

MINUTE ITEM

This Calendar Item No. 50
was approved as Minute Item
No. 50 by the State Lands
Commission by a vote of 3
to 0 at its 5/27/82
meeting.

CALENDAR ITEM

50

5/27/82
W 22421
Hadly
A. Scott

COLORADO RIVER SPORTSMAN'S LEAGUE
EXCHANGE AGREEMENT SLL NO. 75

BACKGROUND:

Staff was contacted in early 1980 by representatives of the Colorado River Sportsman's League, Inc. (Sportsman's League), record owners of parcels of land adjacent to the west bank of the Colorado River three miles north of the City of Needles, and by Arciero and Sons, Inc. (Arciero), a prospective purchaser and developer of such lands, regarding exceptions for possible sovereign State interests listed in a preliminary title report on the parcels. Those private parties had entered into a contract for sale of the parcels from the Sportsman's League to Arciero and had opened an escrow for transfer of title when they were made aware of a title policy exception for a possible State interest. Arciero had also drafted preliminary plans for the development of the parcels into a mobile home-recreational vehicle park and marina complex with access to the river. Realization of those development plans is contingent on passage of title from Sportsman's League to Arciero, final approval of Arciero's plans by the City of Needles (City) and an ultimate decision by Arciero to proceed with the project.

The staff was requested by the private parties to evaluate potential State claims of interest within the area of the parcels and to propose a means of resolving the questions of State claims or interests so that the proposed sale and development could proceed. In addition to the private parties' request, staff received correspondence from the City strongly supporting the proposed project and requesting the Commission's cooperation in resolving the title questions..

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Based on its preliminary title analysis, staff proposed a solution that would include the State's quitclaim of any interest to the area proposed for development in exchange for the private parties' conveying fee title to an access road, an upland parcel suitable for use as a parking lot, and a riparian parcel adjacent to the river. The private parties agreed to proceed with this proposal which involved a partial redesign of the project's preliminary plans. The private parties and the City have approved the proposed agreement, the City by way of a formal resolution of the Needles City Council.

PROPOSED AGREEMENT:

Under the proposed agreement as subsequently developed by the parties (Sportsman's League, Arciero, the City of Needles and the State) the following will occur:

1. The State will quitclaim any interest including mineral interests it may have in the area proposed for development, (Project Area as shown on Exhibit "B", a map depicting the Agreement).
2. The Sportsman's League will convey the following to the State in fee including mineral interests:
 - (a) a 50-foot wide access road (Access Parcel as shown on Exhibit "B"); and
 - (b) a 22,500 square-foot upland parcel suitable for use as a parking lot (Upland Parcel as shown in Exhibit "B"); and
 - (c) a parcel in and adjacent to the river, comprised of both presently dry lands and submerged lands. (Riparian Parcel as shown on Exhibit "B") suitable for recreational use; and (d) any possible accretions to Subject Property Parcels 1 and 2, depicted on Exhibit "B".)

Because the 1966 Interstate Compact fixed the position of the political boundary between California and Arizona

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in the center of the present dredged channel, a small portion of the Riparian Parcel is located in the State of Arizona.

3. Sportsman's League will reserve the following from their conveyances:
 - (a) all water rights, for the benefit of the Project Parcel, as well as a nonexclusive easement over the Riparian Parcel for the exercise of such rights;
 - and (b) a nonexclusive easement for access to the Riparian Parcel and for general recreational use of such parcel for the benefit of the Project Area.

4. The State will grant to Arciero, effective upon closing, two options for a ten-year period to obtain:
 - (a) a permit (Channel Permit) to construct, operate and maintain a maximum of two water access channels across the Riparian Parcel for the purpose of providing water access from the Colorado River to the Project Area, provided that pedestrian access to the Riparian Parcel is maintained.
 - (b) a lease (Berthing Lease) to construct, operate and maintain berthing and mooring facilities in the Colorado River, adjacent to the Project Area. This lease shall be convertible to a P.R.C. Section 6503.5 rent-free recreational pier permit upon certain conditions set forth in the Agreement.

The exercise of both options is contingent upon Arciero receiving required approvals or permits from all other responsible governmental entities or agencies having jurisdiction over its proposed facilities.

Both options shall be assignable to a homeowner's association of owners of lots within the Project Area organized by Arciero pursuant to California's non-profit corporation law.

