

MINUTE ITEM

This Calendar Item No. 28
was approved as Minute Item
No. 28 by the State Lands
Commission by a vote of 3
0 at its 6-26-80
meeting.

CALENDAR ITEM

28.

SANTA CRUZ PORT DISTRICT
COMPLIANCE WITH TERMS OF GRANT

6/80
G16-02.2
Horton

TRUSTEE: Santa Cruz Port District
135 - 5th Avenue
Santa Cruz, California 94063

LOCATION: Certain purported tide and submerged lands whether filled or unfilled situated in the County of Santa Cruz, granted in trust to the District under Chapter 818, Statutes of 1968. The granted lands, known as "Upper Harbor, Woods Lagoon," consists of 16 described parcels abutting upon Monterey Bay. The property straddles the eastern boundary of the City of Santa Cruz, northeasterly of the District's "Lower Harbor" on Woods Lagoon.

PURPOSE OF INVESTIGATION: To determine whether the District has complied with the requirement under Section 1(j) that the granted lands be substantially improved within 10 years of the effective date of the granting statute -- that is, by November 13, 1978. If the State Lands Commission determines that the District has failed to do so as required, all right, title and interest in the lands will revert and rest in the state. The lands were granted in furtherance of commerce, navigation and fishery, in the general statewide interest. The District was to use the lands for such purposes as establishment, improvement and conduct of a harbor, airport, heliport, small boat harbor, public recreation facilities and for related structures and facilities. Leases could be granted for not more than 66 years for purposes consistent with the trust.

BACKGROUND OF TRUST GRANT: In addition to obtaining legislation for the development of recreational boating facilities at Upper Harbor, the District also acquired property interests in the described lands from private claimants. The full extent of the sovereign ownership within the lagoon area has not been determined, although the title status has been discussed from time to time with District officials. Studies indicate a periodic or intermittent tidal influence when the lagoon was in a natural state. However, the remaining research needed to determine the full extent of the State interest could take substantial time and funds. Since a public agency is using the lands for trust purposes there are a number of other projects of higher priority, which have delayed surveying and mapping.

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The ten year substantial improvement period has ended. It is feasible to complete investigation of the District's compliance under Section 1(j) without precisely delineating title ownerships provided all project lands and revenues were used in conformity with the public trust. On several recent legislative grants major development occurs on purchased lands adjacent to the granted lands. This development can be taken into account in finding whether the trustee has enabled the statewide public to better utilize tidelands and adjacent lands for statutory and trust purposes, such as boating, swimming, fishing, etc.

Any approval of the recommended findings does not constitute agreement by the State, in any manner, with the informational ownership sections of various reports from the District. Any approval is without prejudice to any right, title or interest of the State of California, or the public, in and to lands under District jurisdiction. Nor will it relieve the District from its obligation for paying the cost for State Lands Commission to survey and monument the granted lands and record a description and plat with the Santa Cruz County Recorder pursuant to Section 1(i).

CONDUCT OF INVESTIGATION: In March 1973, the Port Director reported development of major improvements at Upper Harbor in a letter to State Lands Commission. Photographs, a property boundary map, and a current Budget Handbook were enclosed. Officials did not submit annual financial reports, called for under Section 1(k) of the granting statute, to the State Lands Commission. In October 1979, staff of the Commission requested a report indicating the type of historical and financial data needed for an investigation of compliance with the grant statute for the 10 year period, and repeated a request for the annual financial reports. The District then sent annual audit reports for fiscal years ended June 30, 1968, through June 30, 1979, and a letter concerning future plans. In May 1980, staff met with the Port Director on-site and toured and photographed both Upper and Lower Harbor. Additional exhibits and planning documents covering the period were received and are on file.

