

KAPILOFF LAND BANK REPORT Fiscal Year 2003-2004

This complies with the annual reporting requirement pursuant to Section 8618 of the Public Resources Code. It is a summary description of title settlements and other transactions entered into by the California State Lands Commission (CSLC) to meet the objectives of the Kapiloff Land Bank Act. This report reflects transactions from July 1, 2003 through June 30, 2004.

BACKGROUND

The Kapiloff Land Bank Act (Act) was introduced by Assemblyman Lawrence Kapiloff and enacted by the Legislature in 1982. The Act is an extension of CSLC authority as set forth in Public Resources Code Section 6307, enacted to facilitate settlements of title to real property with cash payments where exchange parcels are not readily available or are not of equal value and to facilitate mitigation through the pooling of such payments. The State holds and administers the acquired lands as sovereign lands of the legal character of tidelands and submerged lands.

ACQUISITION OF PROPERTY WITH LAND BANK FUNDS

There were no acquisitions of property made during fiscal year 2003-2004.

DEPOSITS INTO LAND BANK FUND

Moneys received into the land bank fund are subject to use restrictions as set forth in Public Resources Code Section 8613 - Moneys in the fund shall be available for expenditure by the trustee to purchase outstanding interests in tide and submerged lands; lands which have been or may be converted to wetlands, or adjoining or nearby lands where the public use and ownership of the land is necessary or extremely beneficial for furtherance of public trust purposes. Furthermore, if a deposit is made into the land bank for purposes of mitigation (by a non-public agency) the moneys donated are subject to a statutory trust limiting its use exclusively to the identified mitigation.

Carnival Cruise Lines

As settlement of questions regarding past compliance by Carnival Cruise Lines vessels with provisions of Sections 71200 et seq. of the Public Resources Code ("the Act") relating to ballast water management, Carnival agreed to contribute \$200,000 to the Kapiloff Land Bank Fund. Under the settlement agreement, the funds are to be used for projects carried out by the Commission pursuant to the Act.

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Pacific Refining Company

Lessee made contribution of \$111,000 to the Kapiloff Land Bank for protection and enhancement of public trust lands consistent with the Kapiloff Land Bank Act.

EXPENDITURES OF LAND BANK FUND

Department of Fish and Game

Expenditure of \$220,000 of Kapiloff Land Bank Funds to prepare management plan/EIR and to operate and maintain the Burton Mesa Ecological Reserve in Northern Santa Barbara County.

SPECIAL MITIGATION AND MANAGEMENT PROJECTS

Bolsa Chica

Bolsa Chica consists of 880 acres of lowlands located in Orange County adjacent to the Pacific Ocean and 327 acres of historic wetlands acquired by the California State Lands Commission in 1973 in settlement of long-standing land title claims. The parcel will be transformed into a full tidal basin with the remainder into wetlands. The primary source of funding has come from the Ports of Los Angeles and Long Beach in return for mitigation credits necessary for port expansion. A total of \$9,048,311.37 has been expended during fiscal year 2003-2004.

City of Newport Beach

Pursuant to Chapter 728, Statutes of 1994, and Chapter 317, Statutes of 1997, the City of Newport Beach has deposited \$260,031.38 for the fiscal year into the Kapiloff Land Bank Fund for costs related to the administration of Granted Trust Lands. A total of \$374,670.00 has been expended during the current fiscal year.

Las Tunas State Beach Groin Removal

In 1994, in lieu of litigation, a settlement agreement was reached for the purpose of removing dilapidated groins at Las Tunas State Beach, Malibu, Los Angeles County. \$81,754.05 has been deposited into the Kapiloff Land Bank Fund for the fiscal year. During the fiscal year of 2003-2004, a total of \$253,454.57 was expended.

FUND BALANCE SUMMARY 7/15/04

Title Settlements pursuant to PRC §8625 (a)	6,599,044.13
Bolsa Chica Wetlands Restoration	56,064,148.78
Special Mitigation and Management Projects	2,354,028.94

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