CALENDAR ITEM

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**09/09/93** W 23944 G 11-00 Laforce Eagan

APPROVAL OF LAND EXCHANGE AND TRUST TERMINATION REGARDING CERTAIN FILLED AND RECLAIMED TIDE AND SUBMERGED LANDS IN AND ADJACENT TO THE MISSION BAY DEVELOPMENT AREA IN SAN FRANCISCO, PURSUANT TO CHAPTER 1143 OF THE STATUTES OF 1991, AS AMENDED

#### BACKROUND

In this calendar item, the terms "boundary of the Port of San Francisco," "Burton Act trust," "City," "granted tidelands," "Mission Bay Development Area," "Mission Bay Specific Plan," and "public trust" are used as those terms are defined in section 1 of Chapter 1991 of the Statutes of 1143, as amended by Chapter 86 of the Statutes of 1992 ("the act").

Some years ago, the City and County of San Francisco, the San Francisco Port Commission, and Catellus Development Corporation ("Catellus") commenced planning and negotiations regarding a proposed residential and commercial development in what has since been defined as the Mission Bay Development Area ("MBDA"). The MBDA is an area within the City and County of San Francisco that lies above the present line of mean high tide and that is roughly bounded on its northerly side by Townsend Street, on its westerly side by Seventh Street, on its southerly side by Mariposa Street, and on its easterly side by portions of China Basin, Fourth, and Third Streets.

From the outset, the City and Catellus recognized that, for the project to proceed, various land title issues involving former tide and submerged lands that have been filled and reclaimed would have to be identified and resolved. To that end, the City and Catellus consulted with staff of the State Lands Commission ("Commission").

Certain of the lands within the MBDA constitute a portion of the lands held by the City pursuant to the Burton Act (Chapter 1333 of the Statutes of 1968, as amended), which authorized a grant from the State of California ("State") to the City, in trust, of the State's interest in certain present and former tide and

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submerged lands, subject to certain terms, conditions, and reservations. The Burton Act lands lie both within and outside the boundary of the Port of San Francisco.

Certain other lands within the MBDA consist of lots, blocks, and streets laid out pursuant to various statutes enacted in the years since statehood, pursuant to which the lots and blocks were conveyed to private parties. Certain of the streets were later granted to the City. Many of these streets are "paper" streets only, are not dedicated public streets, do not conform to the City's plans for future development in the area, and do not presently serve any purpose in furtherance of the public trust, nor are they susceptible of use for public trust purposes. The State claims that certain of this property is subject to the public trust, or the Burton Act trust, or both. This claim is disputed by the City and Catellus. Certain court judgments have been rendered concerning portions of this property, and there is disagreement among the City, Catellus, and the State concerning the effect of these judgments upon the State's trust claims.

Apart from the disputed and undisputed public trust and Burton Act trust claims in the MBDA, the existing fragmented pattern of public and private ownership claims within the MBDA, both within and outside the boundary of the Port of San Francisco, especially the industrial area street system and parcelization imposed on the area largely as a result of subdivisions and sales in the latter half of the nineteenth century, limits both the potential development of the area and the expansion of desirable public uses in the area consistent with the public trust and the Burton Act trust, such as open space and parks along the waterfront and elsewhere within the MBDA, public access to the shoreline, and consolidated, modern port facilities for the City.

To the south, outside the MBDA, in an area bounded by Army Street, Illinois Street, 24th Street, and San Francisco Bay, a similar fragmented pattern of public and private ownership claims limits potential development of the property for its most appropriate use, which is the development of modern harbor facilities adjacent to the Bay in furtherance of the public trust. This properly was formerly owned by Western Pacific (the "Western Pacific Property"). Catellus owns most of the Western Pacific Property, while the streets are under City control. Here again, the State asserts public trust or Burton Act trust claims to both the streets and certain of the private lots, based on their status as former tide and submerged lands. These claims are also disputed.

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After full consideration of the above factors and of present and future public trust needs for both the MBDA and the Western Pacific Property, a plan in furtherance of trust purposes has been developed that consists of the Mission Bay Specific Plan for lands within the MBDA and of related plans for maritime development on the Western Pacific Property. Within the MBDA, pursuant to the Mission Bay Specific Plan and a development agreement between the City and Catellus, certain property, much of which is not now subject to the public trust or Burton Act trust, will be developed for public trust purposes, including waterfront parks, public access to the water, open space, and other public facilities consistent with the public trust and the Burton Act trust. Under the related plans for the Western Pacific Property, through acquisition of privately owned lands in the Pier 70 through 80 area of the City, the City will be able to develop between four and nine container berths in the Pier 70 through 80 area. Combining facilities in the Pier 70 through 80 area through acquisition of these privately owned lands will also allow the City to take advantage of the existing containeroriented and intermodal infrastructure at Piers 80 and 94-96, including the intermodal container transfer facility.

