MINUTE ITEM
This Calendar Item No. 33
was approved as Minute Item
No. 33 by the State Lands
Commission by a vote of 3
to 0 at its 9/23/91
meeting.

CALENDAR ITEM

A 20

S 8, 11

33

09/23/91
W 503.1377
J. Sekelsky
Rusconi

AUTHORIZE THE EXECUTION OF A TITLE SETTLEMENT AGREEMENT BETWEEN THE STATE OF CALIFORNIA, STATE LANDS COMMISSION, THE CITY OF SAN MATEO AND PACIFIC GAS AND ELECTRIC TO SETTLE LITIGATION RE: CITY OF SAN MATEO v. PACIFIC GAS AND ELECTRIC CO., ET AL., SAN MATEO COUNTY, SUPERIOR COURT NO. 205480

PARTY:

State Lands Commission
1807 - 13th Street
Sacramento, California 95814

The State Lands Commission is a party to a quiet title and/or condemnation action brought by the City of San Mateo (City) against the State Lands Commission and Pacific Gas and Electric Company (PG&E) entitled City of San Mateo v. Pacific Gas and Electric Co., et al., San Mateo County Superior County No. 205480.

The 51+ acres of property, which are the subject of this litigation, are composed primarily of historic tide and submerged lands on the shore of San Francisco Bay between Coyote Point and San Mateo Creek in the City of San Mateo. The State of California received title to these lands upon its admission to the United States on September 9, 1850. The State granted these lands subject to the public trust and other use restrictions and reservations to the City of San Mateo by Chapter 336 of the Statutes of 1915, as amended ("Granting Statutes"). PG&E has occupied the lands at issue in this litigation by erecting five sets of high voltage transmission lines. PG&E claims title to the lands at issue by virtue of deeds obtained from the successor-in-interest to the purchaser of the Rancho San Mateo.

A Title Settlement Agreement has been reached between the parties which will not only act to settle the title to the 51+ acres that are the subject of the litigation, but which will solve all of the outstanding title problems on an additional 46+ acres of PG&E claimed lands within the City of San Mateo. Of the approximately

0.1.552

97 acres involved in the settlement, staff agrees with PG&E that some 38+ acres are validly conveyed swamp and overflowed lands or rancho lands in which the State and City have no interest.

The proposed settlement provides as follows:

1. PG&E will quitclaim all right, title, and interest in all of the 97 acres, described as parcels A, B, C, a portion of D, E, F, and G in the Title Settlement Agreement, to the City, to be held subject to the public trust and to the provisions of the Granting Statutes.

2. The State and City will quitclaim any right, title, and interest to a parcel consisting of historic uplands, described as Parcel I in the Title Settlement Agreement, on which sits a PG&E substation.

3. The State and City will quitclaim any right, title, and interest in a parcel of approximately twelve (12) acres of now filled historic swamp and overflowed lands described as Parcel H in the Title Settlement Agreement. PG&E will then give the twelve-acre parcel to the City, to be held as if it were sovereign lands subject to the public trust and to the provisions of the Granting Statutes. PG&E will retain a reversionary interest in this twelve-acre parcel which it can exercise to reclaim the parcel should they ever remove the electric transmission towers.

4. The City and PG&E have entered into a 66-year lease, the maximum term allowed by the grant, for the power line corridor. PG&E will pay fair market rental for the lease, but this amount will be offset by the value of its interest in Parcel H which they are conveying to the City and State.

The City plans to use all of the land acquired in this settlement for park purposes. If PG&E ever exercises its reversionary rights over Parcel H, any public access improvements within Parcel H will be rerouted so as to provide no net loss of public access. After the completion of the settlement, the City of San Mateo will own, subject to the public trust and the provision of the Granting Statutes, almost all of the Bay frontage within the City of San Mateo.

Staff of the City, the Commission, and the Attorney General's office have reviewed the proposed title settlement and have

concluded that the value of the lands to be received by the City and the State is equal to or greater than the value of sovereign interests being relinquished by the City and State.

Staff recommends that the Commission approve the settlement of City of San Mateo v. Pacific Gas and Electric Co., et al. and Title Settlement Agreement, as outlined above.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

AB 884:

N/A

OTHER PERTINENT INFORMATION:

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

   Authority: P.R.C. 21080.11.

