MINUTE ITEM

This Calendar Item No. 34was approved as Minute Item No. 34 by the State Lands Commission by a vote of 24to 24 at its 8-36-80meeting.

CALENDAR ITEM

34.

8/80 W 503.570 W 503.720 W 503.721 W 503.723 W 503.724 W 503.728 W 503.728 W 503.736 W 503.749 W 503.749 W 503.749 W 503.750 W 503.816 W 503.824 Grimes Rusconi

APPROVAL OF SETTLEMENT OF TIDE AND SUBMERGED LANDS LITIGATION IN THE CITY OF EUREKA (BLA 199)

This proposed settlement, involving eleven city blocks of land in Eureka, Humboldt Bay, together with the Halverson settlement approved by the State Lands Commission in March of 1979, finally resolves the lengthy and complex title and boundary dispute in the City of Eureka. The State Lands Commission is required to approve and is requested to be a party to the settlement agreement which embraces an exchange of various parce's, a determination of waterfront boundary, and the termination of the public trust easement for commerce, navigation and fisheries over certain lands.

Under the proposed settlement, questions regarding the public and private titles to approximately 3,153 lineal feet of waterfront between Commercial Street and a point near the easterly line of K Street will finally be resolved.

Since 1968 a major portion of the city's downtown waterfront between Commercial and S Streets has been the subject of litigation. There are currently pending in the Superior Court of Humboldt County, sixteen actions in which the parties to the proposed agreement are litigating their respective competing claims to various parcels of the Eureka waterfront. Eleven of the actions involve property located between A and K Screets which were consolidated for trial. The first phase of trial took place in 1976 and the second phase in 1978/1979. The settlement will make the planned third phase unnecessary.

2

2

Α

S

-1-

CALENDAR PAGE	151_
MINUTE PAGE	1812

The other five pending actions are condemnation and quit title actions and concern title to land between Commercial and A Streets and involve the proposed westerly natural extension of First Street. To date these five actions have not been tried. Parent source of title to private and public claims in this area stem from a tideland patent (TLS 8).

The City of Eureka claims title to its tide and submerged lands by virtue of Chapter 82, Statutes of 1857, and later statutes, as subsequently amended and modified. Since the settlement area is within the perimeter of tide and submerged lands previously granted in trust to the city by the Legislature, the city is the successor in interest to any sovereign rights remaining in such portions of the settlement area.

In that portion of the settlement area easterly of A Street, the city claims ownership in fee of all lands lying bayward of the last natural position of the mean high waterline. In the portion of the settlement area between Commercial and A Streets, the city contends that such lands within Tideland Survey 8 Humboldt are subject to the public trust easement and that the city is the owner in fee of all lands lying bayward of the last natural position of the line of ordinary low water of Tideland Survey 8 Humboldt.

The private parties claim title to tide and submerged lands between A and K Streets under sales by the city purportedly authorized bt the 1857 act. The private parties claim title to tidelands between Commercial and A Streets through a Tideland patent issued by the state.

During the past century many artificial changes have been made in the shoreline and the upland portion of the settlement area. As a result of the uncertainty of the locations of the respective boundaries and the varying classifications of lands involved in the settlement area, the City, the Commission's staff and the Office of the Attorney General undertook to resolve the dispute on an overail basis with the private parties.

The Eureka City Council has approved this settlement agreement. The Commission's staff and the Attorney General's Office were actively involved in negotiating the proposed settlement and recommend its approval by the Commission.

> CALENDAR PAGE 152 MINUTE PAGE 1813

(Rev. 8/21/80)

-2-

Pursuant to Chapter 1085, Statute of 1970, the Commission is required to approve the settlement of any dispute as to the rights, title or interests in or to tide and submerged lands located within the City. This settlement is the third involving lands within the overall litigation area; there have also been several other prior settlements as to lands outside that area.

The essential elements of this settlement are:

- 1. The City, with the approval of the State Lands Commission, will convey to the private parties all of its rights, title and interests, excepting easements for utilities, etc., in and to those lands within the settlement area which are presently filled and southerly or landward of the agreed waterfront boundary line as shown on Exhibit "B" of this calendar item, free of the public trust easement. For those lands which are presently unfilled but southerly or landward of the agreed waterfront boundary line as shown on Exhibit "B" of this calendar item, free of the public trust easement. For those lands which are presently unfilled but southerly or landward of the agreed waterfront boundary line as shown on Exhibit "B" of this calendar item, the private parties may, pursuant to the settlement agreement, fill the lands and have the trust terminated in the future.
- 2. The private parties will convey to the City all of their rights, title and interests in and to those lands within the settlement area which are northerly or bayward of the agreed waterfront boundary line as shown on Exhibit "B" of this calendar item.
- 3. The private parties will enter into leases with the City for occupied areas which are northerly or bayward of the agreed waterfront boundary line as shown on Exhibit "B" of this calendar item. Copies of the proposed leases are on file in the records of the State Lands Commission.
- 4. The private parties will convey to the city all o^c their rights, title and interests in and to those lands within the settlement area described as Parcels 3, 4, 9, 10, and 15, as shown on Exhibit "C" of this calendar item to be used for the First Street Extension.

