

MINUTE ITEM

This Calendar Item No. 36
was approved as Minute Item
No. 36 by the State Lands
Commission by a vote of 3
to 0 at its 6/26/86
meeting.

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CALENDAR ITEM

36 1

06-26/86
W 503.1400 AD 51
Valentine

APPROVAL OF A COMPROMISE TITLE SETTLEMENT AGREEMENT
REDWOOD CITY, SAN MATEO COUNTY

PRIVATE PARTY: Skyline Materials, Inc.
c/o Turner and Mulcare, Attorneys
1510 Fashion Island Boulevard
Suite 307
San Mateo, California 94404

A title dispute exists between the State in its sovereign capacity and Skyline Materials, Inc. ("Skyline") concerning ownership of a 5-acre parcel of real property located in Redwood City, San Mateo County. The property is along Steinberger Slough. The real property is referred to as the subject parcel, and is described in Exhibit "A", and is depicted on Exhibit "B".

Skyline is the record owner of the subject parcel as successor-in-interest to a State Swamp and Overflowed Patent. The property is the subject of condemnation proceeding brought by the City of Redwood City. The State Lands Commission has been joined as a party in the condemnation action because of the existence of State sovereign land claims within the parcel. The private parties contend that the State patent conveyed all right, title and interest of the State within the subject parcel without any reservations to the State, expressed or implied, and that they now hold title to the property free and clear of any State right, title or interest.

The staff of the State Lands Commission has conducted a study of the evidence of title to the subject parcel and has drawn a number of factual conclusions, including those summarized below:

The parcel is primarily reclaimed historic wetlands which formerly consisted of marsh grass and tidal sloughs. It was in a natural state covered, at least in part, by the

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ordinary tides, the precise extent of coverage being subject to dispute. The subject parcel is presently diked but also contains portions of the present bed of Steinberger Slough.

The staff is of the opinion that the title evidence and the applicable legal principles lead to the conclusion that the State, in its sovereign capacity, is the owner of some public trust right, title or interest in the subject parcel. The exact extent and nature of the State's interest is, however, subject to uncertainty and dispute.

Skyline has offered to resolve the title dispute by written agreement in compromise settlement of the legal and evidentiary issues. The staff of the State Lands Commission recommends approval of the settlement in substantially the form of the agreement now on file with the State Lands Commission.

While the agreement sets forth all the specific terms and conditions of the settlement, a brief summary of some of the principal terms and conditions of the settlement is set forth below as follows:

1. Skyline will quitclaim to the State all that portion of the subject parcel consisting of present wetlands as depicted on Exhibit "B" and described in Exhibit "C".
2. The State Lands Commission, as trustee of the Kapiloff Land Bank Trust fund, will receive seven percent of the award paid into Court by the City in the eminent domain action. Payment is to be made by the Clerk of the Court. The award will be figured after deducting costs, litigation expenses and interest, if any paid by the City.
3. As an advance on the payment referred to in paragraph 2 above the Commission is to receive seven percent of the amount currently on deposit with the Court (\$668,500):
 - a. Six months after start of trial; or
 - b. Two months after the public use and necessity issues are dismissed from the case, whichever is later.
4. The State will patent to Skyline that portion of the parcel consisting of present upland, free of any sovereign claims. This subparcel is depicted on Exhibit "B" and described on Exhibit "D".

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5. The titles conveyed by Skyline's quitclaim and the State patent shall be insurable. The parties shall bear the respective costs of insuring the parcels received by them. An escrow will be opened to facilitate closure of this transaction, escrow costs and fees to be divided equally between the parties.
6. The State will not contend at trial of the eminent domain issues that Skyline lacks full title to the subject parcel and the Commission will cooperate with Skyline in pursuit of the award in the proceedings. The Commission need not participate actively in the litigation, except to receive the compensation in the manner described above.

Staff has appraised the subject parcel and has evaluated the evidence and law bearing on the title dispute and is of the opinion that the compensation referred to in paragraphs 1-3 above is equal to or greater than the value of the State's interest in the subject parcel.

In acting on this matter, the Commission will be acting in its capacity as trustee of the Kapiloff Land Bank Trust fund by P.R.C. 8600 et seq.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a statutory exempt project. The project is exempt because it involves settlements of title and boundary problems.

Authority: P.R.C. 21080.11.