Realization of this plan is dependent upon a land exchange and trust termination involving lands within the MBDA as well as the Western Pacific property. Within the MBDA, the land exchange and trust termination involves property both within and outside the boundary of the Port of San Francisco. Under the proposed land exchange and trust termination, certain lands within the MBDA that are either subject to disputed public trust claims or that are currently subject to the public trust and Burton Act trust will be conveyed free of those trusts to Catellus, and the public trust and the Burton Act trust over certain other lands will be In return, the following will occur: (1) the Western terminated. Pacific Property will be conveyed to the City, in trust, subject to the public trust and the Burton Act trust; (2) public trust easements will be conveyed to the City, in trust, subject to the public trust, and, within the boundary of the Port of San Francisco, subject to the Burton Act trust as well; and (3) the City will impose the public trust on certain street areas in dispute with the State and other areas shall be permanently subjected to the public trust by easement or otherwise.

An appraisal has established that the value of the trust interests that are to be received by the City and State pursuant to the exchange equal or exceed the value of the trust interests that are to be given up by the City and State.

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The filled and reclaimed tide and submerged lands that are to be exchanged and over which the public trust or the Burton Act trust or both are to be terminated meet the standards for trust termination set forth in the act.

The exchange and trust termination will be accomplished as follows: the State will patent certain lands within the MBDA both within and outside the boundary of the Port of San Francisco to the City, reserving minerals; the City and Catellus will convey back to the State the Western Pacific Property and two groups of public trust easement parcels that lie within the MBDA; the State will in turn convey these parcels to the City, in trust and subject to the public trust, with the Western Pacific Property and the public trust easement parcels within the boundary of the Port of San Francisco to be further subject to the Burton Act trust.

### AB 884:

N/A

#### EXHIBITS:

- A. Vicinity Map
- B. Plat Map of Mission Bay Development Area
- C. Lands Outside Port Transferred to Trust
- D. Lands Within Port Transferred to Trust
- E. Western Pacific Property

#### 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. SECTION 21080.11, SETTLEMENT OF TITLE AND BOUNDARY PROBLEMS.
- 2. WITH RESPECT TO THE EXCHANGE, EFFECTIVE UPON RECORDATION OF THE PATENTS FROM THE STATE TO THE CITY IN THE FORM OF EXHIBITS "I" AND "O" TO THE AGREEMENT CONCERNING THE PUBLIC TRUST, FIND AND DECLARE THAT:
  - A. CATELLUS IS THE MAJOR PRIVATE OWNER OF RECORD OF PROPERTY WITHIN THE MISSION BAY DEVELOPMENT AREA ("MBDA").
  - B. CATELLUS IS ALSO THE MAJOR PRIVATE OWNER OF RECORD OF CERTAIN LAND LOCATED BETWEEN ARMY STREET AND 24TH STREET, AND ILLINOIS STREET AND SAN FRANCISCO BAY,

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WHICH AREA IS COMMONLY KNOWN AS THE WESTERN PACIFIC RAILROAD YARD ("WESTERN PACIFIC PROPERTY").

- C. THE EXISTING FRAGMENTED PATTERN OF PUBLIC AND PRIVATE OWNERSHIP WITHIN THE MBDA, ESPECIALLY THE INDUSTRIAL AREA STREET SYSTEM AND PARCELIZATION IMPOSED ON THE AREA LARGELY AS THE RESULT OF SUBDIVISIONS AND SALES IN THE LATTER HALF OF THE NINETEENTH CENTURY, LIMIT BOTH THE POTENTIAL DEVELOPMENT OF THE AREA AND THE EXPANSION OF DESIRABLE PUBLIC USES IN THE AREA CONSISTENT WITH THE PUBLIC. TRUST AND THE BURTON ACT TRUST, SUCH AS OPEN SPACE AND PARKS ALONG THE WATERFRONT AND ELSEWHERE WITHIN THE MBDA, PUBLIC ACCESS TO THE SHORELINE, AND CONSOLIDATED, MODERN PORT FACILITIES FOR THE CITY.
- D. THE CITY HAS DEVELOPED AND ADOPTED THE MISSION BAY SPECIFIC PLAN, AND THE CITY HAS NEGOTIATED THE DEVELOPMENT AGREEMENT WITH CATELLUS, TO ENABLE NEW DEVELOPMENT WITHIN THE MBDA; TO RESPOND TO AND RECTIFY THE EXISTING LIMITATIONS ON PUBLIC TRUST USES WHICH PREVENT IMPLEMENTATION OF THE MBDA; AND TO FACILITATE DEVELOPMENT OF CONSOLIDATED, MODERN PORT FACILITIES OUTSIDE THE MBDA.
- E. THE MISSION BAY SPECIFIC PLAN AND THE DEVELOPMENT AGREEMENT CONTEMPLATE THAT CERTAIN LANDS IN DISPUTE WITH THE STATE OF CALIFORNIA AND CERTAIN OTHER LANDS SUBJECT TO THE PUBLIC TRUST OR THE BURTON ACT TRUST SHALL BE CONVEYED FREE OF THOSE TRUSTS TO CATELLUS, AND THE PUBLIC TRUST AND THE BURTON ACT TRUST OVER CERTAIN OTHER LANDS SHALL BE TERMINATED, IN EXCHANGE FOR:

(1) THE CONVEYANCE TO THE CITY AND THE STATE SUBJECT TO THE PUBLIC TRUST AND THE BURTON ACT TRUST OF CERTAIN LANDS OWNED BY CATELLUS;

(2) THE CONVEYANCE TO THE CITY AND THE STATE OF AN EASEMENT OVER CERTAIN OTHER LANDS OWNED BY CATELLUS WHICH WILL PERMANENTLY ENCUMBER THOSE LANDS WITH THE PUBLIC TRUST OR WITH THE BURTON ACT TRUST AND THE PUBLIC TRUST; AND

(3) THE AGREEMENT BY THE CITY AND THE STATE THAT CERTAIN OF THE STREET AREAS IN DISPUTE WITH THE STATE

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AND OTHER AREAS SHALL BE PERMANENTLY SUBJECTED TO THE PUBLIC TRUST BY EASEMENT OR OTHERWISE.

