MINUTE ITEM
This Calendar Item No. 20
was approved as Minute Item
No. 20 by the State Lands
Commission by a vote of 3 CALENDAR ITEM
to 0 at its 4/26/79
meeting.

20.

4/79
W 22109
Grimes

1ST & C LAND EXCHANGE

In December of 1977 the City of Eureka contacted the State Lands Commission's staff regarding a proposed exchange of lands and interests in the Humboldt Bay area between the City of Eureka, certain private parties, and the Federal Government. Because of serious title problems involving the parcel the city is to exchange, consummation of the transaction has been delayed until a study of the city's exchange parcel could be completed. This study revealed that there were substantial sovereign interests in the settlement parcel because the exchange parcel was included within the perimeter description of Tideland Survey No. 1 and would therefore be subject to the public trust for commerce, navigation and fisheries and because a portion of the parcel was historically traversed by Clark Slough, the bed of which at this location may have been submerged lands. These sovereign interests were granted by the legislature to the City of Eureka by Chapter 225 of the Statutes of 1945 as amended by Chapter 1086 of the Statutes of 1970. The City of Eureka also acquired any proprietary rights in the parcel by virtue of tax deeds.

Extensive filling and reclamation has taken place on and around the parcel and it is difficult to determine, at this time, the exact nature and extent of the sovereign interests as opposed to proprietary interests which may exist in the parcel. Since under the terms of certain agreements with the Federal Government construction on the parcel to be acquired must begin prior to June 30, 1979, in order to allow the proposed project to proceed in a timely fashion while at the same time protecting the interests of the public in the proposed exchange, a proposed settlement has been reached between the private parties, the City of Eureka, the Office of the Attorney General and the State Lands Commission's staff.

Pursuant to Chapter 1085, Statutes of 1970, the State Lands Commission is required to approve the settlement of any dispute as to rights, title, or interest in or to tide and submerged lands located within the city. In this application, the Commission is requested to approve a settlement between the City of Eureka, the State Lands Commission and certain private parties.

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The essential elements of this exchange and title settlement are:

1. The city, with the approval of the State Lands Commission, will quitclaim all of its rights, title and interest in the surplus city parcel located at the corner of Koster and Wabash Streets in the City of Eureka.

2. In exchange, the city will receive from the private parties title to a parcel of property located at the intersection of 1st and C Streets in the City of Eureka plus $68,500 in cash which will be used to build a parking lot on the 1st and C site.

3. Both the parcel and the funds which the city is to receive from the private parties in this exchange will be held subject to the public and statutory trusts as will any improvements placed on the parcel.

4. The city will also receive from the Federal Government approximately $20,000 which represents the difference in value between what the city is giving up and what it is receiving. These funds will likewise be held subject to the trust pending further agreement by the parties.

Since the parcel which is to be received by the city is susceptible, in an improved condition, for public and statutory trust uses among which are to provide public parking for visitors to the waterfront area of the City of Eureka, while the parcel, which will be given up by the city, has been filled and reclaimed, is presently located above the line of mean high tide and is no longer useful for the purpose of commerce, navigation and fisheries, this exchange will better serve the public and statutory trusts and conditions under which the sovereign lands within the city are held by consolidating the city's interests and providing the city with other lands which are susceptible to trust uses by the people of the State.

EXHIBITS: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION, IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 1085, STATUTES OF 1970:

1. DETERMINE THAT PURSUANT TO SECTION 6371 OF THE P.R.C., SETTLEMENTS OF TITLE AND BOUNDARY ARE EXEMPT FROM THE EIR REQUIREMENTS OF CEQA.

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2. DETERMINE AND DECLARE, PURSUANT TO AND IN ACCORDANCE WITH SECTION 2(b) OF CHAPTER 1085, STATUTES OF 1970, THAT THE "SETTLEMENT AREA" IS DESCRIBED IN EXHIBIT "A" OF THE PROPOSED SETTLEMENT AGREEMENT, ARE LANDS WITHIN THE HUMBOLDT BAY AREA WHICH HAVE HERETOFORE BEEN IMPROVED IN CONNECTION WITH THE DEVELOPMENT OF THE HUMBOLDT BAY AREA, AND IN THE PROCESS OF SUCH DEVELOPMENT HAVE BEEN FILLED AND RECLAIMED, ARE NO LONGER SUBMERGED OR BELOW THE PRESENT LINE OF MEAN HIGH TIDE AND ARE NO LONGER NECESSARY OR USEFUL FOR COMMERCE, FISHERIES OR NAVIGATION.

3. APPROVE THE SETTLEMENT, AS OUTLINED ABOVE BETWEEN THE CITY OF EUREKA, THE STATE LANDS COMMISSION, AND CERTAIN PRIVATE PARTIES, PURSUANT TO AND IN ACCORDANCE WITH SECTION 6 OF CHAPTER 1085, STATUTES OF 1970.

4. APPROVE THE ADEQUACY OF THE CONSIDERATION WITH RESPECT TO THE SETTLEMENT, PURSUANT TO AND IN ACCORDANCE WITH SECTION 4 OF CHAPTER 1085, STATUTES OF 1970.

