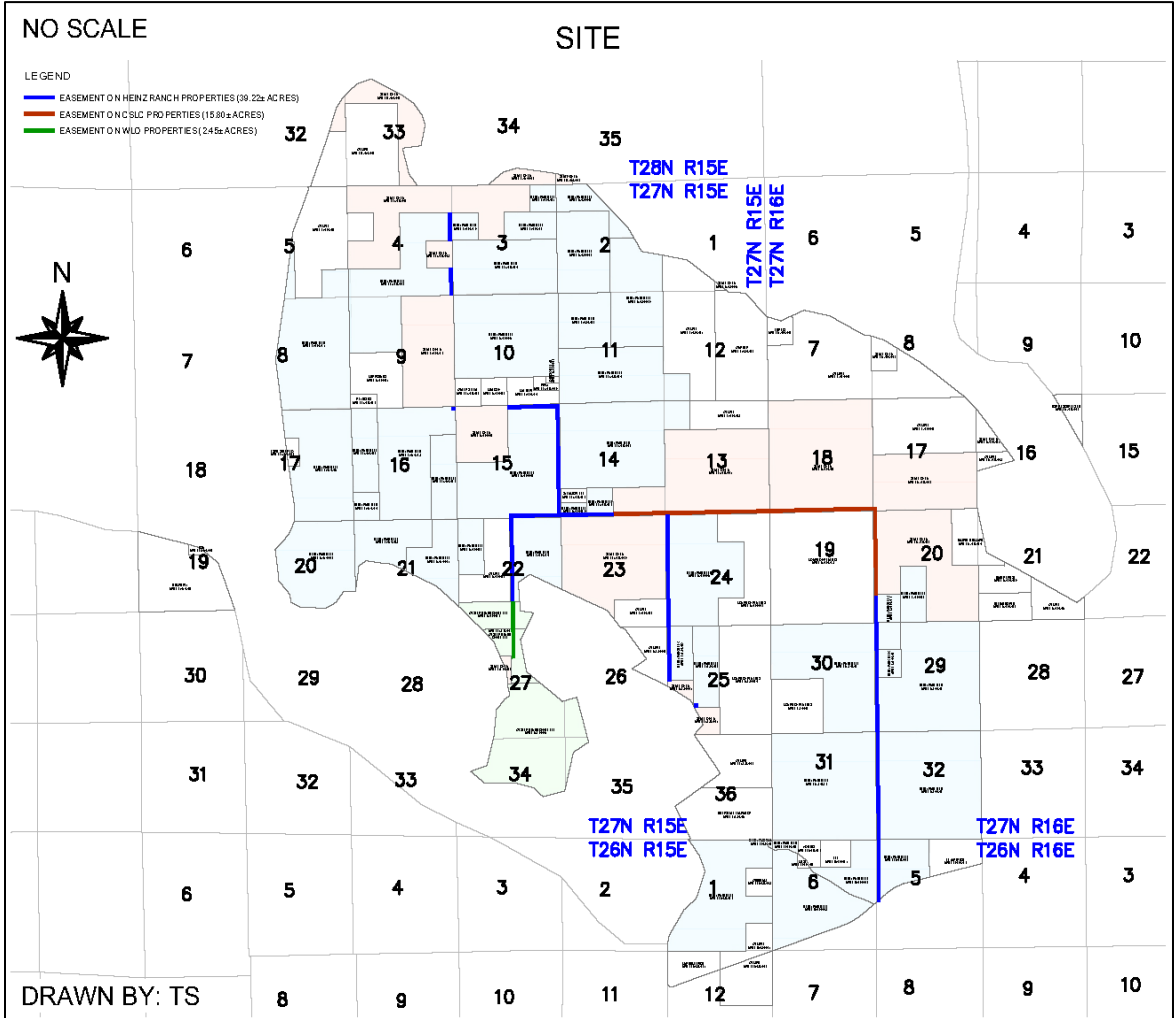


Figure 2. Site Map



NOTE: This depiction of the easements is based on unverified information provided by the Applicant or other parties and is not a waiver or limitation of any State interest in the subject or any other property.

**CONSIDERATION:**

42 acres, more or less, of public and private access and utilities easements located on adjacent privately owned property.

**STAFF ANALYSIS AND RECOMMENDATION:**

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**AUTHORITY:**

Public Resources Code sections 6005, 6216, 7303.5, 8703, 8711.