- F. IN PREPARING THE MISSION BAY SPECIFIC PLAN, THE CITY HAS CONSIDERED THE PRESENT AND FUTURE PUBLIC TRUST AND BURTON ACT TRUST NEEDS AND THE PURPOSES FOR WHICH THE CITY HOLDS, OR MAY HOLD, PROPERTY SUBJECT TO THOSE TRUSTS WITHIN THE MBDA.
- G. THE MISSION BAY SPECIFIC PLAN AND THE DEVELOPMENT AGREEMENT DEMONSTRATE THAT THOSE LANDS WITHIN THE MBDA TO BE DEVOTED TO NON-PUBLIC TRUST PURPOSES OR PURPOSES OTHER THAN THOSE STATED IN THE BURTON ACT ARE NO LONGER NEEDED OR REQUIRED FOR PUBLIC TRUST PURPOSES, OR FOR THOSE PURPOSES PROVIDED FOR IN THE BURTON ACT.
- H. THE LANDS TO BE CONVEYED TO THE CITY AND THE STATE AND WHICH WILL BE ENCUMBERED BY (1) A PUBLIC TRUST EASEMENT, OR (2) A PUBLIC TRUST AND A BURTON ACT TRUST EASEMENT; OR THE LANDS WHICH WILL BE PERMANENTLY SUBJECT TO SUCH TRUSTS WILL BE DEVOTED TO TRUST USES AS PROVIDED FOR IN THE MISSION BAY SPECIFIC PLAN AND OTHER RELATED PLANS FOR MARITIME DEVELOPMENT.
- I. SUCH LANDS WILL, THEREFORE, BE HIGHLY USEFUL FOR PUBLIC TRUST AND BURTON ACT TRUST PURPOSES, WHICH INCLUDE BUT ARE NOT LIMITED TO THE FOLLOWING:

(1) DEVELOPMENT OF BETWEEN FOUR AND NINE CONTAINER BERTHS THROUGH ACQUISITION OF PRIVATELY OWNED LANDS IN THE PIER 70 THROUGH 80 AREA OF THE CITY, WHICH WILL ALSO ALLOW THE CITY TO TAKE ADVANTAGE OF THE EXISTING CONTAINER-ORIENTED AND INTERMODAL INFRASTRUCTURE AT PIERS 80 AND 94-96, INCLUDING THE INTERMODAL CONTAINER TRANSFER FACILITY; AND

(2) WITHIN THE MBDA, PURSUANT TO THE MISSION BAY SPECIFIC PLAN, DEVELOPMENT OF IMPROVED OPEN SPACE, PUBLIC ACCESS, WATERFRONT PARKS, AND OTHER PUBLIC FACILITIES CONSISTENT WITH THE PUBLIC TRUST AND THE BURTON ACT TRUST THROUGH THE CONSOLIDATION OF OWNERSHIPS AND THE PROVISION BY THE CITY OF CERTAIN ADDITIONAL REAL PROPERTY TO BE DEVELOPED FOR PUBLIC RECREATIONAL USE PURSUANT TO LICENSE, TOGETHER WITH THE TOXIC REMEDIATION OF ALL REAL PROPERTY TO BE SUBJECTED TO THE PUBLIC TRUST OR THE BURTON ACT TRUST OR TO BE

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#### DEVELOPED FOR RECREATIONAL USE.

- J. IMPLEMENTATION OF THE DEVELOPMENT AGREEMENT REQUIRES THAT THE CITY AND CATELLUS TRANSFER CERTAIN PARCELS OF LAND AND INTERESTS IN LANDS WITHIN THE MBDA AND THAT CATELLUS TRANSFER THE WESTERN PACIFIC PROPERTY TO THE CITY.
- K. SUCH TRANSFER REQUIRES RESOLUTION OF TITLE DISPUTES WHICH HAVE EXISTED AMONG THE CITY, THE STATE OF CALIFORNIA, AND CATELLUS, SUCH DISPUTES HAVING CONCERNED THE EXTENT AND NATURE OF THEIR RESPECTIVE OWNERSHIP OF LANDS AND INTERESTS IN LANDS WITHIN THE MBDA AND THE WESTERN PACIFIC PROPERTY, AND HAVING ARISEN BECAUSE OF THE FOLLOWING:

(1) PORTIONS OF THE MBDA AND WESTERN PACIFIC PROPERTY CONSIST OF LANDS WHICH ARE NOW FILLED AND RECLAIMED, BUT WHICH WERE TIDE OR SUBMERGED LANDS IN THEIR LAST NATURAL CONDITION;