The major benefits flowing to the City from the settlement agreement include the following:

-3-

CALENDAR PAGE	153
MINUTE PAGE	1814

- 1. The City of Eureka will receive \$129,500 from the private parties which will be used toward the purchase of two prime waterfront parcels. One parcel commonly known as Kaiser is shown as parcel 16 on Exhibit 'C". The second parcel is at the northeast corner of First and Commercial Street commonly known as the Norcoast parcel.
- 2. The City of Eureka will receive several needed parcels for the planned First Street Extension free of costs of condemnation, and severence damage. Said parcels are those listed in item 4 above.
- 3. The private parties are entering into leases with the City of Eureka for occupied tide and submerged lands waterward of the agreed waterfront boundary line. This will generate steady and substantial income to the Humboldt Bay Tidelands Fund.
- 4. Consolidated upland sites with unclouded titles will be made available for the location of privately owned facilities, such as motels, restaurants, and commercial and residential structures, in harmony with the City's longrange plans to transform the downtown waterfront area and to increase employment in an economically depressed area by providing construction jobs and additional jobs after the facilities are built. The settlement is in accordance with the Eureka Core Area Development Plan, which provides in part for the development of the City's waterfront.

The Office of the Attorney General has orally advised the Commission's staff that the settlement is permissible under the circumstances outlined above and is consistent with the provisions of Chapter 1085, Statutes of 1970. The Commission's Staff, which was actively involved in negotiating this settlement, has determined the adequacy of the consideration received by the City in exchange for its conveyances, weleases, quitclaims and settlement, and said analysis supporting such determination is on file in the Commission's office. A copy of the proposed settlement is also on file in such office.

EXHIBITS:

A. Location Map.

-4-

- B. Agreed Waterfront Boundary Line Map.
- C. Parcel Map.

CALENDAR PAGE 154 MINUTE PAGE 1815

IT IS RECOMMENDED THAT THE COMMISSION, IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 1085, STATUTES OF 1970:

- 1. APPROVE THE SETTLEMENT (BLA 199), CONVEYANCES AND AGREEMENTS, SUBSTANTIALLY IN THE FORM ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AS OUTLINED ABOVE, FOR THE STATE OF CALIFORNIA, ACTING BY AND THROUGH THE STATE LANDS COMMISSION: THE CITY OF EUREKA; AND HOLDERS OF REGORD TITLE, PURSUANT TO AND IN ACCORDANCE WITH SECTION 6, OF CHAPTER 1085, STATUTES OF 1970.
- 2. DETERMINE AND DECLARE, PURSUANT TO AND IN ACCORDANCE WITH SECTION 2(b) OF CHAPTER 1085, STATUTES OF 1970, THAT THOSE PORTIONS OF THE SETTLEMENT AREA, AS SHOWN ON EXHIBIT "C" TO THE PROPOSED SETTLEMENT AGREEMENT, SOUTHERLY OR LANDWARD OF THE AGREED WATERFRONT BOUNDARY LINE WHICH WERE BELOW THE LINE OF MEAN HIGH TID! IN ITS LAST NATURAL POSITION, ARE LAND WITHIN THE RUMBOLDT BAY AREA WHICH HAVE HERETOFORE BEEN IMPROVED IN CONNECTION WITH THE DEVELOPMENT OF THE HUMBOLDT BAY AREA, AND IN THE PROCESS OF SUCH DEVELOPMENT HAVE BEEN FILLED AND RECLAIMED, ARE NO LONGER SUBMERGED OR BELOW THE PRESENT LINE OF MEAN HIGH TIDE AND ARE NO LONGER NECESSARY OR USEFUL FOR COMMERCE, FISHERIES OR NAVIGATION, AND CONSEQUENTLY PURSUANT TO AND IN ACCORDANCE WITH PART 6 OF THE SETTLEMENT AGRE "MENT ARE FREED OF THE PUBLIC USE AND TRUST FOR COMMERCE, FISHERIES AND NAVIGATION AND FROM SUCH USF TRUSTS, CONDITIONS AND RESTRICTIONS AS ARE OR HAVE BE. IMPOSED BY CHAPTER 82, STATUTES OF 1857; CHAPTER '36, STATUTES OF 1915; CHAPTER 187, STATUTES OF 1927; CHAPTER 225, STATUTES OF 1945; AND CHAPTER 1086, STATUTES OF 1970, AS SUBSEQUENTLY AMENDED AND MODIFIED.
- 3. APPROVE THE ADEQUACY OF CONSIDERATION WITH RESPECT TO THE SETTLEMENT, CONVEYANCES AND AGREEMENTS PROVIDED FOR IN THE PROPOSED SETTLEMENT AGREEMENT, PURSUANT TO AND IN ACCORDANCE WITH SECTION 4 OF CHAPTER 1085, STATUTES OF 1970.
- 4. ADOPT THE MAP OF THE AGREED WATERFRONT BOUNDARY LINE AND PARCEL MAP, EXHIBITS "B" AND "C" HERETO, AS OFFICIAL MAPS OF THE STATE LANDS COMMISSION PURSUANT TO SECTION 5202 OF THE PUBLIC RESOURCES CODE.
- 5. AUTHORIZE EXECUTION OF AND DELIVERY INTO ESCROW FOR RECORDATION IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF HUMBOLDT, PURSUANT TO AND IN ACCORDANCE

