

COMMISSIONERS OF THE LAND OFFICE

REGULAR MEETING AGENDA

WEDNESDAY, DECEMBER 16, 2015 AT 2:00 P.M.
GOVERNOR'S LARGE CONFERENCE ROOM
STATE CAPITOL BUILDING – SECOND FLOOR
OKLAHOMA CITY, OKLAHOMA

Call to Order

Roll Call

Declaration of a Quorum

1. Request Approval of Minutes for Regular Meeting Held November 12, 2015

- a. *Presented by Harry W. Birdwell, Secretary*
- b. *Discussion*
- c. *Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

2. Secretary's Comments

- a. Distributions to Beneficiaries for Month October
- b. Meeting with Senate Subcommittee on Education Appropriations
- c. Meeting with City of Oklahoma City Officials regarding Northeast Corner of 50th and Lincoln Property
- d. Report of Medical Examiner Renovation Project
- e. Report of 2015 Agency Goals

3. Consideration and Possible Action to Approve a Continuous Easement

Lease No.	Legal Description	Easement No.
101513 – Alfalfa County	SW/4 Sec. 36-24N-12WIM	9642

The Oklahoma Department of Transportation has made an offer of \$1,200.00 for a continuous easement for highway improvements. Area requested is 0.72 acres. The offer was reviewed by Alan Hermanski and approved by James Spurgeon.

Recommendation: The Director of Real Estate Management recommends approval of the continuous easement.

- a. *Presented by James Spurgeon, Real Estate Management Director*
- b. *Discussion*
- c. *Commissioners action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action.*

4. Consideration and Possible Action to Approve Authority to Exchange Land

Lease No.	Legal Description
101716 Jackson County	SW/4 & LT 7 OF NE/4 SEC 36-3N-18WIM

The 4J Farm and Ranch LLC (Ranch) through their attorney and managing member, Cathleen A Jones desires to exchange land owned by them for an equal value of CLO land.

The following land exchange is proposed:

- CLO land: SW/4 & LT 7 OF NE/4 SEC 36-3N-18WIM Less and except any mineral acres and all mineral interests (174.37 acres)
- Ranch Land: NW/4 & N/2NE/4SW/4 SEC 16-1S-20WIM Less and except any mineral acres and all mineral interests (180 acres)

The properties have been appraised by three certified general appraisers. The result of the appraisal is as follows:

Market Value of CLO Land (174.37 acres)	\$190,000
Market Value of Partnership Land (180 acres)	\$204,500

Recommendation: The Director of Real Estate Management recommends the exchange of property is approved.

- Presented by James Spurgeon, Real Estate Management Director*
- Discussion*
- Commissioners action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

5. Consideration and Possible Action to Approve the Establishment of Minimum Bid Auction Price and Authorization to Auction Land for Sale

Lease No.	Legal Description
106294 Grant County	<p>A tract of land located in the Southeast Quarter of Section 16, Township 27 North, Range 05 West of the Indian Meridian, Grant County, Oklahoma, described as follows: BEGINNING at a point on the South line of the South-east Quarter (SE/4) a distance of 373.00 feet, South 89° 58' 35" East of the Southwest corner of the Southeast Quarter (SE/4), said point also being the intersection of the South line of the Southeast Quarter (SE/4) and the centerline of Sixth Street as shown on the plat of COLLEGE HEIGHTS ADDITION to Medford; thence North 00° 23' 37" West for a distance of 663.00 feet to a point of intersection with the centerline of College Avenue; thence North 67° 54' 54" East to a point of intersection with the Centerline of the Central Kansas Railway; thence South 62° 11' 16" East on said centerline for a distance of 1018.50 feet to a point of intersection with the West right-of-way line of Hillcrest Drive; thence South 00° 23' 37" East on said West right-of-way line for a distance of 170.21 feet to a point of intersection with the South right-of-way line of the Central Kansas Railway; thence North 62° 11' 16" West on said right-of-way line for a distance of 860.76 feet to a point of intersection with the centerline of College Avenue; thence on said centerline of College Avenue, North 89° 58' 35" West for a distance of 499.10 feet to a point of intersection with the centerline of the 20 foot alley of Block 17 of COLLEGE HEIGHTS ADDITION; thence South 00° 23' 37" East on the centerline of said 20 foot alley for a distance of 663.00 feet to a point on the South line of the Southeast Quarter (SE/4); thence North 89° 58' 35" West on said on said South line for a distance of 190.00 feet to the point or place of beginning.</p> <p>The above described tract contains 7.85 acres of land more or less and is subject to easements and rights-of-way of record.</p>

On June 11, 2015, the Commission authorized staff to have appraisals completed for the 7.85 ac tract. The CLO and Mickey Geurkink, Superintendent of Medford Schools, agreed that the property would be appraised by three appraisers two of which would be Oklahoma Certified General Appraisers. The appraisers were Tom Eike, Alan Hermanski and Keith James. The consensus land value the appraisers agreed upon was \$88,000.00.

Recommendation: Director of Real Estate Management recommends the 7.85 acre tract in Sec 16-27N-5WIM be offered for sale at public auction with a minimum bid price of \$88,000.

