

MINUTE ITEM

This Calendar Item No. 37
was approved as Minute Item
No. 37 by the State Lands
Commission by a vote of 3
to 0 at its 10-21-87
meeting.

CALENDAR ITEM

A 4
S 2

37.

10/21/87
W 23875
AD 67
Plummer

APPROVAL OF A COMPROMISE TITLE SETTLEMENT
AND EXCHANGE AGREEMENT, COLLINSVILLE
SOLANO COUNTY

A title dispute exists between the State in its sovereign capacity and Santa Fe Pacific Corporation ("Santa Fe"), concerning approximately 4000 acres located near Collinsville, Solano County. The property is referred to herein as the Subject Parcel and is depicted on the attached Exhibits "A" and "B".

Santa Fe is the record owner of the Subject Parcel. It is the successor in interest to patentees who received State patents that characterized the land as tidelands, State patents that characterized the land as swamp and overflowed, and federal military bounty patents and cash entry patents.

Santa Fe contends the federal patents conveyed all right, title and interest of the federal government and were free and clear of any State interest. In addition Santa Fe contends the State swamp and overflowed patents conveyed all right, title and interest of the State within the Subject Parcel without any reservations to the State, express or implied, and that it now holds title to those portions of the property free and clear of any State right, title or interest. Further, Santa Fe contends, with respect to the State tideland patents, that subsequent to the issuance of the tideland patents the lands were subject to natural processes which changed the character of the land from tidelands to swamp and overflowed and are 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:

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- 1) The parcel contains lands which were historically uplands and were a part of the federal public land domain.
- 2) The parcel includes lands which are reclaimed historic wetlands which formerly consisted of marsh and sloughs.
- 3) The parcel was in a natural state covered, at least in part, by the ordinary tides of Suisun Bay and further, contained submerged lands, being lands lying below the ordinary low water mark, the extent of which is the subject of dispute.

The staff is of the opinion 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 nature and extent of the State's interest is subject to uncertainty and dispute.

The majority of the property has been leveed and reclaimed since before 1890 and has been used as agricultural farm land for grazing livestock and growing dry land grain crops.

Santa Fe 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 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. Santa Fe and the State will agree to an agreed ordinary high water line as the boundary between State owned sovereign lands and uplands held by Santa Fe along that portion of Montezuma Slough that borders the portion of the Subject Parcel patented as swamp and overflowed lands. Santa Fe will quitclaim to the State all right, title and interest waterward of the agreed line; the State will quitclaim to Santa Fe all sovereign right, title and interest landward of the agreed line. The area quitclaimed by the State is referred to hereinafter as "Patent Parcel" and is depicted on Exhibit B.

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2. Santa Fe and the State will agree to an ordinary low water line as the boundary between State owned submerged lands and lands within the Subject Parcel patented into private ownership, subject to the public trust, pursuant to tideland patents. The parties will also agree to an agreed ordinary high water line as the landward boundary of those lands within the Subject Parcel patented into private ownership, pursuant to tideland patents. This tideland patent area is referred to hereinafter as "Tideland Parcel" and is depicted on Exhibit B.
3. Santa Fe will quitclaim any interest they may have waterward of the agreed ordinary low water line along the Tideland Parcel.
4. Santa Fe will acknowledge the existence of the Public Trust Easement over the Tideland Parcel.
5. Santa Fe will deed to the State a parcel of 5 acres, more or less, lying waterward of the existing levee and consisting of dense riparian habitat, referred to hereinafter as "Railroad Exchange Parcel" and depicted on Exhibit B.
6. Santa Fe will deed to the State a parcel of 20 acres, more or less, lying between Collinsville Road and Collinsville Cut, a dredged channel open to the Sacramento River. The parcel consists of mostly upland vegetation, and is referred to hereinafter as "Collinsville Road Exchange Parcel" and depicted on Exhibit B.
7. Santa Fe will, at its sole expense, reconstruct or repair the existing levee that bounds the 20-acre Collinsville Road Exchange Parcel to a 25-year expected life span.
8. Santa Fe will provide, without cost to the State, the necessary engineering and survey work to be able to locate and describe the respective parcels involved in this settlement.
9. The Agreement provides for an escrow and will be effective upon its recordation. Escrow fees and any title insurance will be without cost to the State.