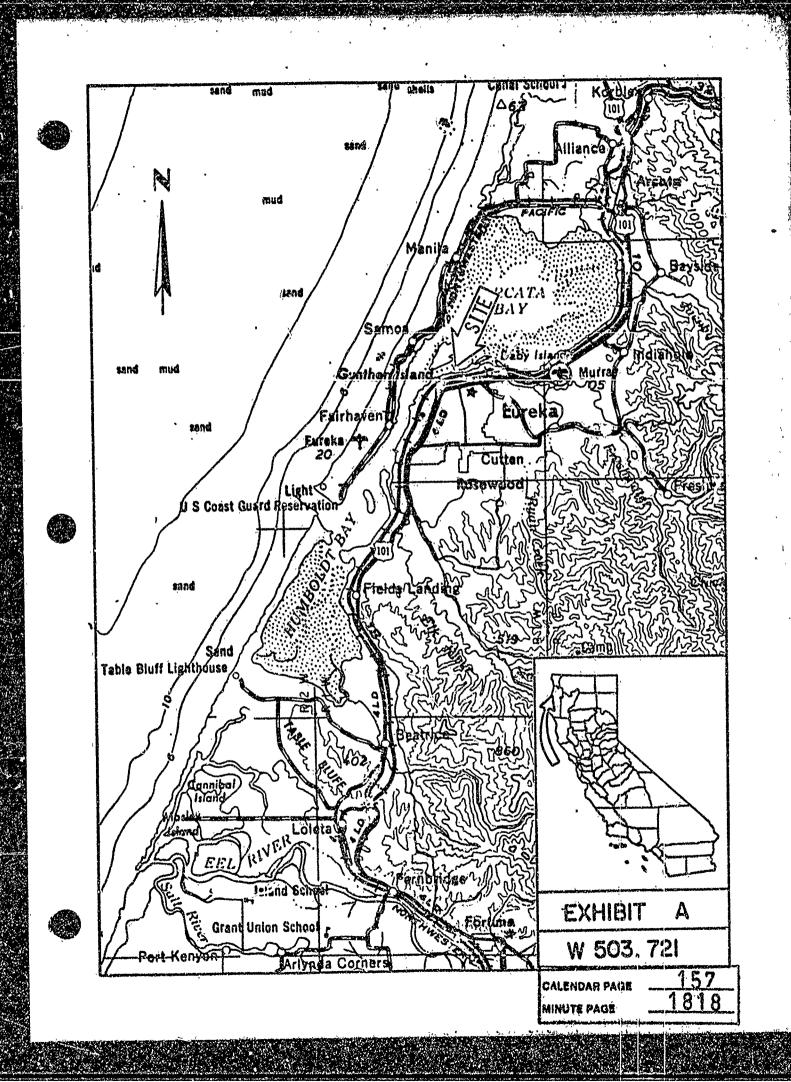
CALENDAR PAGE	155
MINUTE PAGE	1010
(Rev. 8/21/	(80)

