

MINUTE ITEM

This Calendar Item No. 44
was approved as Minute Item
No. 44 by the State Lands
Commission by a vote of 3
to 0 at its 2/6/89
meeting.

CALENDAR ITEM

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02/06/89
W 20041 PRC 7280
Louie

SALVAGE PERMIT

APPLICANT: Segamb, Inc.
700 Ygnacio Valley Road, Suite 350
Walnut Creek, California 94596

AREA, TYPE LAND AND LOCATION:
40.72 acres of submerged land in San Francisco
Bay.

LAND USE: Salvage operations on wreck site of the City of
Rio de Janeiro; salvage operations shall
consist of mapping and surveying the wreck in
the area of search and the removal of an object,
or objects, at the discretion of an onboard
State monitor, from the exterior of the
shipwreck sufficient to positively identify the
City of Rio de Janeiro.

TERMS OF PROPOSED PERMIT:

Initial period: One year beginning on the
date the permit is executed
by the State Lands Commission.

Surety bond: \$10,000.

Public liability insurance: Combined single
limit coverage of \$1,000,000.

CONSIDERATION: \$1,025 land rental, and 25 percent of the net
salvage value of \$25,000 or less, and 50
percent of the net salvage value in excess of
\$25,000 for salvage items sold or items retained

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by the State or Permittee. Disposition of items not sold and not retained by the State or Permittee shall be determined by mutual agreement between the State and the Permittee upon termination of the permit.

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Code Regs 2003.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing fee and processing costs have been received.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Code Regs: Title 2, Div. 3; Title 14, Div. 6.

AB 884:

02/14/89 (includes 90-day extension.)

OTHER PERTINENT INFORMATION:

1. This project involves surveying and mapping the City of Rio de Janeiro and the potential retrieval and salvage of an object, or objects, at the discretion of an onboard State monitor, from the exterior of the City of Rio de Janeiro sufficient to positively identify the shipwreck. The City of Rio de Janeiro was a 3,548 ton iron hull steamship built in 1877-1878, and was lost in 1901 in San Francisco Bay.
2. The Applicant, Segamb Inc., proposes to obtain further confirmation of the wreck including mapping of the vessel in the areas searched. The Applicant proposes to recover an object from the exterior of the shipwreck sufficient to positively identify the wreck. At the discretion of the State monitor, Applicant may recover additional objects from the wreck's exterior only as necessary to identify the wreck as the City of Rio de Janeiro.
3. The permit is subject to a Memorandum of Agreement (M.O.A.) between the State Lands Commission and the Applicant ensuring that the recovery and conservation of artifacts

are performed in accordance with the Advisory Council on Historic Preservation's handbook, Treatment of Archeological Properties. The M.O.A. is substantially in the form shown on Exhibit "B".

4. The permit requires Permittee, at Permittee's expense, to house and conserve all salvaged items, including items retained by the State, until those items are fully stabilized. The permit also provides that the State shall have a designated person on board at Permittee's expense to monitor Permittee's compliance with permit terms and conditions.
5. The Applicant's proposed salvage operations will result in the following public benefits:
 - (a) Location and condition of the City of Rio de Janeiro will be confirmed and recorded.
 - (b) Retrieval of an object, or objects at the discretion of an onboard State monitor, from the exterior of the ship, will aid in the positive identification of the wreck as the City of Rio de Janeiro.
6. The project is located on lands granted to the City and County of San Francisco and administered by the Port of San Francisco. Staff contacted the Port of San Francisco regarding the Applicant's project. The Port has not informed staff of any objections to the project.
7. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. Through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with the use classification.
8. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has

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determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 6, Basic Data Collection as a part of a study leading to a public agency action, 14 Cal. Code Regs. 15306.

Authority: P.R.C. 21084 and 14 Cal. Code Regs. 15300.

FURTHER APPROVALS REQUIRED:

San Francisco Bay Conservation and Development Commission.