5. AUTHORIZATION AND EXECUTION OF A SETTLEMENT AGREEMENT AS OUTLINED ABOVE FOR RECORDATION IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF HUMBOLDT, PURSUANT TO AND IN ACCORDANCE WITH SECTIONS 2(b) AND 5 OF CHAPTER 1085, STATUTES OF 1970, WHICH AGREEMENT WILL CERTIFY THAT THE "SETTLEMENT AREA" IS PRESENTLY COMPRISED OF LANDS ABOVE THE PRESENT LINE OF MEAN HIGH TIDE AND HAVE BEEN FOUND TO BE NO LONGER NECESSARY OR USEFUL FOR COMMERCE, FISHERIES, OR NAVIGATION, UPON THE RECORDATION OF SUCH CERTIFICATION AND THE OTHER INSTRUMENTS PROVIDED FOR THE SETTLEMENT, THE LANDS WITHIN SAID "SETTLEMENT AREA" SHALL BE FREED FROM THE PUBLIC USE AND TRUST FOR COMMERCE, FISHERY, AND NAVIGATION AND FROM SUCH USES, TRUSTS, CONDITIONS AND RESTRICTIONS AS ARE OR HAVE BEEN IMPOSED BY CHAPTER 187, STATUTES OF 1927; CHAPTER 225, STATUTES OF 1945; AND CHAPTER 1086, STATUTES OF 1970; AS SUBSEQUENTLY AMENDED AND MODIFIED.

6. AUTHORIZE THE OFFICE OF THE ATTORNEY GENERAL TO FILE, IN ANY ACTION TO QUIET TITLE BROUGHT BY THE RECORD OWNERS PURSUANT TO AND CONSISTENT WITH THE SETTLEMENT AGREEMENT, AND DISCLAIMER BY THE STATE OF CALIFORNIA

ON BEHALF OF THE STATE LANDS COMMISSION OF ANY RIGHT, TITLE OR INTEREST IN OR TO THOSE CERTAIN LANDS DESCRIBED AS THE "SETTLEMENT AREA" IN EXHIBIT "A" OF PROPOSED SETTLEMENT AGREEMENT.

7. AUTHORIZE THE STATE LANDS COMMISSION'S STAFF AND THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL STEPS WHICH THEY DEEM NECESSARY OR APPROPRIATE TO EFFECTUATE THE SETTLEMENT AGREEMENT.

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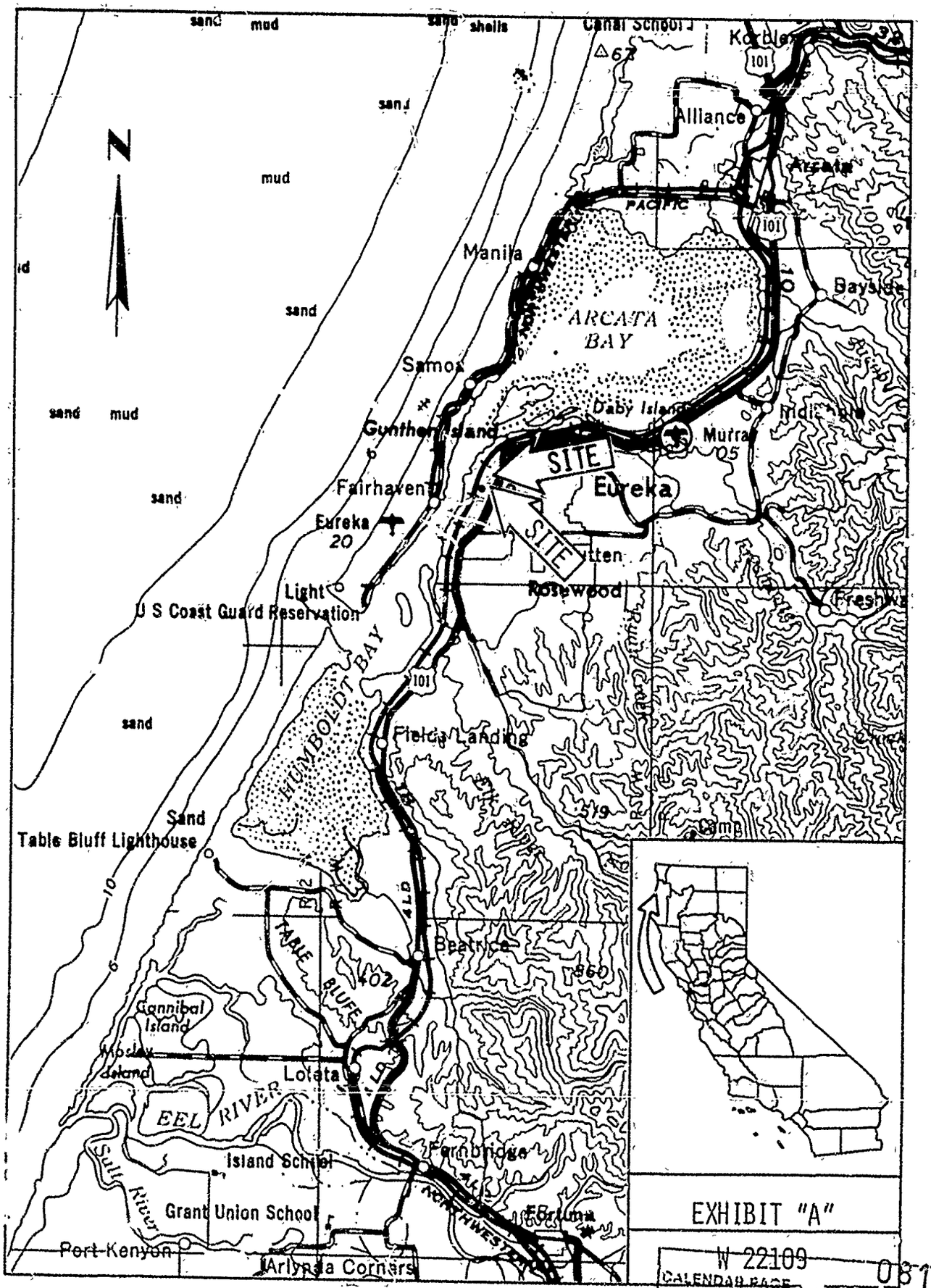

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