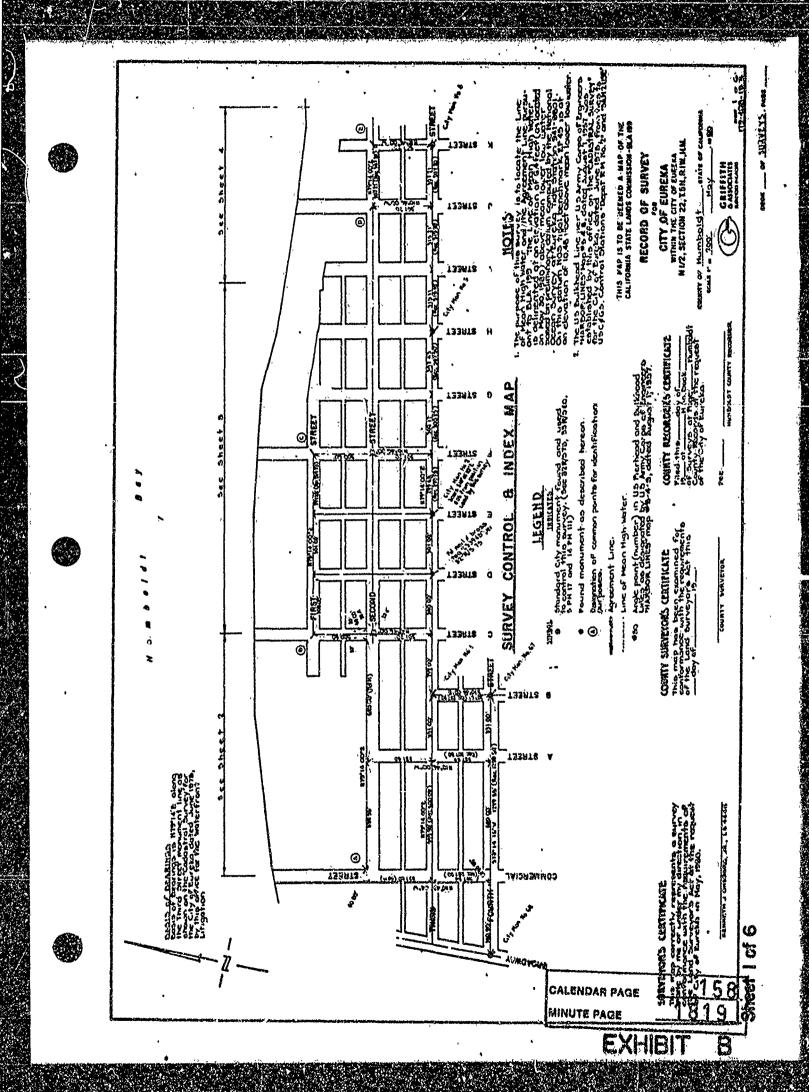
WITH SECTIONS 2(b) and 5 OF CHAPTER 1085, STATUTES OF 1970, A CERTIFICATE THAT THE PRESENTLY FILLED LANDS SOUTHERLY OR LANDWARD OF THE AGREED WATER/RONT BOUNDARY DESCRIBED IN THE PROPOSED SETTLEMENT AGREEMENT, ARE LANDS ABOVE THE PRESENT LINE OF MEAN HIGH TIDE AND HAVE BEEN FOUND TO BF NO LONGER NECESSARY OR USEFUL FOR COMMERCE. FISHERIES OR NAVIGATION, UPON THE RECORDATION OF WHICH CERTIFICATE AND THE OTHER INSTRUMENTS PROVIDED FOR IN THE AGREEMENT, THE LANDS WITHIN SAID PARCELS SHALL BE FREED OF THE PUBLIC USE AND TRUST FOR COMMERCE, FISHERIES AND NAVIGATION, AND FROM SUCH USES, TRUGTS, CONDITIONS AND RESTRICTIONS AS ARE OR HAVE BEEN IMPOSED BY CHAPTER 187, STATUTES OF 1927; CHAPTER 225, STATUTES OF 1945; AND CHAPTER 1086, STATUTES oF 1970, AS SUBSEQUENTLY AMENDED AND MODIFIED.

