Meeting Date: 02/26/24 Lease Number: 9106 Staff: J. Plovnick

Staff Report 79

APPLICANT:

Brosamer & Wall, Inc.

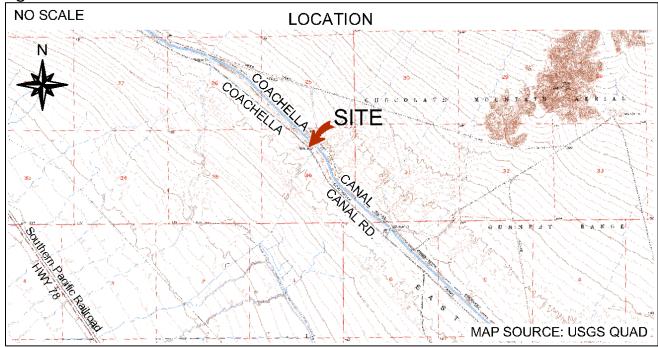
PROPOSED ACTION:

Issuance of a General Lease - Industrial Use.

AREA, LAND TYPE, AND LOCATION:

0.82 acre, more or less, of State-owned school lands located in Section 36, Township 9 South, Range 13 East, SBM, north of Niland, Imperial County (as shown in Figure 1).

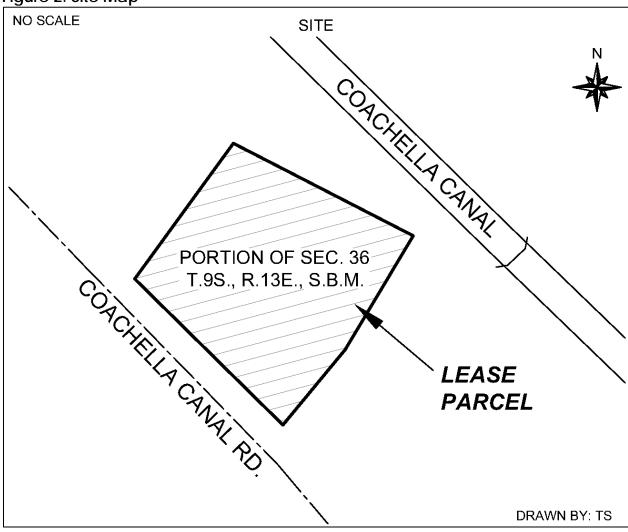




AUTHORIZED USE:

Use of an unpaved equipment storage area enclosed by a chain link fence (as shown in Figure 2).

Figure 2. Site Map



NOTE: This depiction of the lease premises 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.

TERM:

5 years, beginning December 2, 2023.

CONSIDERATION:

\$671 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.
- No refueling or maintenance of vehicles, equipment, or watercraft shall take place within the Lease Premises.
- No improvements or structures shall be constructed or placed on the Lease Premises without Lessor's prior approval.
- Lessee agrees and acknowledges that the hazards associated with climate change may require additional maintenance or protection strategies regarding the improvements on the lease premises.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

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

STATE'S BEST INTERESTS:

On October 18, 2018, the Commission authorized a General Lease - Industrial Use to Brosamer & Wall, Inc. for the use of an unpaved equipment storage area enclosed by a chain link fence in a portion of Section 36, Township 9 South, Range 13 East, SBM, north of Niland, Imperial County (Item 71, October 18, 2018). The lease expired on December 1, 2023.

The Applicant is applying for a General Lease – Industrial Use for the same previously authorized lease premises consisting of an unpaved storage area enclosed by a chain link fence, which the Applicant uses to store construction equipment. Staff recommends issuance of a General Lease – Industrial Use to the Applicant, to take effect on December 2, 2023.

The proposed lease does not alienate the State's fee simple interest, nor permanently impair public rights. The lease is limited to a 5-year term. The lease requires the Applicant to indemnify the State for any liability incurred as a result of the lessee's activities on the lease premises. 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 the <u>Safeguarding California Plan: 2018 Update</u> (California Natural Resources Agency 2018), climate change is projected to increase the frequency and severity of natural disasters related to flooding, drought, and storms. The lease area is open lands with moderate to low vegetation fuels, and is vulnerable to the above events, including dust storms and flash flooding from thunderstorms, and to a lesser extent, wildland fires. The leased lands and surrounding land may be vulnerable to these weather events; however, these projected climate change effects are not expected to affect the use of the leased lands for parking construction equipment.

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 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 has no right to utilize School Lands as a storage area and may be required to remove the chain link fence. The lessee has no right to a new lease or to renewal of any previous lease.
- 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. 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 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.

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 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

STATE'S BEST INTERESTS:

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

AUTHORIZATION:

Authorize issuance of a General Lease – Industrial Use to the Applicant, beginning December 2, 2023, for a term of 5 years, for the use of an existing unpaved equipment storage area enclosed by a chain link fence; annual rent in the amount of \$671, with an annual Consumer Price Index adjustment; liability insurance in an amount no less than \$1,000,000 per occurrence; and a surety bond or other security in an amount no less than \$5,000.