

MINUTE ITEM

This Calendar Item No. 30
was approved as Minute Item
No. 26 by the State Lands
Commission by a vote of 2
to C at its 3/6/86
meeting.

CALENDAR ITEM

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02/27/86
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Stevenson
Grimes
Rusconi

REQUEST FOR AUTHORIZATION TO
TERMINATE SOVEREIGN INTERESTS IN
A 1.7-ACRE PARCEL OF LAND IN EXCHANGE FOR
A \$62,000 CONTRIBUTION TO ESCROW ACCOUNT --
FOR PURCHASE OF NEW LAND FOR EUREKA GRANT;
CITY OF EUREKA, HUMBOLDT COUNTY

The staff of the State Lands Commission has been contacted by the City of Eureka regarding the termination of sovereign title in an undeveloped 1.7-acre parcel of land in Eureka. The parcel is shown for reference only on Exhibit "B" (which is attached to this calendar item and incorporated by reference as a part of it) and will be referred in this item as the TRUST TERMINATION PARCEL.

The staff of the Commission has completed a title study of the TRUST TERMINATION PARCEL which shows that:

1. In its natural state, the TRUST TERMINATION PARCEL was comprised, all or in part, of tide and submerged land;
2. The TRUST TERMINATION PARCEL was included within the perimeter description of Tideland Survey No. 1 for Humboldt County;
3. The Supreme Court of the State of California held in the case of People v. California Fish Company (1913) 166 Cal. 576, that sales of tidelands passed private title to land lying between the lines of high and low tide, but subject to a public trust easement for commerce, navigation, and fisheries;
4. In 1949, the City of Eureka purchased the private title to the TRUST TERMINATION PARCEL; and

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5. The State of California, by Ch. 1086, Statutes of 1970, as amended, granted in trust to the City of Eureka sovereign interests in historic tide and submerged land the TRUST TERMINATION PARCEL;
6. The TRUST TERMINATION PARCEL has been filled above the present mean high tide line and is not on the waterfront of Humboldt Bay; and
7. The City of Eureka has sold its interests in the TRUST TERMINATION PARCEL to its Redevelopment Agency (despite the possible legal invalidity of that act). The Redevelopment Agency now intends to transfer title to the property to Robert E. and Maria G. Neely to develop the site for an auto engine parts and repair shop.

It is the position of the staff of the Commission that the City of Eureka cannot hold or transfer proprietary title in the TRUST TERMINATION PARCEL since the City has a fiduciary duty towards this property through its grant of sovereign interests. The staff has taken the position that the TRUST TERMINATION PARCEL can be transferred effectively only if its sovereign title is first settled as this calendar item proposes.

A Proposed Agreement has been drafted to clear title to the TRUST TERMINATION PARCEL. The Agreement utilizes Ch. 1045, Statutes of 1970. Chapter 1085 authorizes the City of Eureka, with the approval of the State Lands Commission, to settle title to historic tide and submerged land within the City's grant which (a) have been filled in connection with the development of Humboldt Bay area; (b) which are no longer below the line of mean high tide; and (c) which are no longer necessary or useful for commerce, navigation or fisheries. The consideration provided in an agreement lifting the public trust is required to be approved by the State Lands Commission. The staff has completed an appraisal and legal analysis of this matter and has concluded that the value of sovereign interests in the TRUST TERMINATION PARCEL is \$62,000.

A Proposed Agreement to terminate public trust interests in the TRUST TERMINATION PARCEL is now on file in the office of the State Lands Commission. The basic terms of the Agreement are as follows:

1. The City of Eureka will quitclaim its granted lands interest in the TRUST TERMINATION PARCEL to its Redevelopment Agency; this interest derives from Chapter 1086, Statutes of 1970, as amended;

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2. The State will quitclaim to the Redevelopment Agency of Eureka all sovereign interests in the TRUST TERMINATION PARCEL reserved to the State by Ch. 1086, Statutes of 1970, as amended;
3. The City of Eureka will contribute \$62,000 of non-trust money to an escrow fund for the purchase of other property. The Agreement provides that funds will be released from the escrow account only at the joint direction of the State Lands Commission and the City of Eureka. Property purchased with the fund must be suitable for public trust purposes and will take on the legal character of tide and submerged land subject to Eureka's grant.

The staff of the Commission recommends the approval and execution of the proposed Exchange Agreement in a form similar to that now on file in the Commission's offices. The TRUST TERMINATION PARCEL is filled above the tides and is removed from the present day Eureka waterfront. Property more appropriate for public trust uses will be purchased with the contribution made by the City of Eureka to an escrow account for the purchase of new land to take on the legal character of tide and submerged lands granted in trust to the City of Eureka.

AB 884: N/A.

OTHER PERTINENT ACTIVITIES:

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 statutorily exempt project. The project is exempt because it involves settlements of title and boundary problems.

Authority: P.R.C. 21080.11.

EXHIBITS:

- A. General Site Map.
- B. Specific Site Map showing the TRUST TERMINATION PARCEL (for reference purposes only).