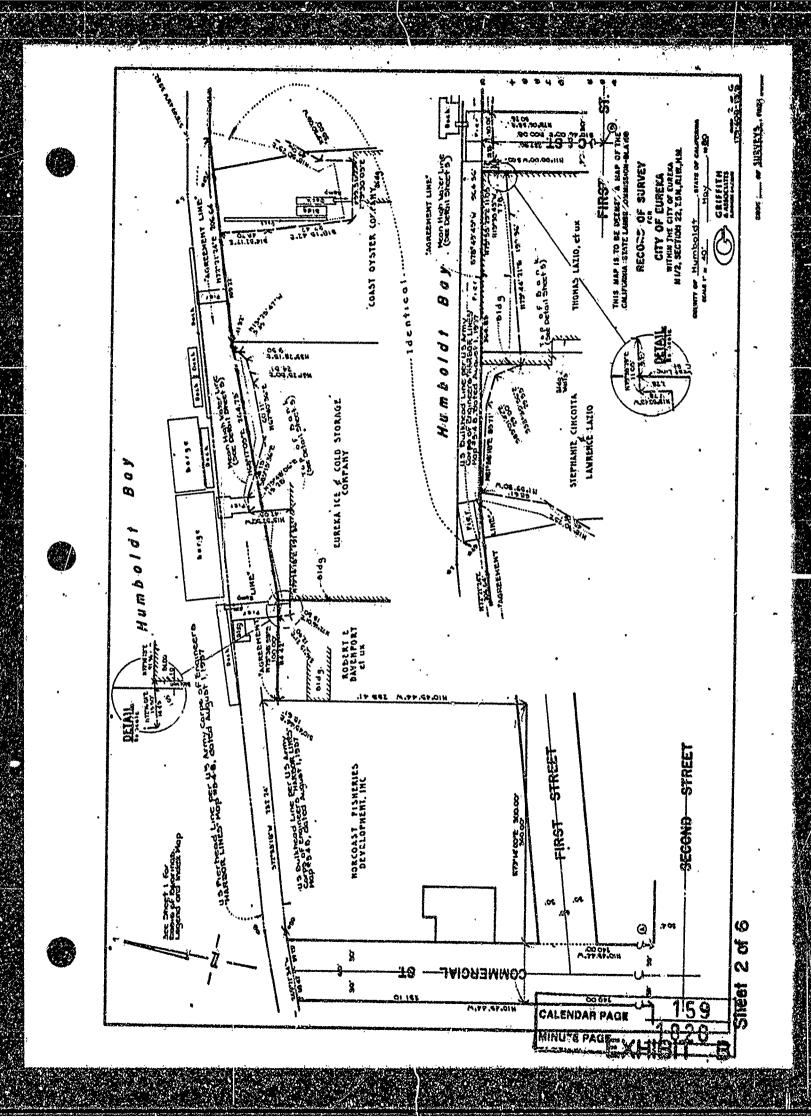
- 6. AUTHORIZE EXECUTION OF THE PROPOSED SETTLEMENT AGREEMENT SUBSTANTIALLY IN THE FORM ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND OTHER APPROPRIATE TITLE DOCUMENTS ON BEHALF OF THE STATE OF CALLFORNIA, ACTING BY AND THROUGH THE STATE LAND COMMISSION, AND DELIVERY OF SAID AGREEMENT INTO ESCROW FOR RECORDATION IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF HUMBOLDT, PURSUANT TO AND IN ACCORDANCE WITH SECTIONS 3 AND 5 OF CHAPTER 1085, STATUTES OF 1970.
- 7. AUTHORIZE THE OFFICE OF THE ATTORNEY GENERAL TO FILE, IN ANY PENDING ACTION TO QUIET TITLE, A DISCLAIMER BY THE STATE LANDS COMMISSION ON BEHALF OF THE STATE OF CALIFORNIA OF ANY RIGHT, TITLE OR INTEREST IN OR TO THOSE CERTAIN LANDS LYING SOUTHERLY OR LANDWARD OF THE AGREED WATERFRONT BOUNDARY LINE DESCRIBED IN PART 4 OF SAID AGREEMENT OR ENTER INTO STIPULATIONS OF FACTS AND FOR JUDGMENTS IN THE PENDING ACTIONS CONFINING THE VALIDITY OF THE SETTLEMENT AND ESTABLISHING TITLES TO THE PRIVATELY OWNED PARCELS SOUTHERLY OR LANDWARD OF THE AGREED WATERFRONT BOUNDARY LINE CONSISTENTLY WITH THE SETTLEMENT AGREEMENT.
- 8. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE AND THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL STEPS WHICH THEY DEEM NECESSARY OR APPROPRIATE TO EFFECTUATE THE PROPOSED SETTLEMENT AGREEMENT.
- 9. FIND THAT THE PROPOSED AGREEMENT IS IN SETTLEMENT OF TITLE AND BOUNDARY LITIGATION AND THE PROVISIONS OF CEQA ARE INAPPLICABLE.