(2) THE STATE, BY VIRTUE OF ITS SOVEREIGNTY, RECEIVED IN TRUST FOR THE PURPOSES OF COMMERCE, NAVIGATION, AND FISHERIES, ALL THE RIGHT, TITLE, AND INTEREST IN AND TO UNGRANTED TIDE AND SUBMERGED LANDS LOCATED WITHIN THE STATE AT THE TIME OF ITS ADMISSION TO THE UNION ON SEPTEMBER 9, 1850;

(3) CERTAIN OF THE TIDE AND SUBMERGED LANDS WITHIN THE MBDA WERE AUTHORIZED TO BE, AND WERE, LAID OFF AND CONVEYED INTO PRIVATE RECORD OWNERSHIP PURSUANT TO VARIOUS ACTS, INCLUDING CHAPTER 41 OF THE STATUTES OF 1851, CHAPTER 160 OF THE STATUTES OF 1851, CHAPTER 543 OF THE STATUTES OF 1867-68, CHAPTER 490 OF THE STATUTES OF 1871-72, CHAPTER 265 OF THE STATUTES OF 1903, CHAPTER 434 OF THE STATUTES OF 1947, AND CHAPTER 1252 OF THE STATUTES OF 1953;

(4) CERTAIN PORTIONS OF THE TIDE AND SUBMERGED LANDS WITHIN THE WESTERN PACIFIC PROPERTY WERE AUTHORIZED TO BE, AND WERE, LAID OFF AND CONVEYED INTO PRIVATE RECORD OWNERSHIP PURSUANT TO CHAPTER 407 OF THE STATUTES OF 1863-1864 AND CHAPTER 543 OF THE STATUTES OF 1867-1868;

(5) DISPUTES HAVE ARISEN AS TO WHETHER OR NOT SOME OR ALL SUCH CONVEYANCES INTO PRIVATE RECORD OWNERSHIP

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CONVEYED FEE TITLE FREE OF THE PUBLIC TRUST EASEMENT FOR COMMERCE, NAVIGATION AND FISHERIES;

(6) CERTAIN STREET AREAS WITHIN THE MBDA AND WESTERN PACIFIC PROPERTY WERE ORIGINALLY RESERVED OR LAID OFF FOR STREET PURPOSES. THE CITY, THE STATE AND CATELLUS HAVE DISAGREED AS TO THE EXTENT TO WHICH CERTAIN OF THESE STREET AREAS MAY REMAIN SUBJECT TO STATE PUBLIC TRUST OR OTHER PUBLIC CLAIMS RESULTING FROM THE LANDS ONCE BEING SOVEREIGN LANDS OF THE STATE OR LAID OFF FOR STREET PURPOSES; AND

(7) VARIOUS CIVIL ACTIONS BY AND AMONG THE CITY, THE STATE AND THE PREDECESSORS IN INTEREST OF CATELLUS HAVE ADDRESSED CERTAIN TITLE ISSUES WITH RESPECT TO CERTAIN OF THE STREET AREAS WITHIN THE MBDA, BUT THE PARTIES REMAIN IN DISAGREEMENT AS TO THE EFFECT OF SUCH ACTIONS.

- L. THE PUBLIC INTEREST REQUIRES THE RESOLUTION OF THE TITLE PROBLEMS BY AGREEMENT, IN PART BECAUSE OF THE EXPENSE, BURDEN AND PREDICTABLY LENGTHY TIME OF LITIGATION TO RESOLVE THE MANY COMPLEX LEGAL MATTERS AT ISSUE.
- M. PURSUANT TO THE PROVISIONS OF THE CHAPTER 1333 OF THE STATUTES OF 1968 (THE "BURTON ACT"), THE STATE GRANTED TO THE CITY CERTAIN OF THE FILLED AND UNFILLED TIDE AND SUBMERGED LANDS WITHIN THE MBDA AND WESTERN PACIFIC PROPERTY, SUBJECT TO (1) THE PUBLIC TRUST FOR COMMERCE, NAVIGATION AND FISHERIES, (2) THE BURTON ACT, (3) THE TERMS AND CONDITIONS OF THE AGREEMENT BETWEEN THE STATE AND THE CITY WHICH TRANSFERRED TITLE TO THE CITY OF LANDS SUBJECT TO THE BURTON ACT, AND (4) THE CHARTER OF THE CITY.
- N. THE CITY IS AUTHORIZED BY CHAPTER 310 OF THE STATUTES OF 1987, AS AMENDED, SUBJECT TO THE APPROVAL OF THE STATE LANDS COMMISSION, TO TRANSFER LANDS GRANTED TO THE CITY BY THE BURTON ACT FOR LANDS OF EQUAL OR GREATER VALUE WHICH ARE USEFUL FOR THE PARTICULAR TRUST PURPOSES SPECIFICALLY AUTHORIZED IN THE BURTON ACT IF THE CITY DETERMINES THAT SUCH GRANTED LANDS HAVE BEEN FILLED AND RECLAIMED, ARE CUT OFF FROM ACCESS TO THE WATERS OF SAN FRANCISCO BAY, CONSTITUTE A RELATIVELY SMALL PORTION OF THE TIDE AND SUBMERGED LANDS GRANTED

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TO THE CITY, AND ARE NO LONGER NEEDED OR REQUIRED FOR THE PROMOTION OF THE PUBLIC TRUST FOR COMMERCE, NAVIGATION, AND FISHERIES OR THE TRUST IMPOSED BY THE BURTON ACT, AND NO SUBSTANTIAL INTERFERENCE WITH TRUST USES AND PURPOSES WILL ENSUE.