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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 STATUTORILY EXEMPT PROJECT PURSUANT TO P.R.C. 21080.11, SETTLEMENT OF TITLE AND BOUNDARY PROBLEMS.
2. AUTHORIZE THE EXECUTIVE OFFICER OR HER DESIGNEE TO EXECUTE AND TO DELIVER INTO ESCROW FOR RECORDATION IN THE OFFICE OF THE COUNTY RECORDER OF HUMBOLDT COUNTY, THE SUBJECT EXCHANGE AGREEMENT IN A FORM SIMILAR TO THAT NOW ON FILE WITH THE OFFICE OF THE STATE LANDS COMMISSION.
3. FIND, UPON RECORDATION OF THE EXCHANGE AGREEMENT AND PURSUANT TO CHAPTER 1085, STATUTES OF 1970, THAT THE TRUST TERMINATION PARCEL HAS BEEN FILLED AND RECLAIMED IN CONNECTION WITH THE DEVELOPMENT OF THE EUREKA WATERFRONT, IS ABOVE THE PRESENT LINE OF MEAN HIGH TIDE, AND IS NOT NECESSARY OR USEFUL FOR COMMERCE, NAVIGATION, OR FISHERIES.
4. FIND, PURSUANT TO CHAPTER 1085, STATUTES OF 1970, THAT \$62,000 IS AN AMOUNT EQUAL OR GREATER THAN THE VALUE OF SOVEREIGN INTERESTS IN THE TRUST TERMINATION PARCEL AND THAT FUNDS GENERATED BY THIS SETTLEMENT WILL BE USED FOR THE PURCHASE OF LAND WHICH WILL TAKE ON THE LEGAL CHARACTER OF TIDE AND SUBMERGED LANDS GRANTED TO THE CITY OF EUREKA.
5. AUTHORIZE THE EXECUTIVE OFFICER OR HER DESIGNEE AND/OR THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL STEPS SHE/THEY DEEM NECESSARY OR APPROPRIATE TO EFFECTUATE THIS EXCHANGE INCLUDING REPRESENTATION OF THE COMMISSION IN ANY LEGAL ACTION TO DETERMINE THE LEGALITY OF THIS AGREEMENT.