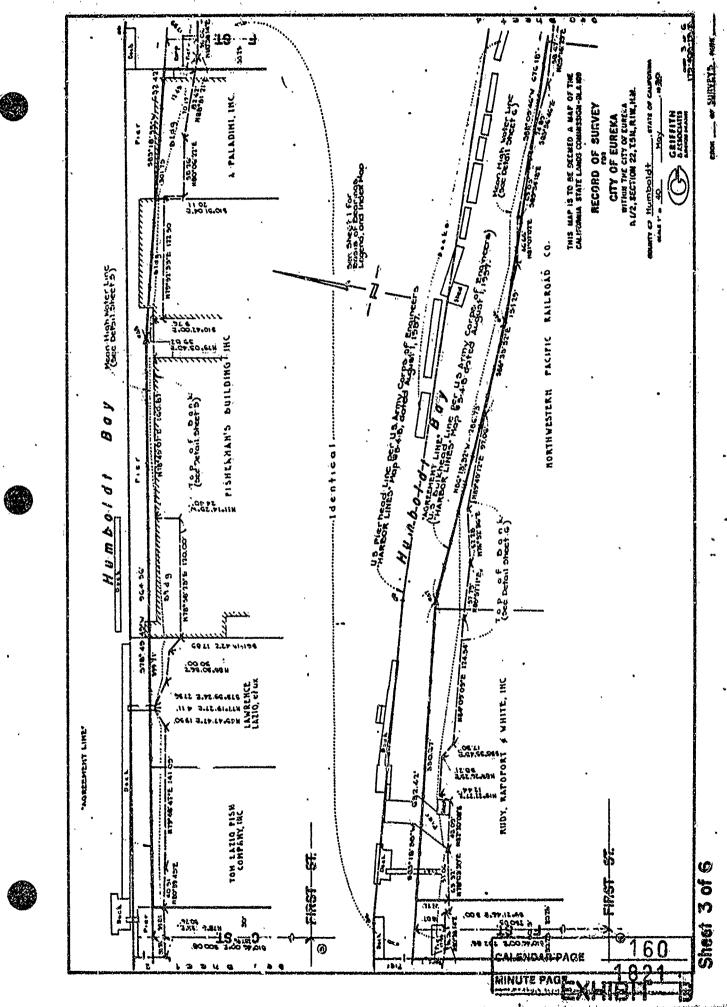
-6-

	156
MINUTE PAGE	1817

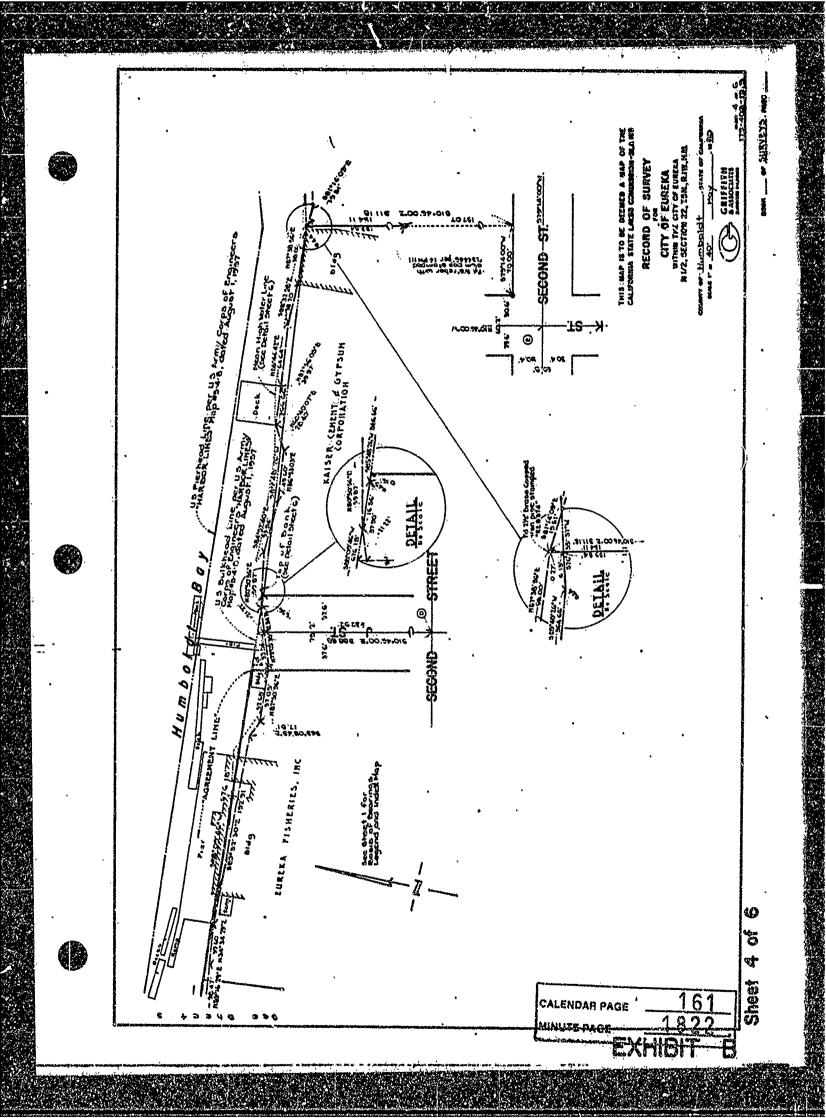