EXHIBITS: A. Land Description, Subject Parcel.
B. Location Map.
C. Land Description, Parcel to State.
D. Land Description, Parcel to Skyline.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 AS A STATUTORY EXEMPT PROJECT PURSUANT TO P.R.C. 21080.11, SETTLEMENT OF TITLE AND BOUNDARY PROBLEMS.

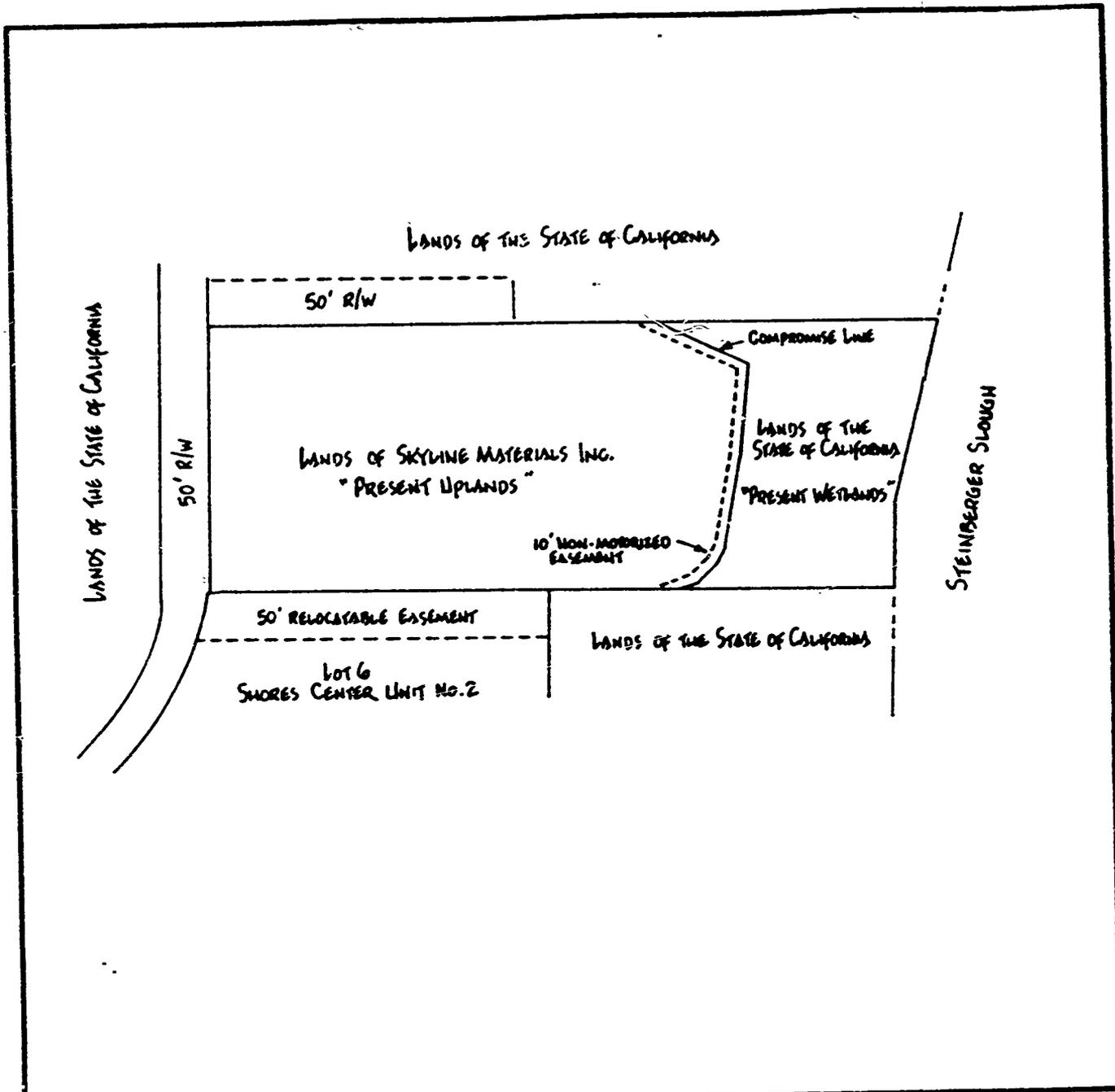
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2. FIND THAT THE PROPOSED COMPROMISE TITLE SETTLEMENT AGREEMENT, INCLUDING THE EXCHANGE OF THE STATE'S INTEREST IN THE SUBJECT PARCEL FOR FUNDS WITH WHICH TO BUY AN EXCHANGE PARCEL:
 - A. IS IN THE BEST INTEREST OF THE STATE.
 - B. THAT THE MONIES RECEIVED BY THE STATE ARE OF A VALUE EQUAL TO OR GREATER THAN THE VALUE OF THE INTERESTS IN THE SUBJECT PARCEL BEING RELINQUISHED BY THE STATE.
 - C. THE PORTION OF THE SUBJECT PARCEL TO BE PATENTED HAS BEEN IMPROVED, RECLAIMED AND PARTIALLY FILLED, HAS BEEN EXCLUDED FROM THE PUBLIC CHANNELS, AND IS NO LONGER AVAILABLE OR USEFUL OR SUSCEPTIBLE OF BEING USED FOR NAVIGATION AND FISHING ARE NO LONGER IN FACT TIDELANDS OR SUBMERGED LANDS.