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4. The specific terms and conditions of both the Channel Permit and Berthing Lease are set forth in the Agreement as Exhibit "I" and "J".
5. Subsequently, contingent upon approval by the City of purchaser/developer Arciero's plan, in the form of a final subdivision map (Final Map), the City will accept an easement for road purposes over the Access Parcel and a 49-year Public Agency Permit for use and management of the Upland and Riparian Parcels for such purposes as public access, parking, general recreation and open space. The State will have a right to terminate the permit so that the Upland and Riparian Parcels may be leased to another State agency such as Department of Parks and Recreation, if such an agency should propose an active management use of the parcel. The Department of Parks and Recreation has tentatively expressed an interest in the parcels for possible use in their boating trails program. The specific terms and conditions of the Public Agency Permit are set forth in Exhibit "H" of the Agreement.
6. Contingent upon approval of a Final Map and a decision to go forward with its project, Arciero will improve the Access and Upland Parcels according to specifications found in Exhibit "G" of the Agreement.
7. Contingent upon such improvements taking place, the City pursuant to its public agency permit for the Upland and Riparian Parcels, will place and regularly service appropriate trash receptacles on the parcels.

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8. The State shall have the right to approve the Final Map as to its location and description of the Access, Upland and Riparian Parcels and the Access Channels.

STAFF ANALYSIS AND RECOMMENDATIONS:

The staff and the Office of the Attorney General have conducted a careful study and analysis of the area of the subject parcels and of the specific parcels covered in the proposed agreement and of the provisions of the proposed agreement and has concluded the following:

1. The proposed exchange agreement is authorized by Div. 6 of the P.R.C. to include specifically Section 6307 (Authority to exchange lands of equal value when it is in the best interests of the State).
2. The proposed agreement is in the best interest of the State in that it will provide for public use of lands adjacent to the Colorado River for general recreation and open space and for public access and parking in conjunction with such public use.
3. The State will receive lands, interests in lands, and other consideration equal to or greater in value than lands or interests in lands claimed by the State, and to be relinquished or conveyed pursuant to the proposed exchange agreement.
4. The lands or interests in lands to be relinquished by the State 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 navigation and fishing and are no longer in fact submerged lands.

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5. Parties to this Agreement will bear their own escrow and title insurance costs.
6. The proposed exchange agreement has been reviewed and approved as to form by the Office of the Attorney General and is on file in the Offices of the Commission staff.

AB 884: N/A.

EXHIBITS: A. Site Map.
B. Map of the Agreement.

IT IS RECOMMENDED THAT THE COMMISSION:

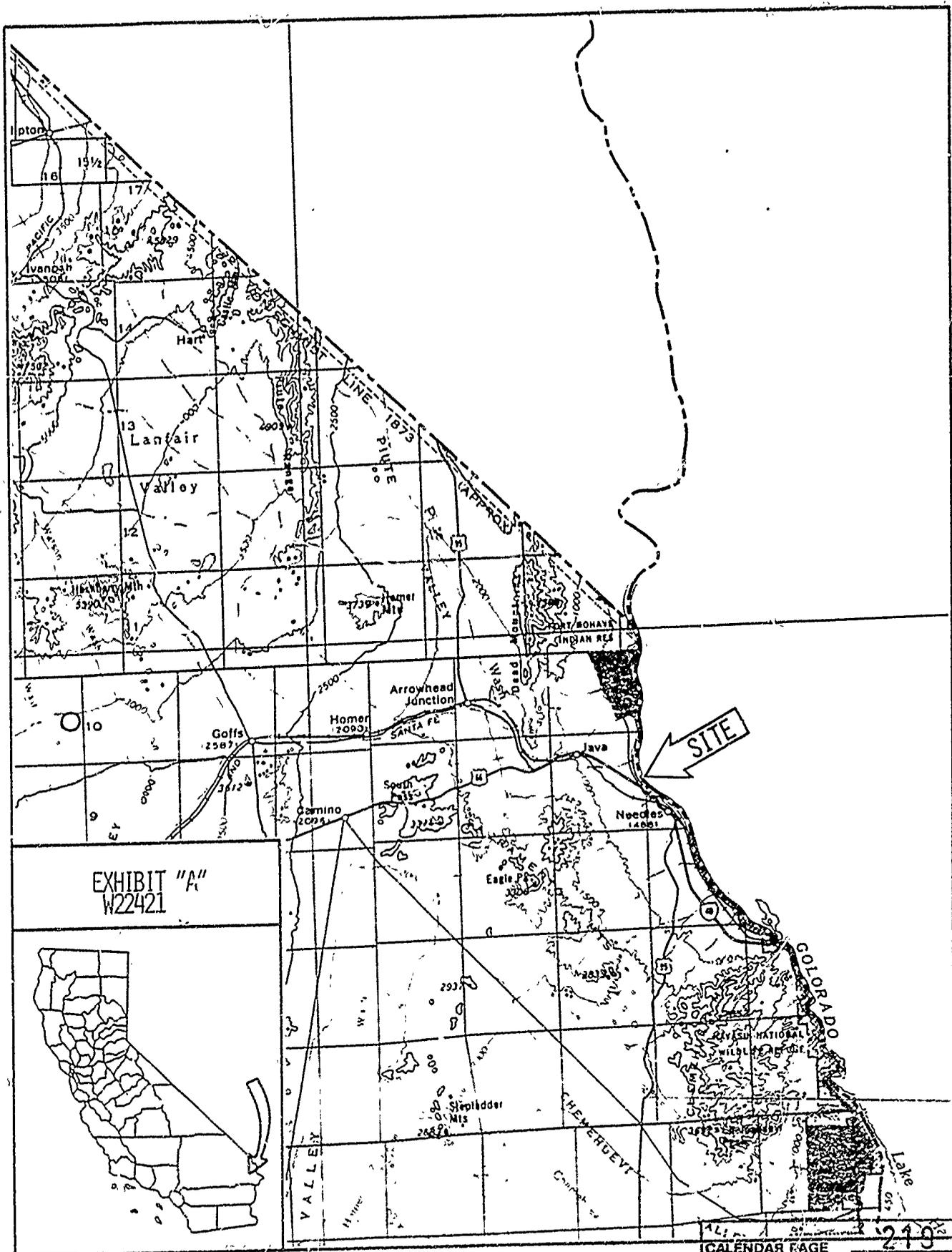
1. FIND THE AGREEMENT IS IN SETTLEMENT OF A TITLE DISPUTE AND THAT THE PROVISIONS OF CEQA, ARE INAPPLICABLE.
2. APPROVE THE PROPOSED SPORTSMAN'S LEAGUE EXCHANGE AGREEMENT, SLL NO. 75, IN SUBSTANTIALLY THE FORM ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION, BETWEEN THE STATE (ACTING BY AND THROUGH THE COMMISSION); THE COLORADO RIVER SPORTSMAN'S LEAGUE, INC.; ARCIERO AND SONS, INC.; AND THE CITY OF NEEDLES; WHICH AGREEMENT SHALL BE INCORPORATED BY REFERENCE HEREIN.
3. AUTHORIZE EXECUTION, ACCEPTANCE AND RECORDATION OF THE AGREEMENT AND INSTRUMENTS OF CONVEYANCE SPECIFIED IN THE AGREEMENT.
4. AUTHORIZE STAFF TO PAY THE STATE'S ESCROW AND TITLE INSURANCE COSTS.
5. FIND THAT THE AGREEMENT WILL PROVIDE FOR THE DEVELOPMENT OF PUBLIC ACCESS TO AND USE OF LANDS ADJACENT TO THE COLORADO RIVER FOR GENERAL RECREATION AND OPEN SPACE PURPOSES, AND THAT THE EXCHANGE OF LANDS, INTERESTS IN LANDS AND COVENANTS SET FORTH IN THE AGREEMENT, IS IN THE BEST INTEREST OF THE STATE.
6. FIND AND DECLARE UPON CLOSING UNDER THE AGREEMENT THAT:
 - a. THE PARCEL OR INTEREST OF LAND CONVEYED BY THE STATE (THE PROJECT AREA AS DESCRIBED IN EXHIBIT "D" OF THE AGREEMENT) HAS BEEN IMPROVED, FILLED OR RECLAIMED, AND HAS THEREBY BEEN EXCLUDED FROM THE PUBLIC CHANNELS AND IS NO LONGER AVAILABLE OR USEFUL