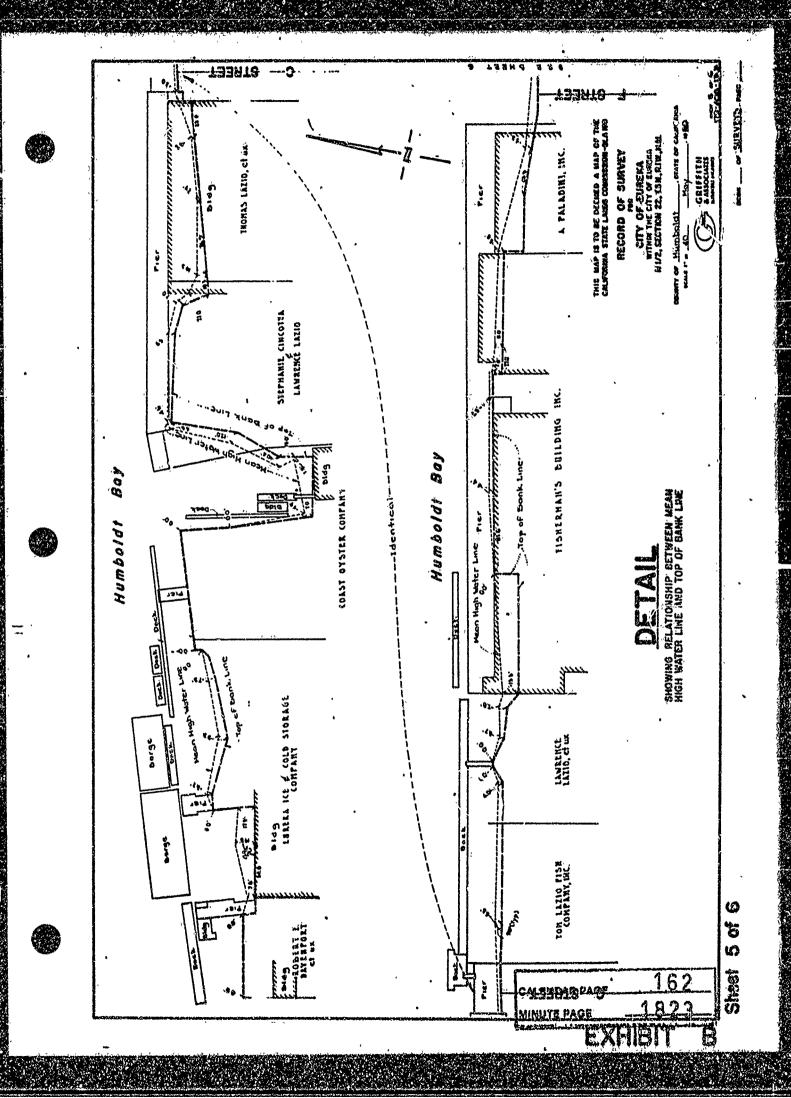




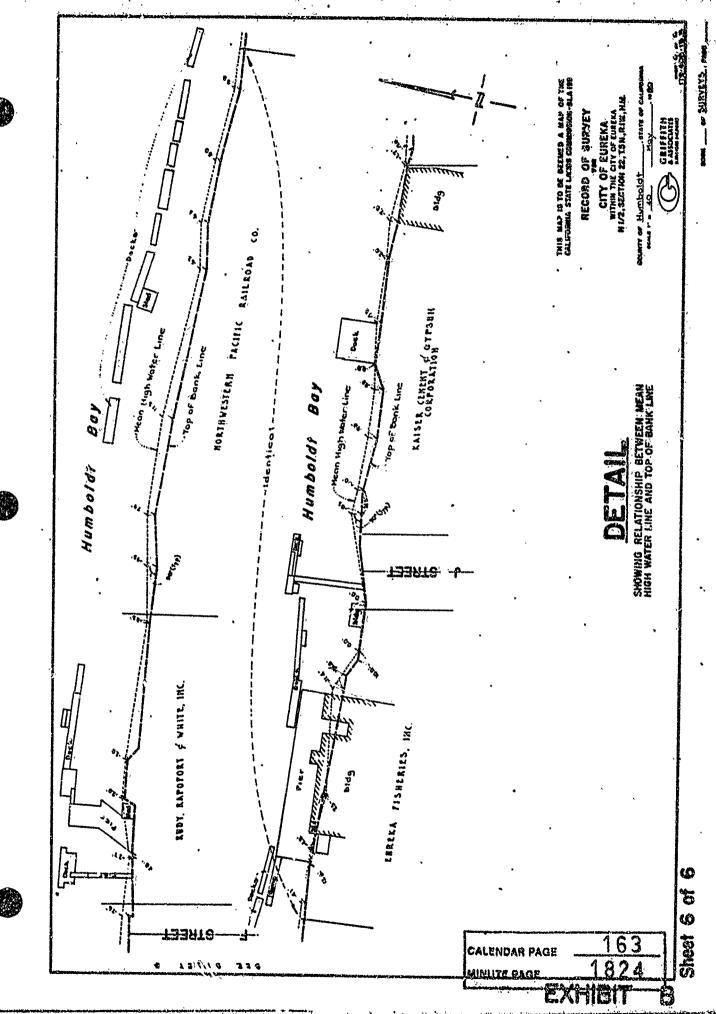


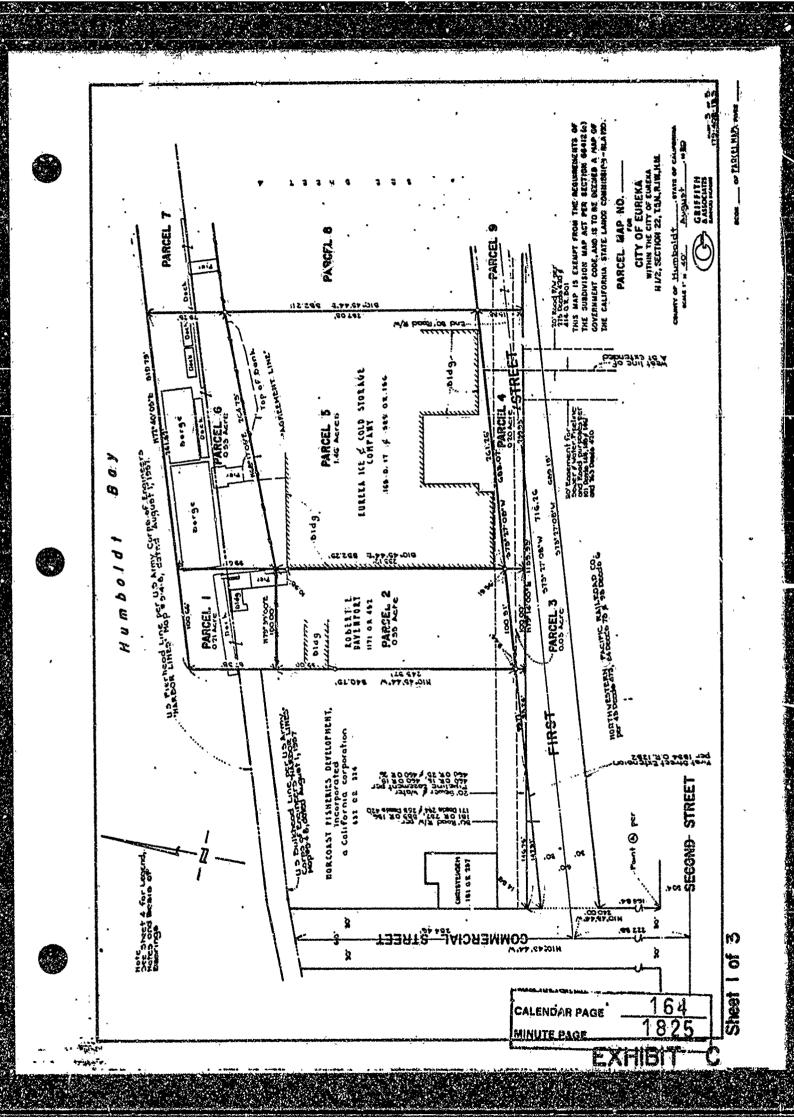