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Staff has appraised the Subject Parcel and has evaluated the law and evidence bearing on the title dispute and is of the opinion that the value of the exchange parcels being deeded to the State is equal to or greater than the value of the State's interest in the patent parcel being terminated.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Adm. Code: Title 2, 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. 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. Subject Parcel Plat
- B. Settlement Parcels Plat

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.
- 2. FIND THAT WITH RESPECT TO THE PROPOSED COMPROMISE TITLE SETTLEMENT AND EXCHANGE AGREEMENT, INCLUDING THE EXCHANGE OF THE STATE'S INTEREST IN THE PATENT PARCEL FOR THE EXCHANGE PARCELS:
 - A. THE AGREEMENT IS IN THE BEST INTEREST OF THE STATE FOR THE IMPROVEMENT OF NAVIGATION; THE ENHANCEMENT OF THE CONFIGURATION OF THE SHORELINE FOR THE IMPROVEMENT OF THE WATER AND THE UPLAND; AND THE PROTECTION, PRESERVATION, AND ENHANCEMENT OF THE TIDELANDS AND SUBMERGED LANDS AND PUBLIC ACCESS THERETO, PURSUANT TO THE PUBLIC TRUST.

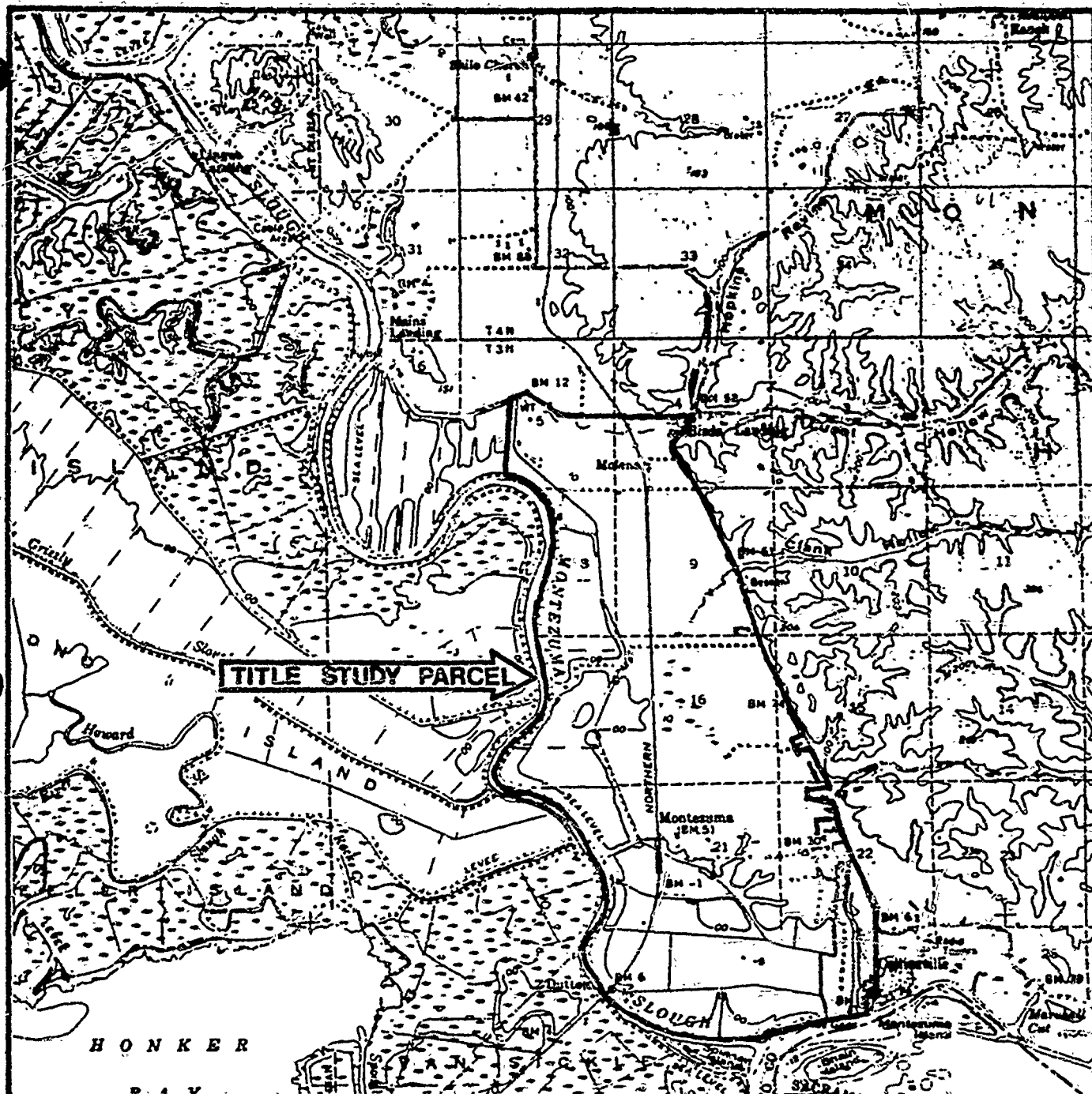
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- B. THAT THE LANDS TO BE CONVEYED TO THE STATE ARE OF A VALUE EQUAL TO OR GREATER THAN THE VALUE OF THE INTERESTS IN THE PATENT PARCEL BEING RELINQUISHED BY THE STATE.
 - C. THE PARTIES HAVE A GOOD FAITH AND BONA FIDE DISPUTE AS TO THEIR RESPECTIVE INTERESTS WITHIN THE PARCEL.