EXHIBITS:

- A. Site Map.
- B. Memorandum of Agreement.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 6, BASIC DATA COLLECTION AS PART OF A STUDY LEADING TO PUBLIC AGENCY ACTION, 14 CAL. CODE REGS. 15306.
2. AUTHORIZE ISSUANCE TO SEGAMB, INC. OF A ONE-YEAR SALVAGE PERMIT BEGINNING ON THE DATE THE SALVAGE PERMIT IS EXECUTED ON BEHALF OF THE STATE LANDS COMMISSION; IN CONSIDERATION OF LAND RENT IN THE AMOUNT OF \$1,025, AND 25 PERCENT OF THE NET SALVAGE VALUE OF \$25,000 OR LESS AND 50 PERCENT OF THE NET SALVAGE VALUE IN EXCESS OF \$25,000 FOR THOSE SALVAGED ITEMS THAT ARE SOLD OR RETAINED BY THE STATE OR PERMITTEE; DISPOSITION OF ANY REMAINING ITEMS NOT SOLD OR RETAINED BY THE STATE OR PERMITTEE SHALL BE DETERMINED BY MUTUAL AGREEMENT OF THE PARTIES UPON TERMINATION OF THE PERMIT; PROVISION OF A \$10,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$1,000,000; FOR SURVEYING AND MAPPING PURPOSES AND THE RETRIEVAL OF AN OBJECT, OR OBJECTS, AT THE DISCRETION OF THE STATE MONITOR, AS PROVIDED IN THE PERMIT, FROM THE EXTERIOR OF THE CITY OF RIO DE JANEIRO SUFFICIENT TO POSITIVELY IDENTIFY THE SHIPWRECK IN THE GENERAL LOCATION SHOWN ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