- a. Presented by James Spurgeon, Real Estate Management Director*
- b. Discussion*
- c. Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

6. Consideration and Possible Action to Authorize Appraisal of Land for Auction

Lease No.	Legal Description	Lessee	Rent
817039 Pawnee County	SE/4 SEC 33-21N-7E1M (Less 3 acres sold)	Howard R. Muse	\$2,600.00

In 1982 our agricultural lessee, Howard Muse purchased a 3.0 acre tract of land from Mary Grace Long which had previously been purchased out of the agricultural lease to build a home. It was recently discovered that the survey for this tract was incorrect and the property line runs through his driveway and some outbuildings.

At the fall lease auctions Mr. Muse lost this lease to Travis Cattle Co, LLC. Mr. Muse would like to have a portion of the lease appraised for purchase to correct the erroneous survey and regain the use of his driveway and outbuildings.

Should the Commissioners decide to have this property appraised it is recommended that due to the small size of the tract the appraisal be conducted by CLO staff appraisers.

Recommendation: Director of Real Estate Management recommends this property be appraised for sale using CLO staff appraisers.

- a. *Presented by James Spurgeon, Real Estate Director*
- b. *Discussion*
- c. *Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

7. Consideration and Possible Action to Approve a Contract to Hire an Architectural Firm for Medical Examiner's Office Space

The CLO has agreed to acquire a building at 921 NE 23rd street that will be leased to the State Medical Examiner's Office. Redesign and renovation of the space is required to meet the Medical Examiner's needs. Renovation of the building will require contracting with an architectural firm to complete the schematic design and layout to meet the Medical Examiner's requirements.

Recommendation: The Assistant Secretary recommends approval to hire an architecture firm to renovate the building to be leased to the Medical Examiner's office.

- a. *Presented by Keith Kuhlman, Assistant Secretary*
- b. *Discussion*
- c. *Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action.*

8. Consideration and Possible Action to Terminate All Asset All Authority Investment Manager

Recommendation: The Chief Financial Officer Recommends approval of the termination of the all asset all authority Investment manager. Reinvestment will be in accordance with the asset allocation plan in the Investment Plan and Policy.

- a. *Presented by Karen Johnson, Chief Financial Officer*
- b. *Discussion*
- c. *Commissioners action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action.*

9. Consent Agenda – Request Approval of October 2015 Agency Monthly Division Summary of Activities

The Agenda items presented on the Consent Agenda are considered as one item for voting purposes. The Consent Agenda includes items that are statutorily or constitutionally required to be performed by the Commissioners of the Land Office or are administrative in nature, which are done as a routine action by the Commissioners of the Land Office. If any member of the Commission or any member of the public requests a particular item or items to be considered individually, the matter or matters shall be considered individually.

- a. *Presented by Harry W. Birdwell, Secretary*
- b. *Discussion*
- c. *Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

Accounting Division

1. October 2015
 - a. Claims Paid (routine)
 - b. Expenditure Comparison

Minerals Management Division

1. October 2015
 - a. 9/16/2015 Award of Oil and Gas Leases
 - b. Tracts Offered for Lease on 11/4/2015
 - c. Assignments of Oil and Gas Leases
 - d. Seismic Exploration Permits
 - e. Division Orders

Real Estate Management Division

1. October 2015
 - a. Lease Auction Results October 2015
 - b. Surface Lease Assignments
 - c. Soil Conservation Projects
 - d. Authorization for Improvements
 - e. 20 Year Easements
 - f. Renewed 20 Year Easements
 - g. Assignment of Easements
 - h. Bermuda Roots Harvesting Agreement
 - i. Short-Term Commercial Lease Renewals
 - j. Short-Term Commercial Lease Assignments

10. Financial Information Regarding Investments and Monthly Distributions (informational purposes only)

Investments

- a. Market Value Comparison October 2015

Accounting

- a. November 2015 Distribution by District and Month

11. Executive Session

- A. Executive Session may be convened to discuss, evaluate, and take possible action pursuant to 25 O.S. § 307(B)(4) allowing confidential communications between the Commission and its attorney concerning pending investigations, claims, or actions on recommendation that disclosure will seriously impair the ability of the Commission to process them in the public interest regarding the following matter: *CLO v. Stephens & Johnson Operating Co., CJ-2013-356.*

- a. *Recommendation of Lisa Blodgett, General Counsel*
- b. *Vote to Convene Executive Session*
- c. *Executive Session*
- d. *Vote to Return to Open Session*
- e. *Further consideration and possible action on items discussed during executive session*

12. New Business

The Commission may discuss, consider and take possible action regarding new business that could not have been reasonably anticipated or was unknown prior to the regular meeting.

Adjourn

NOTICE OF POSTING

Date / Time: Tuesday, December 15, 2015, before 2:00 p.m.

Locations: Commissioners of the Land Office
204 N. Robinson, Suite 900
Oklahoma City, OK 73102
Governor's Large Conference Room
State Capitol, 2nd Floor
Oklahoma City, OK 73105

By: Debra Sprehe, Executive Assistant