- O. CHAPTER 310 OF THE STATUTES OF 1987, AS AMENDED, FURTHER SPECIFICALLY AUTHORIZES THE STATE LANDS COMMISSION TO APPROVE SUCH AN EXCHANGE IF IT MAKES THE SAME FINDINGS.
- P. CHAPTER 1143 OF THE STATUTES OF 1991, AS AMENDED BY CHAPTER 86 OF THE STATUTES OF 1992 ("THE ACT"), AUTHORIZES THE STATE LANDS COMMISSION TO DO ALL OF THE FOLLOWING:

(1) TO CONVEY TO THE CITY BY PATENT ALL OF THE RIGHT, TITLE, AND INTEREST HELD BY THE STATE BY VIRTUE OF ITS SOVEREIGN TRUST TITLE TO TIDE AND SUBMERGED LANDS, INCLUDING ANY PUBLIC TRUST INTEREST OR BURTON ACT RESERVATION OR TRUST INTEREST, AND NOT HERETOFORE CONVEYED, IN AND TO ALL OF THE FILLED TIDELANDS AND SUBMERGED LANDS WITH THE MBDA, SUBJECT TO SUCH RESERVATIONS AS THE STATE LANDS COMMISSION MAY DETERMINE TO BE APPROPRIATE.

(2) TO RECEIVE AND ACCEPT ON BEHALF OF THE STATE IN ITS SOVEREIGN CAPACITY ANY LANDS OR ANY INTEREST IN LANDS, CONVEYED TO THE STATE IN ITS SOVEREIGN CAPACITY BY THE CITY OR BY ANY PRIVATE PARTY PURSUANT TO THE ACT, AND PURSUANT TO ANY EXCHANGE AUTHORIZED, RATIFIED, OR CONFIRMED BY THE ACT, INCLUDING, BUT NOT LIMITED TO, ANY PUBLIC TRUST EASEMENT CONVEYED TO THE STATE IN ITS SOVEREIGN CAPACITY BY THE CITY OR BY ANY PRIVATE PARTY IN SUCH LANDS.

(3) TO CONVEY TO THE CITY BY PATENT ALL OF THE RIGHT, TITLE, AND INTEREST OF THE STATE IN ANY LANDS CONVEYED TO THE STATE IN ITS SOVEREIGN CAPACITY BY THE CITY OR BY ANY PRIVATE PARTY PURSUANT TO THE ACT AND PURSUANT TO ANY EXCHANGE AUTHORIZED, RATIFIED, OR CONFIRMED BY THE ACT, INCLUDING BUT NOT LIMITED TO, ANY PUBLIC TRUST EASEMENT, CONVEYED TO THE STATE IN ITS SOVEREIGN CAPACITY BY THE CITY OR BY A PRIVATE PARTY, IN ANY SUCH LANDS, SUBJECT TO SUCH TERMS, CONDITIONS, AND RESERVATIONS AS THE STATE LANDS COMMISSION MAY

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#### DETERMINE ARE NECESSARY.

- THE ACT ALSO AUTHORIZES THE CITY, SUBJECT TO THE **Q**. APPROVAL OF THE STATE LANDS COMMISSION, TO TRANSFER LANDS GRANTED TO THE CITY FOR LANDS OR INTERESTS IN LANDS OF EOUAL OR GREATER VALUE WHICH ARE USEFUL FOR PUBLIC TRUST PURPOSES IF THE CITY DETERMINES THAT SUCH GRANTED LANDS HAVE BEEN FILLED AND RECLAIMED, ARE CUT OFF FROM ACCESS TO THE WATERS OF SAN FRANCISCO BAY, CONSTITUTE A RELATIVELY SMALL PORTION OF THE TIDE AND SUBMERGED LANDS GRANTED TO THE CITY, AND ARE NO LONGER NEEDED OR REQUIRED FOR THE PROMOTION OF THE PUBLIC TRUST FOR COMMERCE, NAVIGATION, AND FISHERIES, AND NO SUBSTANTIAL INTERFERENCE WITH TRUST USES AND PURPOSES WILL ENSUE; AND THE CITY HAS SO DETERMINED WITH RESPECT TO THE LANDS AND INTERESTS IN LANDS INCLUDED IN THE EXCHANGE.
- R. THE ACT FURTHER AUTHORIZES THE STATE LANDS COMMISSION TO APPROVE SUCH AN EXCHANGE IF IT MAKES THE SAME FINDINGS.
- S. ARTICLE X, SECTION 3 OF THE CALIFORNIA CONSTITUTION PROVIDES THAT TIDELANDS WITHIN TWO MILES OF ANY INCORPORATED CITY, CITY AND COUNTY, OR TOWN IN CALIFORNIA MAY BE SOLD INTO PRIVATE OWNERSHIP IF SUCH TIDELANDS WERE RESERVED TO THE STATE FOR STREET PURPOSES AND THE CALIFORNIA LEGISLATURE FINDS AND DECLARES THAT THEY ARE NOT USED FOR NAVIGATION PURPOSES AND ARE NOT NECESSARY FOR SUCH PURPOSES, SUBJECT TO SUCH CONDITIONS AS THE LEGISLATURE DETERMINES ARE NECESSARY TO BE IMPOSED IN CONNECTION WITH ANY SUCH SALES TO PROTECT THE PUBLIC INTEREST.
- T. THE ACT ALSO AUTHORIZES THE CITY TO SELL TO ANY PRIVATE PERSON OR CORPORATION, WITH THE APPROVAL OF THE STATE LANDS COMMISSION, ANY PORTIONS OF THE TIDE OR SUBMERGED LANDS WITHIN THE MBDA WHICH HAVE BEEN FILLED AND WHICH WERE LAID OFF AND RESERVED TO THE STATE FOR STREET PURPOSES.
- U. THE CITY AND CATELLUS HAVE NEGOTIATED THE AGREEMENTS, WHICH AGREEMENTS PROVIDE FOR THE EXCHANGE.
- V. APPRAISALS OF THE MBDA AND THE WESTERN PACIFIC PROPERTY HAVE BEEN PREPARED FOR AND INDEPENDENTLY REVIEWED BY