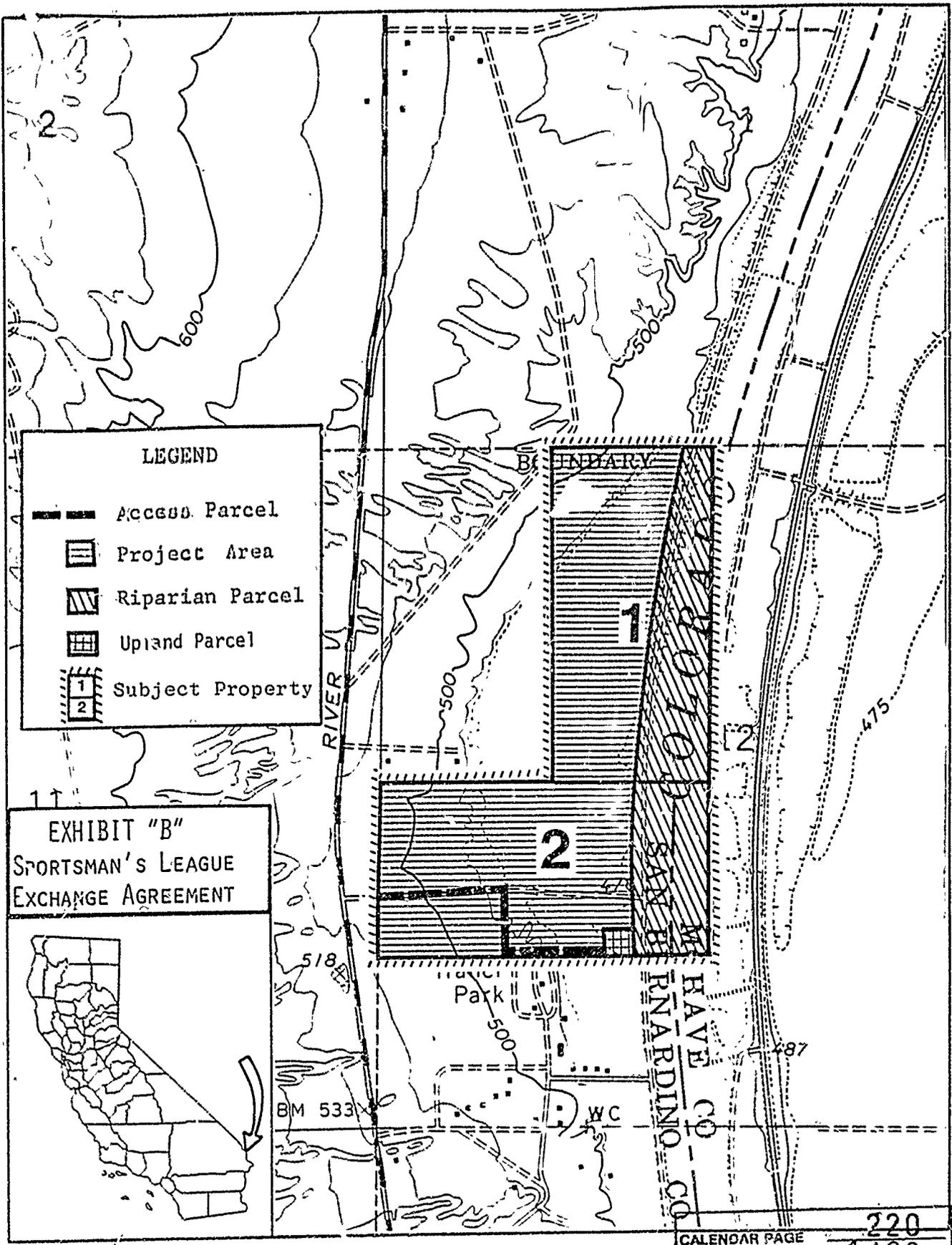
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OR SUSCEPTIBLE OF BEING USED FOR NAVIGATION AND FISHING AND IS NO LONGER IN FACT SUBMERGED LANDS.

- b. THE LANDS AND INTEREST IN LANDS TO BE ACQUIRED BY THE STATE, PURSUANT TO THIS AGREEMENT, ARE OF GREATER OR EQUAL VALUE WHEN COMPARED TO THE LANDS AND INTEREST IN LANDS BEING RELINQUISHED TO PRIVATE PARTIES.
 - c. THE PARCELS OF LAND CONVEYED TO THE STATE, (THE ACCESS, UPLAND AND RIPARIAN PARCELS DESCRIBED IN EXHIBITS E-1 THROUGH E-3 OF THE AGREEMENT) SHALL BE SOVEREIGN LANDS OF THE STATE SUBJECT TO THE PUBLIC TRUST FOR COMMERCE, NAVIGATION AND FISHERIES.
7. AUTHORIZE TRANSMITTAL OF THE ABOVE FINDINGS TO THE GOVERNOR'S OFFICE WITH A REQUEST FOR EXECUTION OF A PATENT NECESSARY TO CARRY OUT THE AGREEMENT.
8. AUTHORIZE THE STAFF OF THE STATE LANDS COMMISSION AND THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL FURTHER STEPS NECESSARY TO IMPLEMENT THE PROVISION OF THE AGREEMENT, INCLUDING, BUT NO LIMITED TO, APPEARANCES IN ANY LEGAL PROCEEDINGS TO FINALIZE THIS AGREEMENT.

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LEGEND

-  Access Parcel
-  Project Area
-  Riparian Parcel
-  Upland Parcel
-  Subject Property

EXHIBIT "B"
SPORTSMAN'S LEAGUE
EXCHANGE AGREEMENT

