

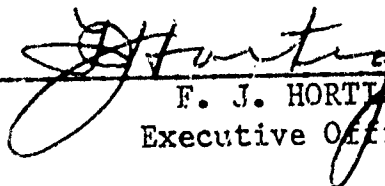
There being no further business to come before the Commission, the meeting was adjourned at 11:00 a.m.

CORRECTION OF MINUTE PAGES 221, 222, AND 223 OF MINUTE ITEM 23 OF MARCH 26, 1970 - PROPOSED EXCHANGE OF INTERESTS IN LANDS AND BOUNDARY AGREEMENT WITH SAN GABRIEL RIVER IMPROVEMENT COMPANY, THE DOW CHEMICAL COMPANY, THE EAST NAPLES LAND COMPANY AND OTHERS; CITY OF SEAL BEACH, COUNTY OF ORANGE - S.L.L. 51, W-8706, B.L.A. 120; AND AUTHORIZATION FOR ISSUANCE OF 66-YEAR LEASE, ORANGE COUNTY; SAN GABRIEL RIVER COMPANY - W-8706. (Attached to and made a part of the Minutes of the State Lands Commission meeting of May 28, 1970, to be approved and the correction authorized by the approval of said Minutes by the State Lands Commission.)

Minute Item 23 of the Minutes of March 26, 1970, correctly states the action taken by the Commission. However, through a clerical error, a superseded copy of Calendar Item 22 was erroneously attached to the Minute Item. In order to correctly reflect the action taken by the Commission, pages 221, 222, and 223 of the Minutes of March 26, 1970, are ordered superseded and the attached is ordered substituted therefor.

Attachment:

Minute pages 449, 450, 451, and 452


F. J. HORTIG
Executive Officer

Date confirmed
by Commission June 25, 1970

CALENDAR ITEM

3/70
VJB

22.

PROPOSED EXCHANGE OF INTERESTS IN LANDS AND BOUNDARY AGREEMENT WITH AN GABRIEL RIVER IMPROVEMENT COMPANY, THE DOW CHEMICAL COMPANY, THE EAST NAPLES LAND COMPANY AND OTHERS; CITY OF SEAL BEACH, COUNTY OF ORANGE - S.L.L. 51, W-8706, B.L.A. 120.

A portion of what was originally Alamitos Bay and tributaries is located within the City of Seal Beach. As an adjunct to the Alamitos Bay Boundary Investigation, which is being conducted jointly by the City of Long Beach and State, the State Lands Commission has been settling related problems pertaining to the bay located in the City of Seal Beach.

Previously, the Commission approved two boundary line agreements that reestablished the boundaries of Rancho Los Alamitos around the former portion of Alamitos Bay in Seal Beach (Seal Beach Boundary Agreements Nos. 1 and 2), and partially reestablished the common boundaries between lands included within Tide Land Location No. 137 and sovereign lands remaining in State ownership (Seal Beach Boundary Agreement No. 3).

The present proposed transaction is a further step in the resolution of title and boundary problems in the Seal Beach portion of the area formerly occupied by Alamitos Bay, through a boundary agreement and exchange of interests in lands.

Seal Beach Boundary Line Agreement No. 4, authorization for which is herein requested, will further define the State's ownership of sovereign lands within the former bed of the New San Gabriel River, as well as agreeing that certain lands abutting the former bed were included within Tide Land Location No. 137 (Tide Land Survey No. 106). The basis for the common boundary lines to be agreed upon, which will reestablish and fix the respective interests of the parties, is the State Lands Division's 1966 resurvey of the Tide Land Location. It is the only complete resurvey of that location since it was originally surveyed in 1885-86. Due to extensive man-made changes, such as filling of lands and relocation of the river, and avulsive changes occurring over the years, the State's resurvey appears to be a reasonable basis for reestablishing the boundaries to be established in the subject agreement.