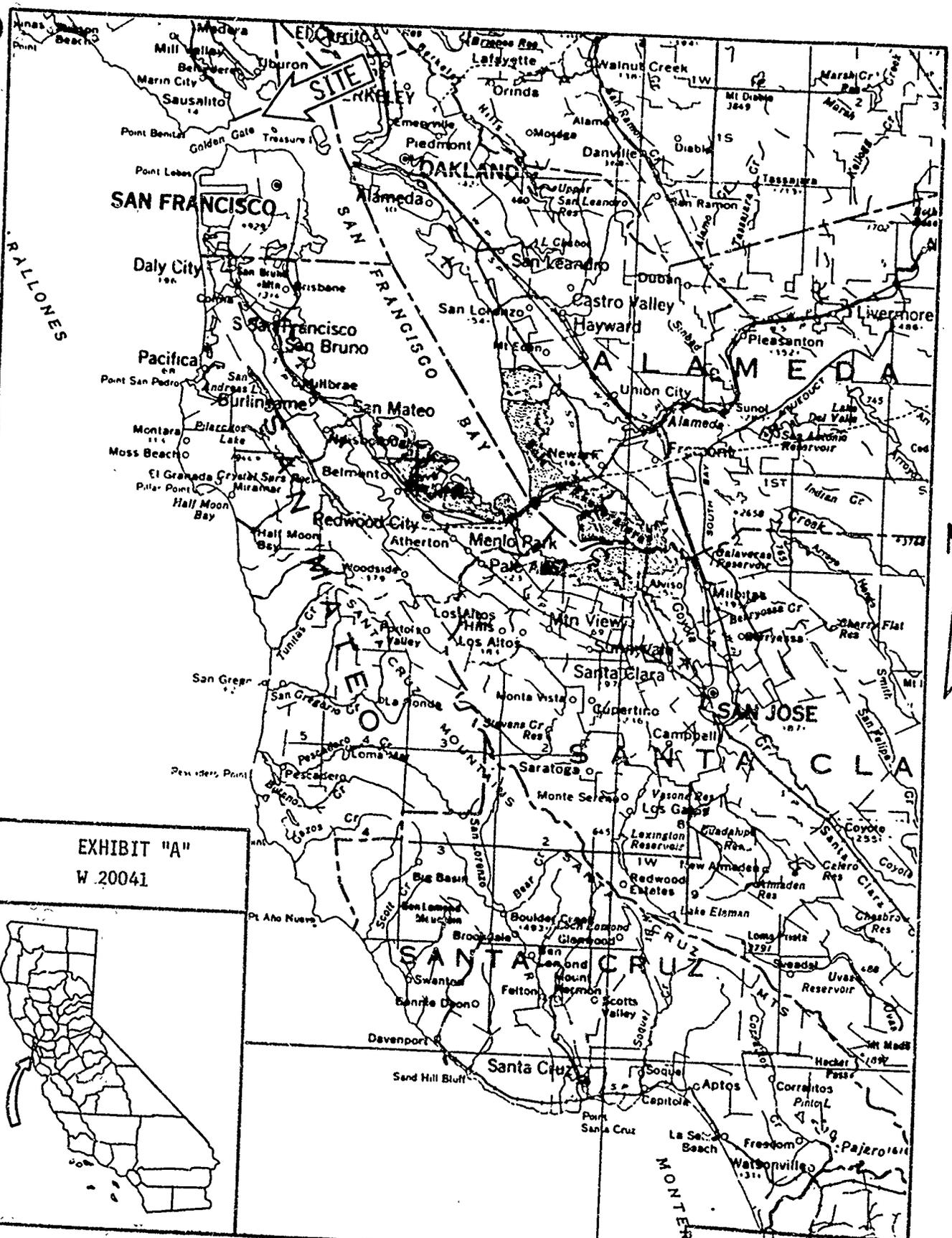


EXHIBIT "A"
W. 20041



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MEMORANDUM OF AGREEMENT

WHEREAS, the State Lands Commission (the Commission) proposes to issue a salvage permit for the archeological investigation and recovery of possible artifacts from the wreck of the vessel City of Rio de Janeiro, located in San Francisco Bay, City and County of San Francisco.

WHEREAS, the State Lands Commission, in consultation with the State Office of Historic Preservation (OHP), has determined that the proposed salvage may result in adverse effects to a significant archeological resource which is potentially eligible for inclusion in the National Register of Historic Places;

NOW, THEREFORE, the State Lands Commission, and Segamb, Inc. (Applicant), agree that the proposed salvage will be conducted according to the following stipulations:

STIPULATIONSI. Archeological Data Recovery

A. Applicant currently has on file with the State Lands Commission, an archeological survey and recovery development plan. Applicant shall carry out salvage operations in accordance with said plan. However, in the event there are conflicts between the terms and conditions of the salvage permit and this Memorandum of Agreement (hereinafter M.O.A.) and Applicant's archeological recovery plan, the salvage permit and this M.O.A. shall be controlling.

B. Applicant shall only remove an object, or objects at the discretion of the State monitor, from the exterior of the City of Rio de Janeiro sufficient to positively identify the shipwreck, if such removal will not damage the wreck or wreck site. Applicant shall not use explosives or tools which may damage the wreck or wreck site. Applicant may enter the wreck for survey and mapping purposes only and shall only enter the wreck through existing openings without use of force or destructive means.

C. Prior to approval of the salvage permit, Applicant shall provide to the State a list of specific research questions pertaining to Applicant's project, which will be addressed.

II. Performance Standards

A. The Applicant will provide to the State Lands Commission documentary proof of financial responsibility, capability, and solvency, including adequate funding to cover insurance and/or bonding.

B. The Applicant will provide to the Commission evidence of having the appropriate resources (funding, staff, equipment) to accomplish documentary research, diving operation, archeological work, conservation, artifact and other data analysis, public display and reporting consistent with the data recovery plan and salvage permit conditions. Prior to approval of the salvage permit, SEGAMB shall provide to the State a copy of an agreement or other documentation evidencing Applicant's arrangements with a professional conservation facility to conserve the artifacts salvaged. Applicant agrees to house the artifacts at Applicant's sole cost until these artifacts are fully stabilized.

C. All archeological work will be conducted in a manner consistent with the standards and principles contained in the Advisory Council on Historic Preservation's handbook, Treatment of Archaeological Properties. In addition to following the approved archaeological recovery plan submitted to the State, the Applicant agrees to undertake a strict regimen of standard underwater archaeology including maintaining detailed notes, photos, plans, drawings and other archaeological data, and to keep a daily log containing a detailed record of all salvage operations conducted pursuant to this permit, including the following:

- a. Date and time of operation each day;
- b. Names and occupations of all those participating in the salvage operation;
- c. Equipment used;
- d. Salvage method employed; and
- e. A detailed description, including photographs, of all material recovered.