 - D. THE PROPOSED AGREEMENT CONSTITUTES A COMPROMISE OF THE CONTESTED ISSUES OF LAW AND EVIDENCE UPON WHICH THE DISPUTE IS BASED.
 - E. THE AGREEMENT IS IN LIEU OF THE COSTS, DELAYS AND UNCERTAINTIES OF TITLE LITIGATION, IS CONSISTENT WITH AND IS AUTHORIZED BY THE REQUIREMENTS OF LAW.
 - F. THE PATENT PARCEL HAS BEEN IMPROVED AND RECLAIMED, HAS BEEN EXCLUDED FROM THE PUBLIC CHANNELS, AND IS NO LONGER AVAILABLE OR USEFUL OR SUSCEPTIBLE OF BEING USED FOR NAVIGATION AND FISHING AND IS NO LONGER IN FACT TIDELAND OR SUBMERGED LAND.
 - G. ON THE EFFECTIVE DATE OF THE AGREEMENT AND CONSISTENT WITH ITS TERMS, THE PATENT PARCEL WILL NO LONGER BE NECESSARY OR USEFUL FOR THE PURPOSES OF THE PUBLIC TRUST AND THE PUBLIC TRUST INTEREST MAY BE TERMINATED.
 - H. THE LOCATION OF THE AGREED ORDINARY LOW WATER LINE AND THE AGREED ORDINARY HIGH WATER LINES ARE REASONABLE IN LIGHT OF THEIR UNCERTAINTY AS A MATTER OF FACT AND LAW.
3. APPROVE AND AUTHORIZE THE EXECUTION, ACKNOWLEDGMENT 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 PATENT PARCEL IN SOLANO COUNTY FREE OF THE PUBLIC TRUST.
 - C. CERTIFICATES OF ACCEPTANCE AND CONSENT TO RECORD DEEDS TO THOSE LANDS TO BE RECEIVED BY THE STATE.

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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, ACKNOWLEDGMENT, ACCEPTANCE, AND RECORDATION OF ALL DOCUMENTS AND 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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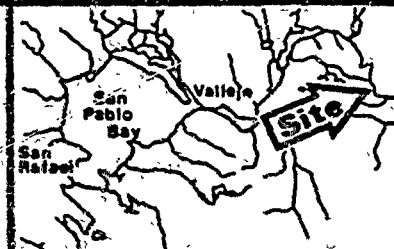