 - D. THE PARTIES HAVE A GOOD FAITH AND BONA FIDE DISPUTE RESPECTING THE PRIVATE-STATE TITLES WITHIN THE PARCEL.
 - E. THE PROPOSED AGREEMENT CONSTITUTES A COMPROMISE OF THE CONTESTED ISSUES OF LAW AND EVIDENCE UPON WHICH THE DISPUTE IS BASED.
 - F. THE AGREEMENT IS IN LIEU OF THE COSTS, DELAYS AND UNCERTAINTIES OF TITLE LITIGATION; IT IS CONSISTENT WITH AND IS AUTHORIZED BY THE REQUIREMENTS OF LAW.
 - G. ON THE EFFECTIVE DATE OF THE CONVEYANCES DESCRIBED IN THE AGREEMENT AND CONSISTENT WITH ITS TERMS, THE PRESENT UPLAND IN THE SUBJECT PARCEL WILL NO LONGER BE NECESSARY OR USEFUL FOR THE PURPOSES OF THE PUBLIC TRUST AND THE PUBLIC TRUST INTEREST MAY BE TERMINATED.
3. APPROVE THE AUTHORIZE THE EXECUTION, ACKNOWLEDGEMENT AND RECORDATION ON BEHALF OF THE COMMISSION OF THE FOLLOWING DOCUMENTS:
 - A. THE COMPROMISE TITLE SETTLEMENT AGREEMENT IN SUBSTANTIALLY THE FORM OF THE COPY OF SUCH AGREEMENT ON FILE WITH THE COMMISSION.
 - B. A PATENT OF THE SUBJECT PARCEL IN SAN MATEO COUNTY, CALIFORNIA, DESCRIBED IN EXHIBIT "A" FOREVER FREE OF THE PUBLIC TRUST.
 - C. A CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORD SKYLINE'S QUITCLAIM OF THE PRESENT WETLANDS.