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IMPROVEMENTS TO THE GRANTED LANDS: During the fiscal year ending June 30, 1968, the State Division of Small Craft Harbors (Boating and Waterways) loaned \$37,600 to the District to study the feasibility of increasing the number of berths at the Small Craft Harbor by expanding into Upper Harbor. Expenditures for a survey, soil tests, engineering and land acquisition amounted to approximately \$127,500 that year. Two years later the State Department of Parks and Recreation provided \$125,000 for land acquisition. A Boating and Waterways construction loan of \$4,250,000 was the source of harbor construction funds between 1968 and 1973. In March, 1973, the port director reported to State Lands Commission the Upper Harbor was completed, with berthing space for 455 boats up to 40 feet in length and roads, parking areas and restrooms to accommodate the users of the facility.

The audit report for fiscal year ended June 30, 1973, showed the following cumulative totals for major development costs:

Survey, soil tests, engineering and inspection	\$ 334,000
Construction of railroad bridge	501,300
Dredging and earthwork	2,014,000
Berthing facilities	1,615,000
Comfort Stations	123,900
Paving	85,200
Submarine PG & E Line	29,100
Mitigation costs	4,400

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FURTHERANCE OF NAVIGATION, COMMERCE AND FISHERIES FOR THE BENEFIT OF THE STATEWIDE PUBLIC: The United States Army Corps of Engineers "Urban Study for the Salinas-Monterey Bay Area" in March 1979 depicts overall improvements at the harbor since 1958. The Corps completed construction of two jetties, dredging of an entrance channel and turning basin in 1963, and currently maintains the channels. This neutralizes the severe shoaling impact which has affected the harbor in the past, District officials believe. Federal costs exceeded \$3,750,000. The Corps' urban study confirms local interests completed the Upper Harbor extension.

Port officials anticipated federal financial assistance on Upper Harbor, not a debt burden in excess of \$4,000,000. In order to pay for refloatation of docks at Lower Harbor in 1977 and 1978, they obtained deferment of two loan payments, part of which is reserved for additional repairs.

Most of the boating support facilities are located in Lower Harbor and include marine supply and repair facilities, restaurants, hoists, a four-lane concrete launch ramp. A total of 860 recreational boats and 215 commercial fishing boats are berthed and moored in the two harbors. At least 50 percent of the boat owners reside outside Santa Cruz County. Last year about 1400 commercial fishing and 13,800 recreational boats traveling in coastal waters obtained overnight accommodations.

For the past three years the District has been planning development to lease two parcels and provide engine repair, an additional public restroom, restaurant, walkways, and miniparks with a picnic table and landscaping at Upper Harbor. Dry storage for over 100 boats and additional car and trailer spaces for day launchers would be available. The harbor maintenance building would move from Lower to Upper Harbor.

Within a year the District expects to break ground at Lower Harbor to accommodate larger fishing vessels and a transfer and service center for fish. New facilities such as hoists, conveyors, icing machines, will aid the transfer of the catch from boats to trucks for transport to market.

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In conclusion, the District has substantially improved the granted lands as required. Development and management of granted and adjacent lands enhance their use by the statewide public for commerce, navigation and fisheries and statutory purposes. The District completes its annual financial statements under the uniform accounting and reporting procedures prescribed under Government Code Section 53891, and has furnished copies to the State Lands Commission for the fiscal years the grant has been in effect.

EXHIBIT: A. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE SANTA CRUZ PORT DISTRICT HAS SUBSTANTIALLY COMPLIED WITH THE TERMS OF CHAPTER 818, STATUTES OF 1968, SECTION 1(j).
2. AUTHORIZE THE EXECUTIVE OFFICER TO NOTIFY THE SANTA CRUZ PORT DISTRICT, THE SECRETARY OF THE SENATE AND THE CHIEF CLERK OF THE ASSEMBLY THAT THE COMMISSION HAS MADE AN INVESTIGATION AS REQUIRED BY THE GRANT STATUTE AND FINDS THAT THE COUNTY HAS COMPLIED WITH THE TERMS OF CHAPTER 818, STATUTES OF 1968, SECTION 1(j).