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THE CITY AND THE COMMISSION, AND IT HAS BEEN DETERMINED BY THE CITY AND THE COMMISSION THAT THE VALUE OF THE LANDS AND INTERESTS IN LANDS WHICH THE CITY AND THE STATE WILL RECEIVE PURSUANT TO THE AGREEMENTS IS GREATER THAN THE VALUE OF THE LANDS OR INTERESTS IN LANDS TO BE RELINQUISHED BY THE CITY AND THE STATE PURSUANT TO THE AGREEMENTS.

- W. THE EXCHANGE OF LANDS AND RIGHTS PROVIDED FOR IN THE AGREEMENTS ARE IN THE BEST INTERESTS OF THE CITY AND THE STATE, AND WILL FURTHER THE PUBLIC TRUST AND THE BURTON ACT TRUST.
- X. NO SUBSTANTIAL INTERFERENCE WITH THE PUBLIC TRUST OR THE BURTON ACT TRUST WILL ENSUE FROM THE RELINQUISHMENT BY THE CITY AND THE STATE OF THEIR INTEREST IN THOSE LANDS TO BE CONVEYED INTO PRIVATE OWNERSHIP AND OVER WHICH THE PUBLIC TRUST AND THE BURTON ACT TRUST WILL BE TERMINATED PURSUANT TO THE AGREEMENTS; OR FROM THE TERMINATION OF THE PUBLIC TRUST OR THE BURTON ACT TRUST OVER CERTAIN OTHER LANDS PURSUANT TO THE AGREEMENTS.
- Y. AN EXCHANGE OF THE LANDS OR INTERESTS IN THE LANDS WITHIN THE MBDA AND THE WESTERN PACIFIC PROPERTY AND THE TERMINATION OF ANY PUBLIC TRUST OR TRUST IMPOSED BY THE BURTON ACT OVER SUCH LANDS PURSUANT TO THE AGREEMENTS IS CONSISTENT WITH THE LEGISLATIVE FINDINGS AND DECLARATIONS SET FORTH IN SECTION 2 OF THE ACT.
- 2. THE LANDS OR INTERESTS IN LANDS WHICH THE CITY AND THE STATE WILL ACQUIRE PURSUANT TO THE AGREEMENTS, IN CONSIDERATION AND EXCHANGE FOR (A) THE LANDS TO BE CONVEYED BY THE CITY AND THE STATE AND OVER WHICH THE PUBLIC TRUST OR THE PUBLIC TRUST AND THE BURTON ACT TRUST WILL BE TERMINATED PURSUANT TO THE AGREEMENTS, AND (B) THE TERMINATION OF THE PUBLIC TRUST OR THE PUBLIC TRUST AND THE BURTON ACT TRUST OVER CERTAIN OTHER LANDS PURSUANT TO THE AGREEMENTS, ARE USEFUL FOR THE PURPOSES OF THE PUBLIC TRUST FOR COMMERCE, NAVIGATION AND FISHERIES AND THE TRUST IMPOSED BY THE BURTON ACT.
- AA. THE VALUE OF THE LANDS OR INTERESTS IN LANDS TO BE ACQUIRED BY THE CITY AND THE STATE, INCLUDING THE VALUE OF THE PUBLIC TRUST AND THE BURTON ACT TRUST THAT ARE TO BE NEWLY IMPOSED ON LANDS NOT CURRENTLY SUBJECT TO

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EITHER OF THOSE TRUSTS, EQUALS OR EXCEEDS THE AGGREGATE VALUE OF THE GRANTED TIDELANDS FOR WHICH THOSE LANDS AND INTERESTS IN LANDS ARE TO BE EXCHANGED AND OF THE PUBLIC TRUST AND BURTON ACT TRUST THAT ARE TO BE TERMINATED IN LANDS CURRENTLY SUBJECT TO ONE OR BOTH OF THOSE TRUSTS.