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4. AUTHORIZE AND DIRECT THE STAFF OF THE STATE LANDS COMMISSION AND/OR THE CALIFORNIA ATTORNEY GENERAL TO TAKE ALL NECESSARY OR APPROPRIATE ACTION ON BEHALF OF THE STATE LANDS COMMISSION, INCLUDING THE EXECUTION, ACKNOWLEDGEMENT AND RECORDATION OF ALL DOCUMENTS AS MAY BE NECESSARY OR CONVENIENT TO CARRY OUT THE COMPROMISE TITLE SETTLEMENT AGREEMENT; AND TO APPEAR ON BEHALF OF THE COMMISSION IN ANY LEGAL PROCEEDINGS RELATING TO THE SUBJECT MATTER OF THE AGREEMENT.

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STATE LANDS COMMISSION

SETTLEMENT PLAT



Prepared by: R. LA FORCE Date: 6-1-1986 A: 20 S: 11

Title Study: REDWOOD CITY vs. SKYLINE MATERIALS INC. W 503.1400

EXHIBIT "B"

23 - N 37 - E 149

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EXHIBIT "C"

W 503.1400

The following described real property is situate in the City of Redwood City, County of San Mateo, State of California:

BEGINNING at the Southeast corner of Parcel S-2 as described in the Deed to the State of California, dated December 14, 1973 and recorded February 22, 1974 in Book 6557 of Official Records at page 718, Records of San Mateo County, California, said corner bears South 89° 40' 12" East (called North 89° 33' 30" West in said deed.) 449.98 feet from the Northwest corner of that parcel shown on the Record of Survey of the Lands of Skyline Materials Inc. and Skyline Building Materials Company, filed the 21st day of October 1983, in Book 9 of L.L.S Maps at page 42, Records of San Mateo County, California, also being a point on the compromise line between Skyline Materials and the State of California; thence South 89° 40' 12" East 289.82 feet to the centerline of Steinberger Slough; thence up the centerline of said slough South 13° 02' 48" West 201.34 feet; thence South 1° 02' 48" West 88.69 feet to the Northeast corner of Parcel S-3 described in said Deed, Book 6557, at page 718, thence leaving said slough along the northerly line of said Parcel S-3, North 89° 40' 12" West (called South 89° 33' 38" East in said deed) 214.68 feet to said compromise line between Skyline Materials and the State of California also being the northerly terminus of the ordinary high water line of Parcel S-3 as described in the Phelps Slough Boundary and Exchange Agreement (BLA 141) dated December 3, 1973 and recorded February 22, 1974 in Book 6557 Official Records at page 633, Records of San Mateo County, California; thence along the compromise line the following six (6) courses:

North 69° 02' 00" East 16.00 feet
 North 43° 27' 00" East 26.00 feet
 North 29° 03' 00" East 20.00 feet
 North 09° 44' 00" East 106.00 feet
 North 04° 40' 00" East 91.00 feet
 North 63° 25' 16" West 107.26 feet to the point
 of beginning.

Containing 1.211 acres, more or less.

The California Coordinate System, Zone 3, was used as the basis of bearings. All distances given are grid distance. To convert to ground distance multiply grid distance by scale factor of 1.0000636.

END OF DESCRIPTION

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The following described real property is situate in the City of Redwood City, County of San Mateo, State of California:

BEGINNING at the Northwest corner of that parcel shown on the Record of Survey of the lands of Skyline Materials Inc. and Skyline Building Materials Company, filed the 21st day of October 1983, in Book 9 of L.L.S. Maps at page 42, Records of San Mateo County, California, also being the Southwest corner of Parcel S-2 as described in the Deed to the State of California, dated December 14, 1973 and recorded February 22, 1974 in Book 6557 of Official Records at page 718, Records of San Mateo County, California, thence along the westerly line of said Record of survey, South $0^{\circ} 17' 48''$ West, 285.08 feet to the North line of Lot 6 of Shores Center Unit No. 2, filed for record October 1984 in Book 112 of Maps at pages 20-22, records of San Mateo County, California; thence South $89^{\circ} 40' 12''$ East 479.52 feet along the northerly line of said Lot 6 and Parcel S-3 of said Deed 6557 at page 718, to a point on the compromise line between Skyline Materials and the State of California, also being the northerly terminus of the ordinary high water line of Parcel S-3 as described in the Phelps Slough Boundary and Exchange Agreement (BLA 141) dated December 3, 1973 and recorded February 22, 1974 in Book 6557 Official Records at Page 633, Records of San Mateo County, California; thence along said compromise line the following six (6) courses:

North $69^{\circ} 02' 00''$ East 16.00 feet
 North $43^{\circ} 27' 00''$ East 26.00 feet
 North $29^{\circ} 03' 00''$ East 20.00 feet
 North $09^{\circ} 44' 00''$ East 106.00 feet
 North $04^{\circ} 40' 00''$ East 91.00 feet
 North $63^{\circ} 25' 16''$ West 107.26 feet to the Southeast corner of Parcel S-2 as described in said Deed 6557 at page 718; thence leaving said compromise line along the Southerly line of said parcel S-2, North $89^{\circ} 40' 12''$ West (called North $89^{\circ} 33' 30''$ West in said Deed 6557 at page 718) 449.98 feet to the point of beginning.

Containing 3.439 acres, more or less.

Grantor reserves for and on behalf of itself, its successors and assigns, a perpetual non-motorized easement for ingress and egress over the following described parcel: 10 feet in width, lying westerly of, contiguous to and parallel with the following described line: Beginning at the northerly terminus of the ordinary high water line of the herein described Parcel S-3; thence along the herein described compromise line the following six (6) courses:

North 69° 02' 00" East 16.00 feet
North 43° 27' 00" East 26.00 feet
North 29° 03' 00" East 20.00 feet
North 09° 44' 00" East 106.00 feet
North 04° 40' 00" East 91.00 feet
North 63° 25' 16" West 107.26 feet to the
Southeast corner of the herein described Parcel S-2.

The California Coordinate System, Zone 3, was used as the basis of bearings. All distances given are grid distance. To convert to ground distance multiply grid distance by scale factor of 1.0000636.

END OF DESCRIPTION

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