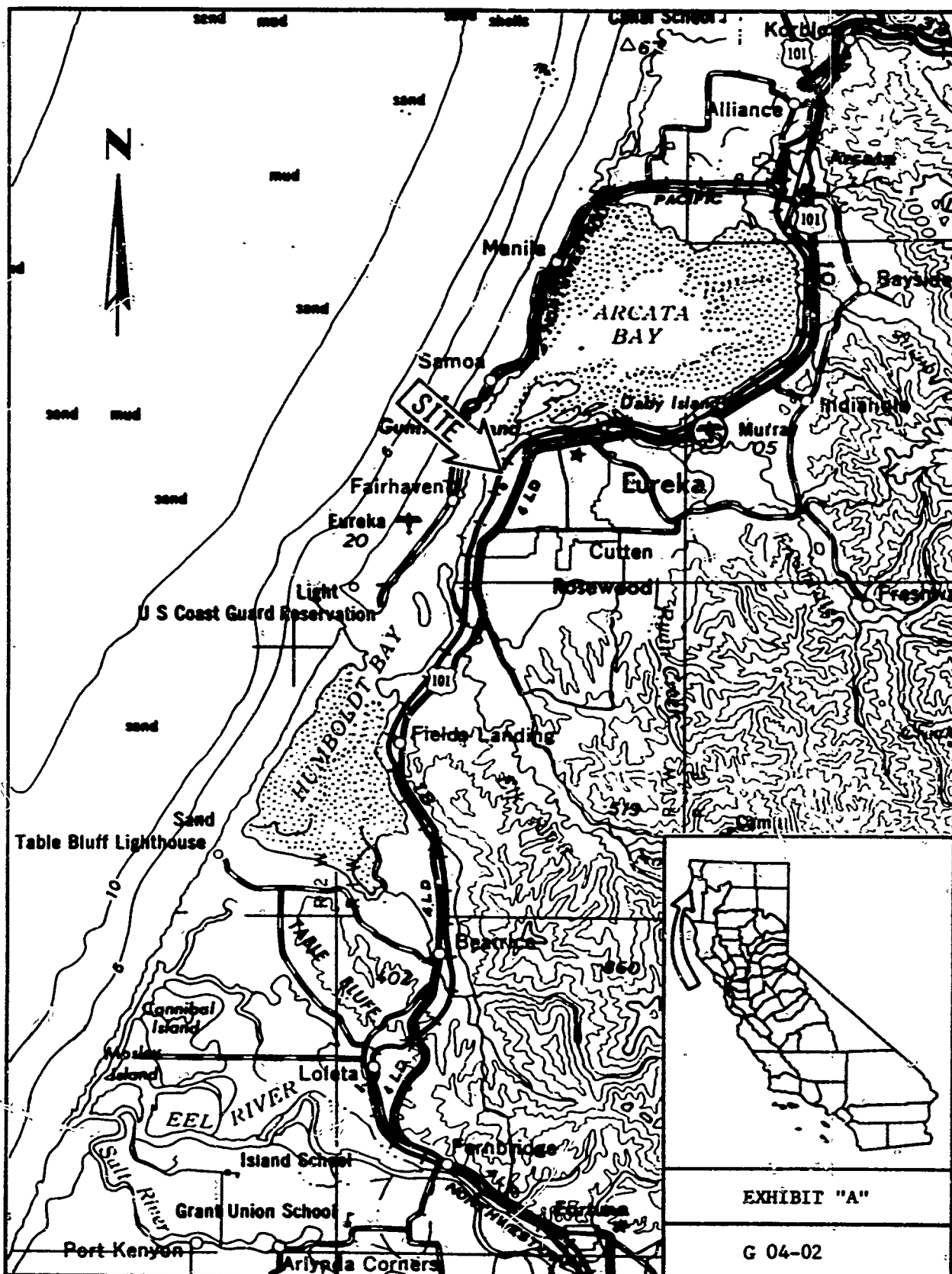


EXHIBIT "A"

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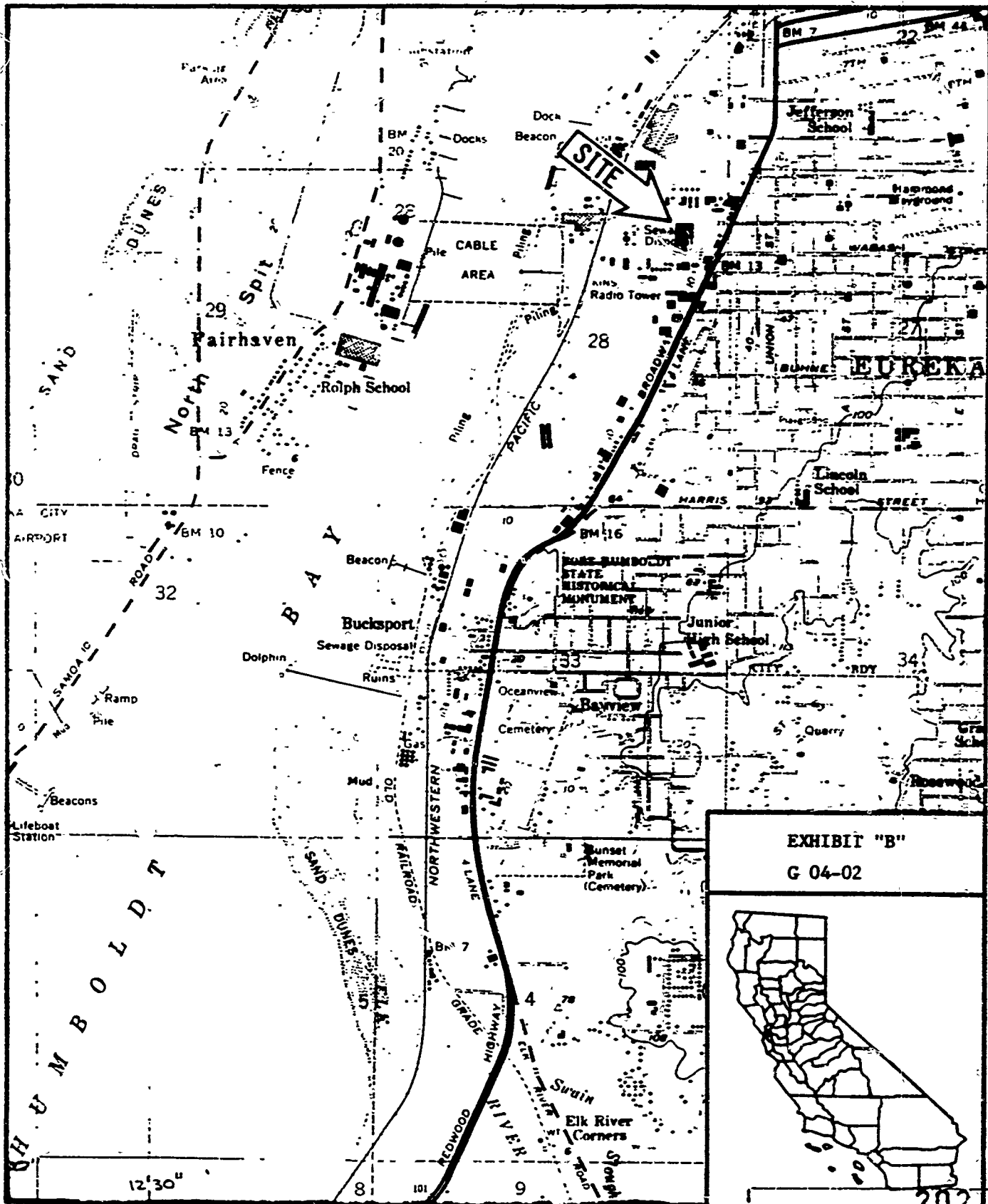


EXHIBIT "B"
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