STATE LANDS COMMISSION

SUBJECT PARCEL PLAT

Portion of USGS Quad Pittsburg, 1953

W23875



Prepared by: D. Crum

Date: 9/28/87 A: 4 S: 2

EXHIBIT A

Title Study Santa Fe Pacific Corp./Montuzuma Slough

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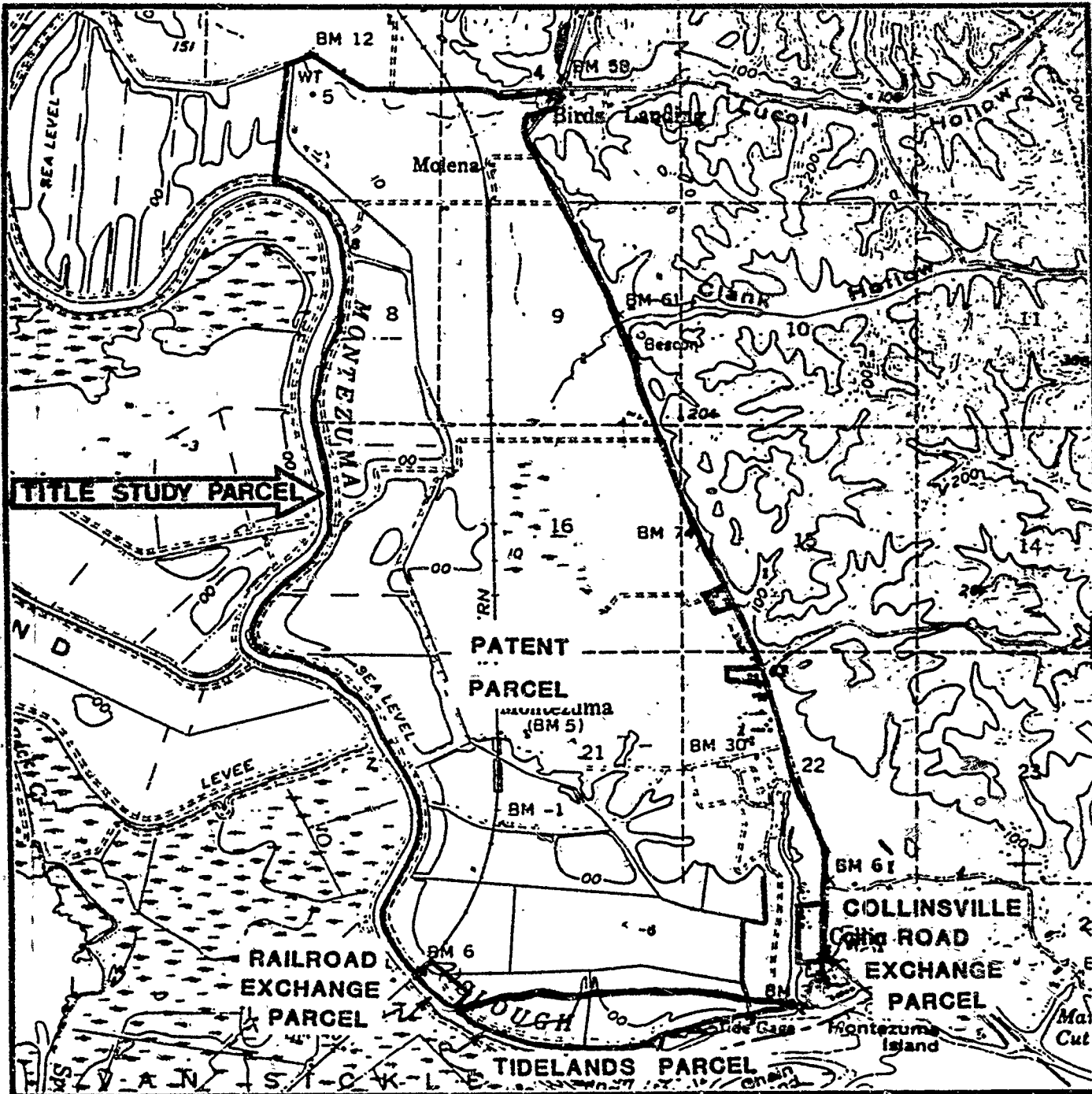
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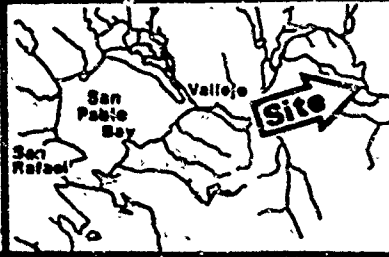
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STATE LANDS COMMISSION
 SETTLEMENT PARCELS PLAT
 Portion of USGS Quad Pittsburg, 1953
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Prepared by: D. Crum Date: 9/28/87 A: 4 S: 2
 Title Study Santa Fe Pacific Corp./Montezuma Slough

EXHIBIT B
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