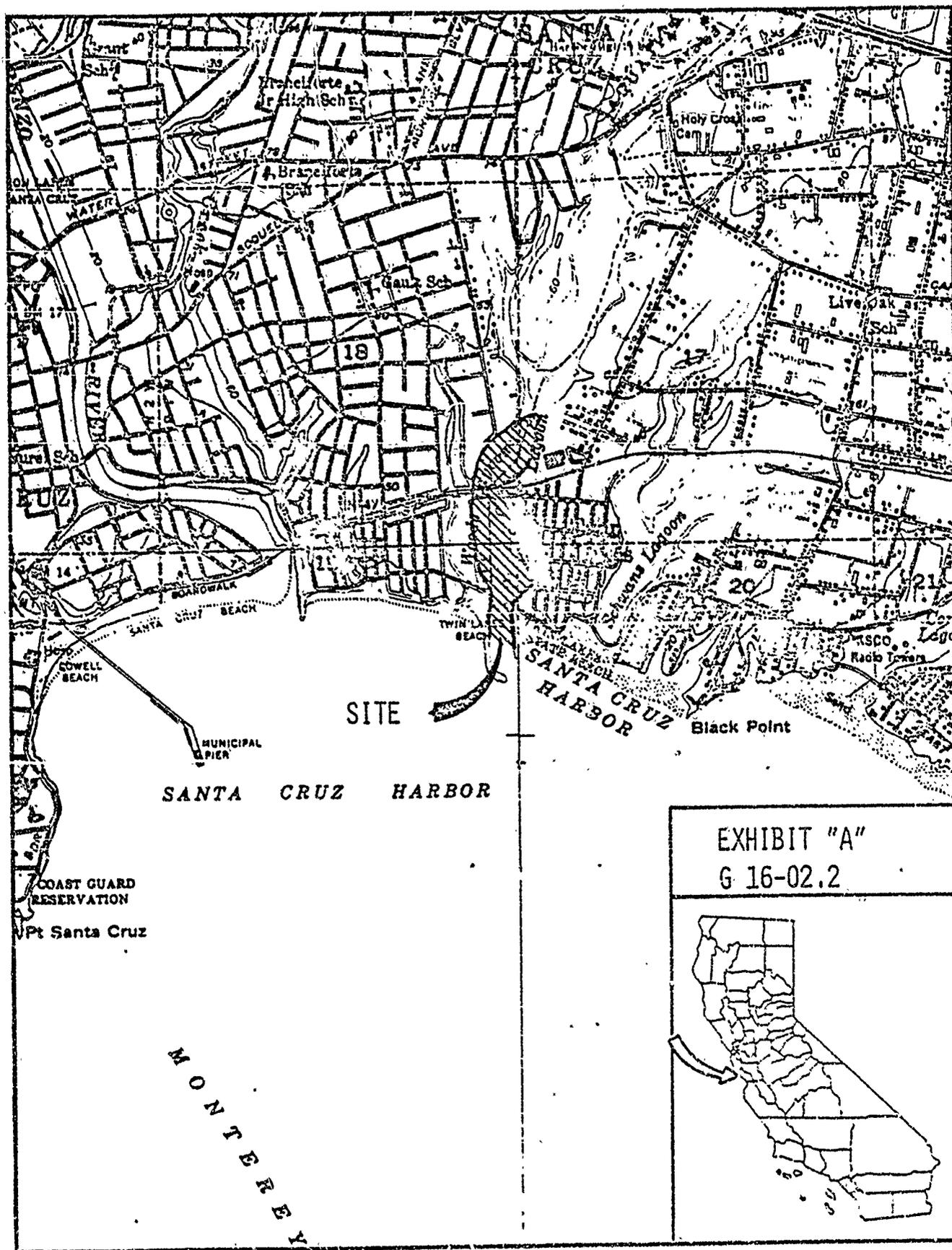


EXHIBIT "A"
G 16-02.2

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