D. All archeological work, including marine survey and underwater data recovery, will be conducted under the direct field supervision of a person or persons meeting, at a minimum, the following qualifications:

1. Equivalent to certification by the Society of Professional Archaeologists (SOPA); and,
2. A demonstrated familiarity with: techniques of underwater archeological survey, including the operation of electronic remote sensing devices, standard diving operation practices relevant to marine archeological data recovery and recording, certification by NAUI, PADI, or other accredited certifying institution, and interim techniques for conserving artifacts and other recovered materials from a marine environment.

In addition, the principal investigator shall have at least the minimum acceptable professional qualifications contained in The Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation.

E. All recovered archeological materials having the potential to yield significant scientific information will be conserved in accordance with the archeological recovery plan on file and salvage permit conditions, will be fully stabilized and preserved against damage and deterioration, will be fully described and analyzed, and will be retained by the Applicant for the Commission for a sufficient length of time to permit scientific study before being sold or transferred to other parties. The period allowed for such study shall not exceed one (1) year.

F. A plan for public display and interpretation of the results of archeological investigations, in the form of exhibits and publications for the general public, or other means agreed upon by all responsible parties will be submitted by the Applicant to the Commission staff and other agencies as required.

G. A copy of all final archeological reports, including technical papers, will be submitted to the Commission, the OHP, and the University of California. A copy of all field notes, maps, drawings, photographs, photographic negatives, and other photographic records, along with all historical documentation will be placed in a research archive approved by the Commission in consultation with OHP.

H. In order to accurately locate any remains found in the area of search, Applicant shall install a physical point of horizontal reference on the ocean floor. Said point shall be either located on the California State Plane Coordinate System, located on the Universal Transverse Mercator System, fixed by Loran coordinates, or referenced to a survey monument of record. Applicant shall map all areas searched in proximity of the wreck. The map or maps produced, shall be referenced to such physical point of horizontal location.

III. Monitoring and Coordination

A. The Applicant will provide the Commission progress reports every 90 days for all project operations, including surface operations, diving, and laboratory activities.

R. The Applicant will permit regular on-site inspections and unannounced visits during the course of all field work, analysis, and conservation phases of the plan to monitor the Applicant's performance under the permit. Such visits will be made only by staff of the Commission or OHP, or such persons authorized in writing to perform inspections for the staff.

C. The Applicant will submit proposals for changes in supervisory personnel, deviations in the recovery plan(s) on file, or alternative equipment or procedures to the Commission at least 30 days before implementing such changes, deviations, or alternatives. The Applicant agrees to not implement any such changes without the prior written consent of the Commission who shall consult with the OHP.

In the event that the above stipulation cannot be met, owing to the disability or death of a principal, summary resignation, or emergency changes in operations to ensure the safety of the investigators or the public, the Applicant, and the Commission, will convene as soon as practicable to confirm that such changes are acceptable to all parties. Should the Applicant receive notice from the Commission that such changes are unacceptable, the Applicant shall discontinue such changes immediately.

D. Should the Commission, in consultation with OHP, and the Applicant, be unable to resolve any disputes arising from actions taken under this agreement, the permit will be held in suspension by the Commission until all parties agree that the dispute has been resolved to their mutual satisfaction. However, such suspension may be converted to termination upon the Commission's determination that it is in the best interest of the State.

E. All historical and archeological investigation, survey, data recovery, materials analysis, and conservation shall be reported in a final report. The final report shall be submitted to all parties by the Applicant for review and acceptance. An acceptable final report should be certified not more than one (1) year after completion of archeological field and laboratory work. Up to 50 percent of the Applicant's share of recovered material will be held in trust for the Commission until the final report is accepted.

Failure by the Applicant to produce an acceptable and certifiable final report within the one-year period forfeits the Applicant's right to the recovered materials held in trust. Forfeited materials held in trust by the Commission will be examined by the OHP for suitability for public display.

F. This document may be amended during the life of the salvage permit it is appended to with the consent of the applicant and the Commission. Other responsible agencies may be consulted in regard to proposed changes.

Execution of this Memorandum of Agreement evidences that the Commission has taken into account the effects of the permit to salvage materials from the City of Rio de Janeiro shipwreck site, and concurs that the adverse effects can be mitigated by performance of the Memorandum of Agreement.

PERMIT APPLICANT
SEGAMB, INC.

State of California
State Lands Commission

By _____

By _____

Title _____

Title _____

Date _____

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