ĺ,

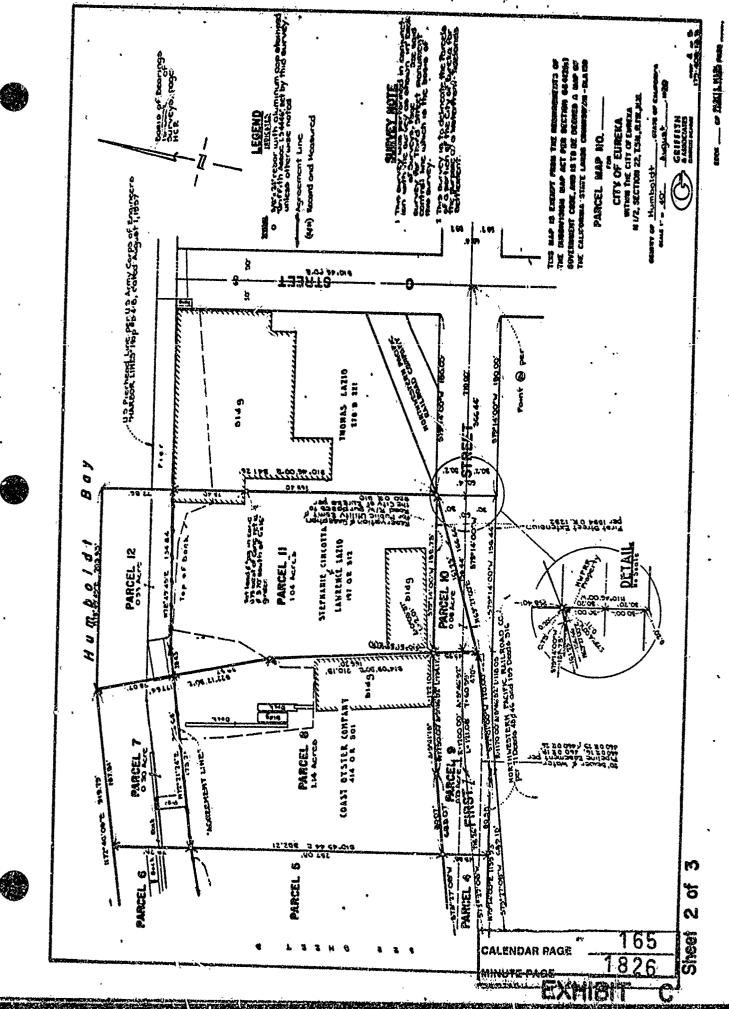




 $\left|\right\rangle$







 \mathbf{r}

1. N. M. 2. K.

ß