EXHIBIT:

A. Site Map

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 STATUTORILY EXEMPT PROJECT PURSUANT TO P.R.C. 21080.11, SETTLEMENT OF TITLE AND BOUNDARY PROBLEMS.

2. AUTHORIZE THE STAFF OF THE COMMISSION AND ATTORNEY GENERAL TO ENTER INTO A TITLE SETTLEMENT AGREEMENT AS OUTLINED ABOVE SUBSTANTIALLY IN THE FORM FILED WITH THE COMMISSION STAFF.

3. AUTHORIZE THE STAFF OF THE COMMISSION AND THE ATTORNEY GENERAL TO TAKE ALL STEPS NECESSARY TO ENTER INTO THE TITLE SETTLEMENT AGREEMENT AND SETTLE THE CURRENT LITIGATION

TITLED CITY OF SAN MATEO v. PACIFIC GAS AND ELECTRIC CO., ET AL., SAN MATEO COUNTY SUPERIOR COURT NO. 205180, AS SET FORTH HEREIN, INCLUDING, BUT NOT LIMITED TO, THE EXECUTION, ACCEPTANCE, AND RECORDING OF ALL NECESSARY DOCUMENTS.

4. FIND THAT PARCELS H AND I, AS DESCRIBED IN THE TITLE SETTLEMENT AGREEMENT, HAVE BEEN IMPROVED AND RECLAIMED AND HAVE BEEN EXCLUDED FROM ANY PUBLIC CHANNELS, ARE NOT AVAILABLE OR USEFUL OR SUSCEPTIBLE OF BEING USED FOR NAVIGATION AND FISHERIES, ARE NOT, IN FACT, TIDELANDS AND SUBMERGED LANDS, AND ARE FREE FROM THE PUBLIC TRUST FOR COMMERCE, NAVIGATION, AND FISHERIES.

5. FIND THAT THE AGREEMENT IS IN THE BEST INTERESTS OF THE STATE FOR:

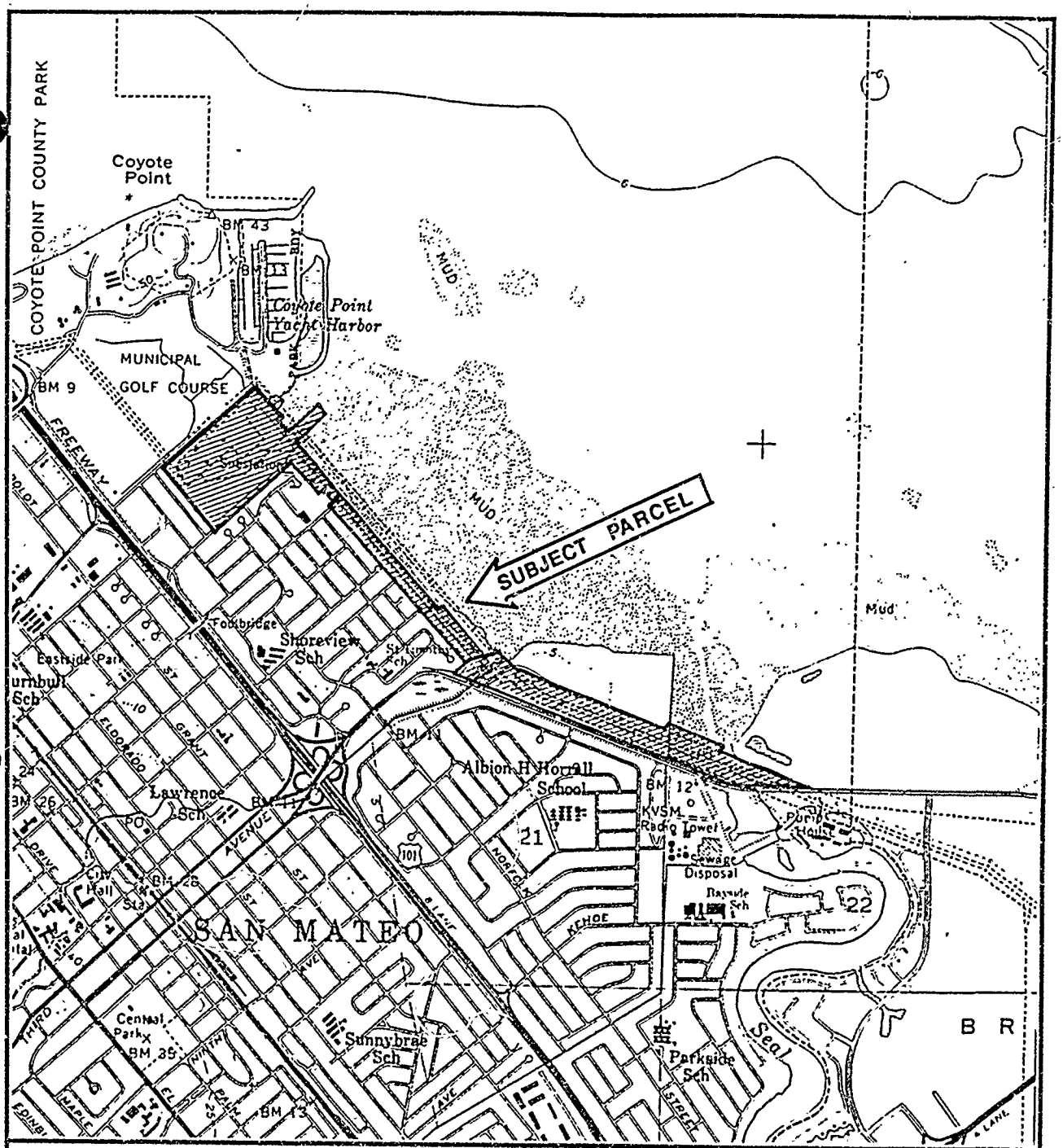
   (A) THE IMPROVEMENT OF PUBLIC NAVIGATION;

