MINUTE ITEM

This Calendar Item No. <u>a8</u> was approved as Minute Item No. <u>a8</u> by the State Lands Commission by a vote of <u>3</u> to <u>0</u> at its <u>5/2/84</u> meeting.

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CALENDAR ITEM

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TITLE DISPUTE CONCERNING OWNERSHIP OF PARTIALLY DIKED WETLANDS IN THE CITY OF SAN LEANDRO, ALAMEDA COUNTY

A title dispute exists between the State of California, acting by the State Lands Commission, Citation Homes, a California general partnership, and the City of San Leandro. The dispute concerns ownership of approximately 460 acres of partially diked wetlands in the City of San Leandro, Alameda County.

Citation Homes claims title to the property as successors in interest to grantees of lands patented by the State as tidelands and as swamp and overflowed lands. The lands subject to the dispute are depicted on Exhibit "A".

Portions of the subject parcel in a natural condition were tidal, navigable and submerged waterways of the State and, as such, were in sovereign fee ownership and could not be legally conveyed in fee without reserving at least a public trust easement. Other portions of the property were tidal marshes in their last natural condition and remain impressed with an easement for public trust purposes.

In settlement of this dispute, and in facilitation of the resolution of the concerns of the California Department of Fish and Game relative to environmental mitigation, Citation Homes has proposed:

1. To convey the habitat area, consisting of approximately 138 acres to the State Lands Commission to be accepted as sovereign tide and submerged lands of the State; this conveyance will constitute part of the environmental mitigation which will be effected once the environmental review process is complete.

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- To pay the sum of \$105,000 into the Land Bank Trust Fund administered by the State Lands Commission, to be used to acquire other lands more susceptible of use for public trust purposes.
- 3. That the City will dedicate to wildlife habitat uses approximately 22 acres to be managed consistently with the 138 acres to be conveyed by Citation.

In return for the foregoing conveyance, payment and dedication, the State Lands Commission would iss e a patent to Citation Homes of the Trust Termination Parcel, consisting of approximately 300 acres. The Trust Termination Parcel has been reclaimed and removed from the public channels and is not now in fact tide or submerged lands.

It has been proposed that the habitat area be leased by the State Lands Commission to the Department of Fish and Game for a 49-year term subject to a lease provision requiring the Department to timely offer a suplease for the same period to the City of San Leandro.

It is contemplated that performance of the foregoing by Citation in addition to completion of a habitat enhancement plan prepared by the Department of Fish and Game for the habitat parcel will satisfy the obligations of the City of San Leandro under a 1978 agreement between the City, The Resources Agency, the United States Fish and Wildlife Service, and the Department of Fish and Game. Staff has done an appraisal and evaluated the interests of the parties and has concluded that the value of the State interest being relinquished in the Trust Termination Parcel is less than or equal to the value of the land and money being transferred to the State by Citation.

Pursuant to the Commission' 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 California Environmental Quality Act (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.

AB 884:

N/A.

EXHIBIT:

A. Plat of Settlement Parcel.

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## IT IS RECOMMENDED THAT THE COMMISSION:

- 1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), PURSUANT TO 14 CAL. ADM. CODE 15061 AS A STATUTORILY EXEMPT PROJECT PURSUANT TO P.R.C. 21080.11, SETTLEMENT OF TITLE AND BOUNDARY PROBLEMS.
- 2 APPROVE THE COMPROMISE TITLE SETTLEMENT AGREEMENT GEN LY DESCRIBED ABOVE, A COPY OF WHICH IS ON FILE IN THE OFFICES OF THE STATE LANDS COMMISSION.
- 3. FIND THAT THE SETTLEMENT IS IN THE BEST INTEREST OF THE STATE, THAT THE TRUST TERMINATION PARCEL HAS BEEN REMOVED FROM THE PUBLIC CHANNELS AND IS NO LONGER IN FACT TIDE AND SUBMERGED LANDS, IS NOT USEFUL FOR PUBLIC TRUST PURPOSES, AND THAT THE VALUE OF THE LANDS AND MONEY BEING TRANSFERRED FROM CITATION HOMES TO THE STATE IS EQUAL TO OR GREATER THAN THE STATE'S INTEREST IN THE TRUST TERMINATION PARCEL BEING TRANSFERRED TO CITATION. P.R.C. 6307.
- 4 AUTHORIZE STAFF TO TAKE ALL ACTIONS NECESSARY TO IMPLEMENT THE SETTLEMENT AGREEMENT WITH CITATION INCLUDING THE FILING OF LITIGATION AND THE EXECUTION AND RECORDATION OF DOCUMENTS.
- 5. AUTHORIZE THE STAFF TO EXECUTE AND ISSUE A LEASE OF THE HABITAT AREA FOR A PERIOD OF 49 YEARS TO THE DEPARTMENT OF FISH AND GAME AND/OR THE CITY OF SAN LEANDRO.

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