BB. THE LANDS TO BE CONVEYED BY THE CITY AND THE STATE AND OVER WHICH THE PUBLIC TRUST OR THE PUBLIC TRUST AND THE BURTON ACT TRUST WILL BE TERMINATED PURSUANT TO THE AGREEMENTS:

(1) HAVE BEEN FILLED AND RECLAIMED IN THE COURSE OF A HIGHLY BENEFICIAL PLAN FOR DEVELOPMENT OF THE HARBOR AND WATERFRONT OF THE CITY AND PORT OF SAN FRANCISCO, AND ARE LOCATED ABOVE THE PRESENT LINE OF MEAN HIGH TIDE.

(2) ARE NOT USED, SUITABLE, OR NECESSARY FOR NAVIGATION PURPOSES AND NOT NECESSARY FOR STREET PURPOSES; AND

(3) HAVE BEEN AND ARE PRESENTLY CUT OFF FROM ACCESS TO THE WATERS OF SAN FRANCISCO BAY, CONSTITUTE A RELATIVELY SMALL PORTION OF THE TIDE AND SUBMERGED LANDS WHICH HAVE BEEN GRANTED TO THE CITY, AND ARE NO LONGER NEEDED OR REQUIRED FOR THE PROMOTION OF THE PUBLIC TRUST OR THE BURTON ACT TRUST.

- CC. THOSE LANDS OR INTERESTS IN LANDS RECEIVED BY THE CITY AND THE STATE PURSUANT TO THE AGREEMENTS AND LOCATED (A) OUTSIDE THE MBDA OR (B) WITHIN THE BOUNDARY OF THE PORT OF SAN FRANCISCO SHALL BE HELD BY THE CITY AND THE STATE SUBJECT TO THE PUBLIC TRUST AND THE BURTON ACT TRUST.
- DD. THOSE LANDS OR INTERESTS IN LANDS RECEIVED BY THE CITY AND THE STATE PURSUANT TO THE AGREEMENTS OUTSIDE THE BOUNDARY OF THE PORT OF SAN FRANCISCO BUT WITHIN THE MBDA SHALL BE HELD BY THE CITY SUBJECT TO THE PUBLIC TRUST.
- EE. THE GRANTED TIDELANDS TO BE EXCHANGED AND OVER WHICH THE PUBLIC TRUST OR THE BURTON ACT TRUST OR BOTH WILL BE TERMINATED HAVE BEEN FILLED AND RECLAIMED, ARE CUT OFF FROM ACCESS TO THE WATERS OF SAN FRANCISCO BAY, CONSTITUTE A RELATIVELY SMALL PORTION OF THE TIDE AND

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SUBMERGED LANDS GRANTED TO THE CITY, AND ARE NO LONGER NEEDED OR REQUIRED FOR THE PROMOTION OF THE PUBLIC TRUST OR THE BURTON ACT TRUST; AND FURTHER, THAT NO SUBSTANTIAL INTERFERENCE WITH THE PUBLIC TRUST OR BURTON ACT TRUST USES AND PURPOSES WILL ENSUE BY VIRTUE OF THE EXCHANGE; AND FURTHER THAT THE EXCHANGE IS CONSISTENT WITH THE FINDINGS AND DECLARATIONS IN SECTION 2 OF THE ACT, CHAPTER 310 OF THE STATUTES OF THE 1987, AND ARTICLE X, SECTION 3 OF THE CALIFORNIA CONSTITUTION, AND IN THE BEST INTERESTS OF THE STATE AND THE CITY.

- 3. APPROVE THE EXCHANGE AND AUTHORIZE THE EXECUTION, ACKNOWLEDGMENT, AND RECORDATION, ON BEHALF OF THE COMMISSION, OF THE FOLLOWING DOCUMENTS:
  - A. THE AGREEMENT CONCERNING THE PUBLIC TRUST, SUBSTANTIALLY IN THE FORM OF THE COPY OF SUCH AGREEMENT ON FILE WITH THE COMMISSION.
  - B. A PATENT FROM THE STATE IN THE FORM OF EXHIBIT "I" TO THE AGREEMENT CONCERNING THE PUBLIC TRUST, CONVEYING TO THE CITY CERTAIN LANDS WITHIN THE MISSION BAY DEVELOPMENT AREA AND OUTSIDE THE BOUNDARY OF THE PORT OF SAN FRANCISCO.
  - C. CERTIFICATES OF ACCEPTANCE AND CONSENT TO RECORDING REGARDING THE GRANTS FROM CATELLUS AND THE CITY IN THE FORMS OF EXHIBITS "K" AND "L" TO THE AGREEMENT CONCERNING THE PUBLIC TRUST, CONVEYING TO THE STATE PUBLIC TRUST EASEMENTS WITHIN THE MISSION BAY PROJECT AREA OUTSIDE AND WITHIN, RESPECTIVELY, THE BOUNDARY OF THE PORT OF SAN FRANCISCO.
  - D. PATENTS FROM THE STATE IN THE FORMS OF EXHIBIT "M" AND "N" TO THE AGREEMENT CONCERNING THE PUBLIC TRUST, CONVEYING TO THE CITY, IN TRUST, PUBLIC TRUST EASEMENTS WITHIN THE MISSION BAY PROJECT AREA OUTSIDE AND WITHIN, RESPECTIVELY, THE BOUNDARY OF THE PORT OF SAN FRANCISCO.
  - E. A PATENT FROM THE STATE IN THE FORM OF EXHIBIT "O" TO THE AGREEMENT CONCERNING THE PUBLIC TRUST, CONVEYING TO THE CITY CERTAIN LANDS WITHIN THE MISSION BAY DEVELOPMENT AREA AND WITHIN THE BOUNDARY OF THE PORT OF SAN FRANCISCO.

