
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20509

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): May 8, 2008

Tejon Ranch Co.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-7183
(Commission File Number)

77-0196136
(IRS Employer
Identification No.)

P. O. Box 1000, Lebec, California
(Address of Principal Executive Offices)

93243
(Zip Code)

Registrant's telephone number, including area code: 661 248-3000

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Items

In the course of pursuing our development activities we have routinely engaged in conversations with environmental groups and government agencies that could have an interest in or influence over the planned future activities that we undertake on our land. Land development, particularly in rural areas such as our property, impacts a diverse group of organizations and agencies, each of which has its own focus of concern and we regularly meet with many of these groups to insure that we address these concerns proactively in order to manage the development process effectively and to minimize the delay to and the cost of implementing our development plans.

These types of conversations evolved into formal discussions and negotiations that resulted in an agreement that was announced on May 8, 2008. The agreement calls for the permanent protection of up to 240,000 acres of our land. We will conserve through phased dedicated conservation easements approximately 178,000 acres of our land. We will also provide an option to purchase conservation easements on an additional 62,000 acres of our land.

The agreement is designed to ensure permanent protection of the most sensitive resources of the ranch, establish the Tejon Ranch Conservancy to adopt and implement a ranch-wide management plan to preserve and enhance the conserved land, provide an option for environmental resource groups to acquire at fair market value determined through an appraisal process additional lands that the Company might otherwise develop, and allow us to proceed with entitlement and development of Centennial, Tejon Mountain Village, TIC, and future development in the TIC area without opposition from leading environmental organizations that are party to the agreement.

The agreement provides certainty for us and the environmental resource groups. For Tejon, the agreement provides certainty that its existing development plans will not be opposed by the environmental resource groups, and that we will be able to continue to protect our land while still engaging in current revenue producing activities, including farming, ranching, and oil and mineral extraction activities. For the environmental groups the agreement provides certainty that the ecological resources on our lands will be permanently protected.

The agreement details a master plan for the Company's land which establishes the balance between conservation, development and our historic land use activities. The agreement is designed to remove many of the obstacles that have plagued similar efforts in California to develop large tracts of formerly open space and we expect to be able to move ahead with the entitlement of our current development projects in a much more timely fashion.

Item 9.01 Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits.

99.1 Press Release of the Company dated May 8, 2008, announcing the Company and major environmental groups reaching agreement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 8, 2008

TEJON RANCH CO.

By: /s/ ALLEN E. LYDA

Name: Allen E. Lyda

Title: Vice President, and Chief Financial Officer

FOR IMMEDIATE RELEASE

TEJON RANCH CO. & MAJOR ENVIRONMENTAL GROUPS REACH DEAL

*Agreement balances conservation and planned development
on the 270,000-acre Tejon Ranch*

TEJON RANCH, CALIF. (May 8, 2008) Tejon Ranch Co. (NYSE: TRC) announced today that it has reached agreement with the country's largest and most respected environmental resource organizations on a conservation and land use plan for the 270,000-acre Tejon Ranch.

The agreement between Tejon Ranch Co., The Sierra Club, Natural Resources Defense Council, Audubon California, Planning and Conservation League and the Endangered Habitats League, would result in the permanent conservation of a significant portion of the Ranch's landholdings while guaranteeing that the signatory environmental organizations would not oppose the Company's development plans for approximately 30,000 acres located on the western edge of the Ranch: the planned communities of Centennial and Tejon Mountain Village, and a development project at the base of the Grapevine in the area adjacent to Tejon Industrial Complex.

"Without a doubt, this agreement is good for the Company and its shareholders," said Michael H. Winer, Portfolio Manager for Third Avenue Management LLC, the company's largest shareholder, and member of the Tejon Ranch Co. Board of Directors. "It's the key to unlocking the value of Tejon Ranch. By removing the potential obstacles that have plagued similar development efforts in California, we'll be able to move ahead with the entitlement processes on our current development projects in a much more timely fashion."

The agreement calls for Tejon Ranch Co. to commit to phased conservation over the next several decades. Through a combination of dedicated conservation easements, either initially dedicated or tied to project approvals, and designated project open space areas, Tejon Ranch Co. will permanently protect approximately 178,000 acres. The agreement also lays the groundwork for the purchase, at a price determined by a state appraisal process, of an additional 62,000 acres of Ranch land, resulting in a total of 240,000 acres of conserved land. Under the agreement, the Ranch will also be able to continue with its historic revenue producing activities on those lands.

The agreement is an outgrowth of the vision for its land that Tejon Ranch Co. has been articulating for years, a vision that included extensive conservation.

Over the years, Tejon Ranch Co. had routinely engaged in conversations with environmental groups and government agencies that could have an interest in or influence over the planned future activities on its land. Those conversations evolved into two years of formal negotiations with the signatory environmental organizations.

“Our vision has been to preserve California’s legacy and provide for California’s future, and this agreement does exactly that,” said Robert A. Stine, President and CEO of Tejon Ranch Co. “The agreement we’ve reached is good for conservation, good for California and good for the company and its shareholders.”

The agreement is strongly supported by key state government officials, including California Governor Arnold Schwarzenegger, the Secretaries of the California Department of Resources and the California Environmental Protection Agency, the Directors of the California Departments of Fish and Game and Parks and Recreation, along with the Director of the Wildlife Conservation Board and the Chair of the State Water Resources Board.

“The success of environmental organizations and Tejon Ranch Co. in reaching this historic agreement to protect a California treasure illustrates something that I have stressed since taking office — we can protect California’s environment at the same time we pump up our economy,” Governor Arnold Schwarzenegger said.

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Tejon Ranch Co. is a diversified real estate development and agribusiness company, whose principal asset is its 270,000-acre land holding located approximately 60 miles north of Los Angeles and 30 miles south of Bakersfield. More information about Tejon Ranch Co. can be found online at <http://www.tejonranch.com>.

The statements contained herein, which are not historical facts, are forward-looking statements based on economic forecasts, strategic plans and other factors, which by their nature involve risk and uncertainties. In particular, among the factors that could cause actual results to differ materially are the following: business conditions and the general economy, future commodity prices and yields, market forces, the ability to obtain various governmental entitlements and permits, interest rates and other risks inherent in real estate and agriculture businesses. For further information on factors that could affect the Company, the reader should refer to the Company’s filings with the Securities and Exchange Commission.

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