   (B) THE ENHANCEMENT OF THE CONFIGURATION OF THE SHORELINE FOR THE IMPROVEMENT OF THE WATER AND UPLAND; AND

   (C) THE PROTECTION, PRESERVATION, AND ENHANCEMENT OF TIDELANDS AND SUBMERGED LANDS AND PUBLIC ACCESS THERETO, PURSUANT TO THE PUBLIC TRUST.

6. FIND THAT THE CONVEYANCES MADE PURSUANT TO THE TITLE SETTLEMENT AGREEMENT WILL NOT INTERFERE WITH THE RIGHTS OF FISHING AND NAVIGATION IN SAN FRANCISCO BAY OR ITS TRIBUTARY CHANNELS.

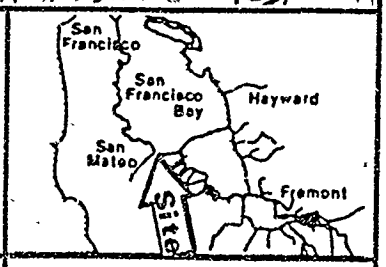
7. FIND THAT THE VALUE OF THE INTERESTS ACQUIRED BY THE CITY OF SAN MATEO AND STATE OF CALIFORNIA IN PARCELS A, B, C, D, E, F, AND G, AS DESCRIBED IN THE TITLE SETTLEMENT AGREEMENT, IS EQUAL TO OR GREATER THAN THE VALUE OF THOSE INTERESTS, GRANTED OR RELINQUISHED BY THE CITY OF SAN MATEO AND STATE OF CALIFORNIA, IN PARCELS H AND I, AS DESCRIBED IN THE TITLE SETTLEMENT AGREEMENT.



STATE LANDS COMMISSION

SETTLEMENT PLAT

CITY of SAN MATEO v. PACIFIC GAS and ELECTRIC
SAN MATEO COUNTY SUPERIOR COURT No. 205480



Prepared by: B. Lee	Date: 9-18-91 A: 20 S: 8 &11	EXHIBIT A
Title Study: City of San Mateo - P G & E	W 503.1377	~~Z 3 N 39 E 147, 148~~

CALENDAR PAGE 286
MINUTE PAGE 3336