Both Seal Beach Boundary Agreement No. 3 and the proposed Seal Beach Boundary Agreement No. 4 specifically provide that the abutting private lands are agreed to have been located within Tide Land Location No. 137, and they were conveyed by the State subject to an easement of commerce, navigation, and fisheries.

The private owners of certain portions of the real property included within Tide Land Location No. 137 in Seal Beach now desire to have their respective interests freed of the easement of commerce, navigation, and fisheries. To accomplish this, the second part of the present transaction concerns an exchange by the State of its easement rights for the fee ownership of certain lands of the private parties. The proposed exchange will be accomplished pursuant to provisions of Section 6307 of the Public Resources Code.

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The lands as to which the easement will be lifted, pursuant to the proposed exchange, were filled and reclaimed prior to 1934. The New San Gabriel River, which once flowed uncontrolled past certain of the affected parcels of real property, has been relocated into an artificially cut channel constructed by the Los Angeles County Flood Control District. Due to this relocation and construction of improvements to contain the artificial channel, public access to the channel is no longer available from the subject parcels. For many years the Dow Chemical Company had an extensive chemical manufacturing facility on one of the affected parcels. The facility recently was demolished in preparation for the construction of approximately 500 apartment units. Two of the remaining parcels are occupied by a trailer park, house, and commercial building. The other parcels as to which the easement is to be lifted are vacant, but were formerly occupied by railroad lines and power transmission facilities.

The lands to be received by the State through the exchange, together with lands recognized as being in State ownership pursuant to Seal Beach Boundary Agreement No. 4, form a consolidated parcel of property that is filled, paved and fenced. Two storage buildings are located on the property. The consolidated parcel abuts the Pacific Coast Highway, providing good access to the land.

No mineral interests are to be retained in the patent to be issued by the State to accomplish the exchange, because the State previously conveyed the minerals as a part of the fee which passed pursuant to the patent of Tide Land Location No. 137 and only the easement for commerce, navigation, and fishing remains in the State prior to the exchange.

An appraisal has been made, which indicates that the State will receive equal or greater value than the value of the interests it relinquishes by this transaction.

As a part of the Exchange Agreement, there is included a lease by the State to the San Gabriel River Improvement Company of Parcels 1, 2 and 3, which will be in State ownership following the completion of this transaction. The subject lease area currently is under lease by San Gabriel to a tenant whose lease will not terminate until July 31, 1974. The proposed lease between the State and San Gabriel will permit the uninterrupted occupation of the premises by the tenant to the end of the existing lease. San Gabriel has requested that the term of the proposed lease be for sixty-six years, stressing the exceptional circumstances presented of resolving complex title and boundary problems by agreement as opposed to lengthy and protracted litigation. In the opinion of the Division, the maximum lease period allowed by Commission regulations is justified in light of the surrounding circumstances. The effective date of the proposed lease is April 15, 1970. The rent to be paid the State by San Gabriel will be reviewed and redetermined at the end of the initial lease phase and at five-year intervals thereafter in accordance with existent Commission policies. The initial lease phase will be from April 15, 1970, to February 1, 1975. During said initial phase, the rent shall be \$600 per month. Under the proposed lease, San Gabriel agrees to remove the existing improvements on the property to be leased, a duty which is not imposed on San Gabriel's existing tenant. San Gabriel will also obtain liability insurance, naming the

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State as one of the insured. A prior application for lease of an undetermined portion of the subject area has been treated as closed due to lack of activity on the part of the applicant since 1961. The Exchange Agreement and the Seal Beach Boundary Agreement No. 4, setting forth the details of both parts of this transaction, are on file in the office of the State Lands Commission and by reference made a part hereof.

This proposed transaction has been reviewed and approved by the Office of the Attorney General.

