

MINUTE ITEM

This Calendar Item No. 75 was approved as Minute Item No. 75 by the California State Lands Commission by a vote of 3 to 0 at its 6-14-99 meeting.

CALENDAR ITEM

75

A 67

AD 308 06/14/99
W 25306
F. Ludlow

S 35

**CONSIDER ACCEPTING UP TO \$1,500,000
FROM THE COASTAL CONSERVANCY
INTO THE KAPILOFF LAND BANK FUND FOR THE ACQUISITION
OF THE FIELDSTONE PROPERTY, BOLSA CHICA, ORANGE COUNTY,
CALIFORNIA AND RELATED PRE-ACQUISITION AND RESTORATION EXPENSES**

PARTY:

California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825-8202

On February 12, 1997 the State Lands Commission, acting in its capacity as Kapiloff Land Bank Trustee, authorized the purchase of 880 acres of the Bolsa Chica Lowlands from the Signal Bolsa Corporation for the sum of \$25,000,000.00. The purchase was completed two days later. Not included in this acquisition was a 42 acre parcel located in the northeast corner of the Bolsa Chica Lowlands known as the Fieldstone property which was not owned by the Signal Bolsa Corporation at that time. To remedy this situation the California Coastal Conservancy has been successful in obtaining various grant monies which it wants to make available to the Kapiloff Land Bank Fund for the purchase of the Fieldstone property and related pre-acquisition and restoration expenses.

BACKGROUND

The Bolsa Chica Lowlands is the remnant of a large wetland area located along the northern Orange County coast. It is bounded on three sides by the city of Huntington Beach and on the fourth by the Pacific Coast Highway. On the other side of the highway lies the beach and sea.

The 880 acres the State lands Commission acquired in 1997 is in the initial stages of a restoration process which is being guided by four state agencies and four federal agencies. Acquisition and restoration costs will ultimately exceed \$90,000,000.00. Although most of the lowlands are presently included in an operating oil field, the Fieldstone property itself has no wells on it.

Subsequent to the to the State Lands Commission's acquisition of the 880 acres of the Bolas Chica Lowlands the 42 acre Fieldstone property was purchased by Hearthside Homes, the successor in interest to the Signal Bolsa Corporation. Hearthside Homes

CALENDAR PAGE **000586**
MINUTE PAGE **006081**

CALENDAR ITEM NO. 75 (CONT'D)

has offered to sell the Fieldstone property to the State lands Commission for the sum of \$1,193,181.70, which, on a per acre basis, is the same price that was paid for the 880 acres purchased in 1997. All of the agencies overseeing the restoration of the Bolsa Chica believe that inclusion of the Fieldstone property will greatly enhance the restoration project and therefor support the purchase.

AGREEMENT WITH THE COASTAL CONSERVANCY

The California Coastal Conservancy has obtained grant money which it wishes to make available for the purchase of the Fieldstone property. Additional money may also be available to cover pre- acquisition and restoration costs.

In order to transfer these funds to the State Lands Commission, for deposit into the Kapiloff Land Bank Account, the State Lands Commission and the Coastal Conservancy will enter into an agreement providing for the transfer of up to \$1,500,000.00 from the Coastal Conservancy to the Kapiloff Land Bank Fund for purchase, pre-acquisition and restoration costs of the Fieldstone property. All funds transferred will be segregated in the Land Bank Fund to be used exclusively for these purposes. If the Fieldstone property is not purchased by the Commission, the remaining balance of these funds will be returned to the Coastal Conservancy.

PERMIT STREAMLING ACT DEADLINE:

N/A

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA 14 CAL. CODE REGS.15061, BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY CALIFORNIA PUBLIC RESOURCES CODE SECTION 21065
2. AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE AN AGREEMENT WITH THE CALIFORNIA COASTAL CONSERVANCY TO ACCEPT \$1,500,000.00 INTO THE KAPILOFF LAND BANK FUND TO BE USED FOR THE PURCHASE OF THE FIELDSTONE PROPERTY, BOLSA CHICA, ORANGE COUNTY, CALIFORNIA AND FOR RELATED PRE-ACQUISITION AND RESTORATION COSTS.

CALENDAR PAGE	000587
MINUTE PAGE	006082