MINUTE ITEM

This Calendar Item No. 28 was approved as Minute Item No. 28 by the State Lands Commission by a vote of 2 to 0 at its 10-30-80 meeting.

CALENDAR ITEM

10/80
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28.

LAND EXCHANGE
(SLL 70)

BACKGROUND AND PRESENT SITUATION:
Alameda Creek, at the location in question, was historically natural, navigable and subject to tidal action. The State's claim therefore, is as sovereign owner of the creek bed located between the Rancho Arroyo de la Alameda and Rancho Potrero de los Cerritos.

The private parties have questioned the creek's former existence, extent, and location with regard to their property. Also, they urge that the old creek bed has become filled, reclaimed and is no longer of any sovereign use.

Alameda Creek presently flows through a realigned flood control channel.

Union City Investment Company #3 (UCIC #3), a general partnership has contacted the Commission's staff in the interest of resolving the title problem. Negotiations have proceeded and an exchange proposal has been made in accordance with P.R.C. Section 6307. The proposed exchange would be of equivalent value lands off-site. The interest to be received by the State would be a fractional interest in a Commission approved Land Bank parcel to be acquired.

The major points of the proposed settlement are as follows:

1. Union City Investment Company #3 will grant to the State an undivided interest in an approved Land Bank parcel.

2. The State would relinquish, by patent, its sovereign interests within the private parties vesting description.

3. The State would receive title insurance, without cost, for the parcel it is to receive.

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(Added, 10/29/80)

At the present time there are no exchange parcels available. However, there are several prospects in the near future for such parcels to become available for purchase by the private party to complete the exchange.

Currently staff has made an appraisal of the State's interest in the property described in Exhibit "B" of the agreement. Their recommendation is that said value is $15,000. UCIC #3 will deposit said amount in an interest bearing escrow account on or before November 15, 1980.

The proposed exchange is for the purpose of settling a title dispute and the private party remains subject to all lawful requirements of public agencies for permits, mitigation, use, or otherwise, independent of this agreement.

Staff is recommending an approval in concept with subsequent execution of the documents since the developer has a loan commitment which expires on December 1, 1980. After that date a higher interest will probably be required by the lender. The next regular Commission meeting is not expected until December 16, 1980.

When an approved land bank property is available, staff will present the Commission with the proposed exchange parcel so the Commission can determine that the land received is of equal or greater value than the interest exchanged.

The agreement has been reviewed and approved by the Office of the Attorney General.

EXHIBIT: A. Location Map - Property to be confirmed to the private parties.

IT IS RECOMMENDED THAT THE COMMISSION:

1. APPROVE THE FORM OF EXCHANGE AGREEMENT SLL 70.

2. DIRECT STAFF TO OBTAIN THE COMMISSION'S APPROVAL OF THE PROPOSED EXCHANGE PARCEL PRIOR TO THE EXECUTION OF SAID AGREEMENT. A COPY OF THE AGREEMENT IS ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE THERETO IS MADE A PART HEREOF.

3. FIND THAT THE VALUE OF THE STATE'S INTEREST IN EXHIBIT "B" OF THE AGREEMENT IS $15,000.

(Added, 10/29/80)

4. AUTHORIZE STAFF TO OPEN AN ESCROW ACCOUNT FOR RECEIPT OF THE $15,000; AND SEND A CERTIFIED COPY OF THIS MINUTE ITEM TO THE PRIVATE PARTY.

(Added, 10/29/80)

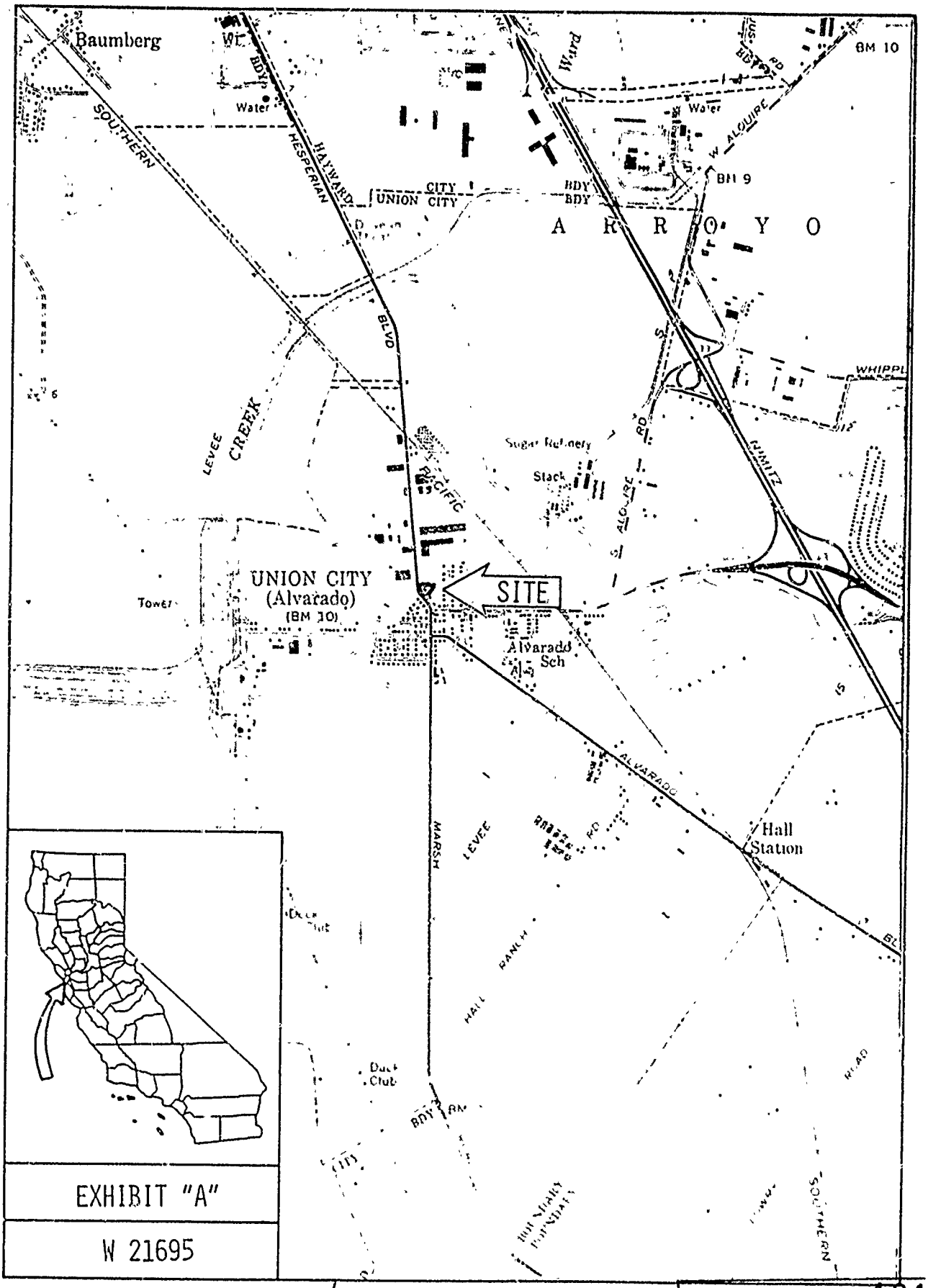

EXHIBIT "A"

W 21695

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(Added, 10/29/80)