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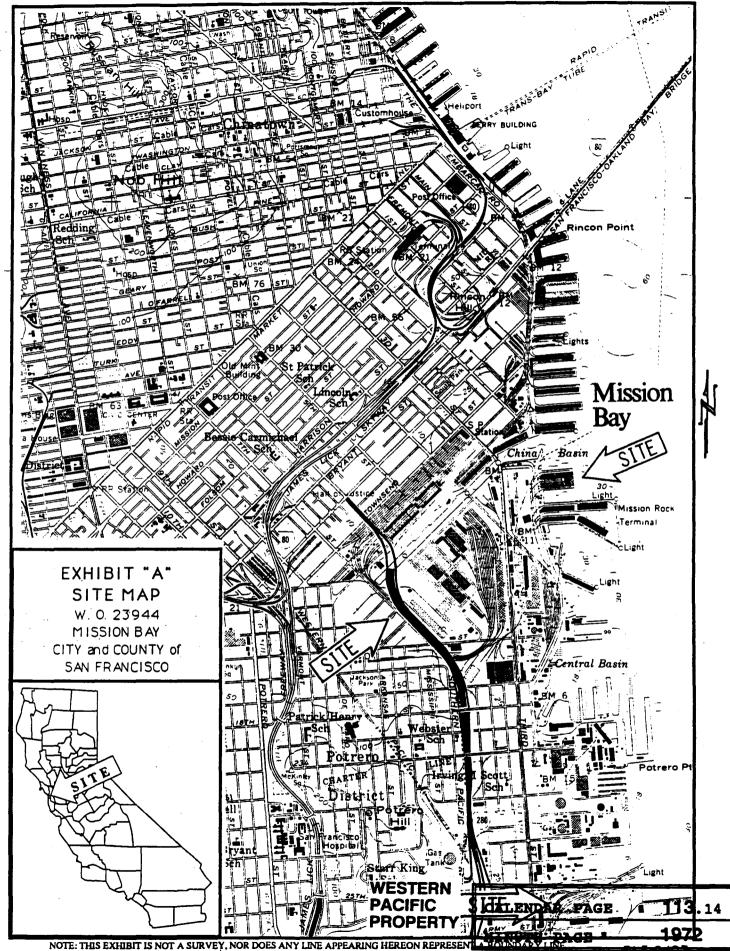
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- F. A CERTIFICATE OF ACCEPTANCE AND CONSENT TO RECORDING REGARDING THE GRANT FROM CATELLUS AND THE CITY TO THE STATE OF THE WESTERN PACIFIC PROPERTY.
- G. A PATENT FROM THE STATE IN THE FORM OF EXHIBIT "P" TO THE AGREEMENT CONCERNING THE PUBLIC TRUST, CONVEYING TO THE CITY, IN TRUST, THE WESTERN PACIFIC PROPERTY.
- 4. AUTHORIZE AND DIRECT THE STAFF OF THE COMMISSION AND/OR THE CALIFORNIA ATTORNEY GENERAL:
  - A. TO MODIFY, OR APPROVE THE MODIFICATION OF, ANY DESCRIPTION AND PLAT PREPARED AND RECORDED PURSUANT TO CHAPTER 1333 OF THE STATUTES OF 1968, AS AMENDED, AND SECTION II OF THAT CERTAIN AGREEMENT RELATING TO THE TRANSFER OF THE PORT OF SAN FRANCISCO FROM THE STATE OF CALIFORNIA TO THE CITY AND DATED JANUARY 24, 1969, TO REFLECT AND EFFECTUATE THE EXCHANGE, AND TO RECORD THE MODIFIED PLAT AND DESCRIPTION IN THE OFFICE OF THE RECORDER OF THE CITY.
  - B. TO TAKE ALL OTHER NECESSARY OR APPROPRIATE ACTION ON BEHALF OF THE COMMISSION TO CARRY OUT THE EXCHANGE, INCLUDING WITHOUT LIMITING THE FOREGOING, THE MODIFICATION OF ANY LEGAL DESCRIPTION OR OTHER DOCUMENT, AND THE EXECUTION, ACKNOWLEDGMENT, ACCEPTANCE, AND RECORDATION OF ALL DOCUMENTS AS MAY BE NECESSARY OR CONVENIENT, PROVIDED THAT SUCH ACTION SHALL NOT MATERIALLY ALTER THE RIGHTS OR OBLIGATIONS OF THE STATE; AND TO APPEAR ON BEHALF OF THE COMMISSION IN ALL LEGAL PROCEEDINGS RELATING TO THE SUBJECT MATTER OF THE EXCHANGE.

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