IT IS RECOMMENDED THAT THE COMMISSION:

1. AUTHORIZE THE EXECUTION OF SEAL BEACH BOUNDARY AGREEMENT NO. 4 BETWEEN THE STATE, SAN GABRIEL RIVER IMPROVEMENT COMPANY, AND OTHERS, WHICH IS ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF.
2. FIND, PURSUANT TO THE PROVISIONS OF SECTION 6307 OF THE PUBLIC RESOURCES CODE, THAT THE EXCHANGE OF INTERESTS IN LANDS SET FORTH IN THE AGREEMENT REFERRED TO IN PARAGRAPH 3 BELOW IS IN THE BEST INTERESTS OF THE STATE, FOR AID IN RECLAMATION, AND WILL NOT SUBSTANTIALLY INTERFERE WITH NAVIGATION, OR FISHING, AND THAT INTERESTS IN THE LANDS TO BE EXCHANGED ARE OF EQUAL VALUE.
3. AUTHORIZE THE EXECUTION OF THE EXCHANGE AGREEMENT BETWEEN THE STATE, ACTING BY AND THROUGH THE STATE LANDS COMMISSION, THE DOW CHEMICAL COMPANY, EAST NAPLES LAND COMPANY, AND SAN GABRIEL RIVER IMPROVEMENT COMPANY, WHICH IS ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF.
4. AUTHORIZE THE EXECUTION OF A PATENT, TO THE PARTIES SPECIFIED IN THE AGREEMENT REFERRED TO IN PARAGRAPH 3 ABOVE, WITHOUT THE RESERVATION OF MINERAL INTERESTS OF PARCELS 4, 5, 6, 7, AND 8 DESCRIBED IN SAID AGREEMENT REFERRED TO IN PARAGRAPH 3 ABOVE, PURSUANT TO THE TERMS OF SAID AGREEMENT.
5. AUTHORIZE THE ACCEPTANCE OF CONVEYANCES FROM SAN GABRIEL RIVER IMPROVEMENT COMPANY TO THE STATE OF PARCELS 2 AND 3 DESCRIBED IN THE AGREEMENT REFERRED TO IN PARAGRAPH 3 ABOVE, PURSUANT TO THE TERMS OF SAID AGREEMENT.
6. FIND THAT UPON THE DELIVERY OF THE PATENT, AS SET FORTH IN PARAGRAPHS 3 AND 4 ABOVE, PARCELS 4, 5, 6, 7, AND 8 HAVE BEEN IMPROVED, FILLED, AND RECLAIMED AND HAVE THEREBY BEEN EXCLUDED FROM THE PUBLIC CHANNELS AND ARE NO LONGER AVAILABLE OR USEFUL OR SUSCEPTIBLE OF BEING USED FOR COMMERCE, NAVIGATION, AND FISHING, AND ARE NO LONGER IN FACT TIDELANDS OR SUBMERGED LANDS AND THEREFORE SHALL THEN BE FREED FROM THE PUBLIC TRUST FOR COMMERCE, NAVIGATION, AND FISHING.
7. AUTHORIZE THE EXECUTION OF A LEASE OF PARCELS 1, 2, AND 3 BETWEEN THE STATE AND SAN GABRIEL RIVER IMPROVEMENT COMPANY FOR A PERIOD OF SIXTY-SIX YEARS COMMENCING APRIL 15, 1970, A COPY OF SAID LEASE BEING AN EXHIBIT TO THE

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EXCHANGE AGREEMENT REFERRED TO IN PARAGRAPH 3 ABOVE WHICH IS ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF, AND FIND THAT THE SIXTY-SIX YEAR PERIOD OF THE AFOREMENTIONED LEASE IS WITHIN THE MAXIMUM ALLOWED BY COMMISSION REGULATIONS.

8. AUTHORIZE THE EXECUTIVE OFFICER AND THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL NECESSARY ACTIONS TO IMPLEMENT THIS TRANSACTION, INCLUDING BUT NOT LIMITED TO LEGAL PROCEEDINGS TO APPROVE OR CONFIRM THE FOREGOING TRANSACTION.