**STATE'S BEST INTERESTS:**

Heinz and WLO own landlocked private property adjacent to state owned school land parcels near Honey Lake in Lassen County. Many of the Commission's parcels are likewise landlocked by private property. The Parties have proposed an easement exchange, which would benefit all these lands by granting and receiving perpetual nonexclusive easements and rights-of-way over, across, upon, under, and through defined areas of the Parties' parcels for safe and proper public and private vehicular and pedestrian access and transit and access to public utilities.

The proposed Honey Lake Access and Public Utilities Easement Exchange Agreement (Agreement) details the proposed exchange. The Agreement is a reciprocal exchange in which each Party commits to convey to the others perpetual, nonexclusive access easements over portions of parcels described in Exhibits D-F. The Agreement would be fulfilled by recording deeds and patents in a single coordinated closing. The Commission would patent easements over approximately 16 acres of school lands to the Parties, while the Parties would grant easements over approximately 42 acres to the Commission. The easements are 40-foot-wide strips located along section boundary lines. The Commission would patent easements in Sections 13 and 14, of Township 27 North, Range 15 East; and in Sections 17, 18, and 20, of Township 27 North, Range 16 East. Commission appraisal staff reviewed the proposed easement exchange and concluded that the Commission is obtaining equal or greater market value for the easements it is receiving compared to the easements it is granting to the Parties, as part of the proposed exchange.

The proposed easement exchange and Agreement will allow Commission staff and the public to readily access school lands adjacent to Honey Lake. After the exchange of easements, only three small school lands parcels would remain landlocked by private interests. Additionally, the proposed easements would provide legal access to school lands parcels for prospective lessees in the future. The affected and benefitted school lands parcels are not currently leased. The easements acquired by the state will be held by the Commission, acting as School Land Bank Fund Trustee, in the legal character of school lands and subject to the school land trust. The proposed easement exchange will not affect the Parties respective mineral interests, which will be retained by each of the Parties.

**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 drought. The easement exchange area is open land with moderate to low vegetation fuels and is vulnerable to dust storms and to a lesser extent, wildland fires. The exchanged lands and surrounding land may be vulnerable to these weather events; however, these projected climate change effects are not expected to affect the existing dirt roads connecting to the exchanged lands.

**CONCLUSION:**

For the reasons stated above, staff believes that the easement exchange is in the best interests of the State.

**OTHER PERTINENT INFORMATION:**

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1. Approval or denial of the easement exchange is a discretionary action by the Commission. Each time the Commission approves or rejects easement exchanges of State-owned school land, it exercises legislatively delegated authority and responsibility as trustee of the State's school lands as authorized by law.
2. This action is consistent with addressing the challenges and opportunities described in the Commission's 2021-25 Strategic Plan to "Embrace and safeguard multi-benefit School Lands and resource management stewardship that equitably balances responsible local and regional economic development, supports living wages, environmental protection, and revenue generation."

3. The proposed Honey Lake Access and Public Utilities Easement Exchange Agreement does not authorize improvement of the property, such as road grading or utility installation. Any future improvement may require environmental review and regulatory permitting.
4. Staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a statutorily exempt project. The project is exempt because it involves an action taken pursuant to the School Land Bank Act, Public Resources Code section 8700, et seq.

Authority: Public Resources Code section 8710.

## **EXHIBITS:**

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- A. Legal Description - State of California Benefitted Properties
- B. Legal Description - Heinz Ranch, LLC Benefitted Properties
- C. Legal Description - Western Land Office, LLC Benefitted Properties
- D. Legal Description - Easement from State of California
- E. Legal Description - Easement from Heinz Ranch, LLC
- F. Legal Description - Easement from Western Land Office, LLC
- G. General Plan

## **RECOMMENDED ACTION:**

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It is recommended that the Commission:

### **CEQA FINDING:**

Find that the activity is exempt from the requirements of CEQA as a statutorily exempt project, Public Resources Code section 8710.

### **STATE'S BEST INTERESTS:**

Find that the proposed easement exchange is in the best interests of the State.

### **AUTHORIZATION:**

1. Find that the Commission is acting as the School Land Bank Trustee.
2. Find that notice of the proposed exchange of easements was given to legislators and relevant policy committees and posted on the Commission's website, as required by Public Resources Code section 6373.

3. Approve the Honey Lake Access and Public Utilities Easement Exchange Agreement and authorize the Executive Officer, or those Commission staff delegated by the Executive Officer, to take all necessary and appropriate actions on behalf of the Commission, including the execution, acknowledgment, and recordation of the Agreement and associated deeds and acceptances in furtherance of the easement exchange, in substantially the form of the copy on file with the Commission.