

**CALIFORNIA STATE LANDS COMMISSION
KAPILOFF LAND BANK REPORT
Fiscal Year 2012-2013**

This report 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, 2012 through June 30, 2013.

BACKGROUND

The Kapiloff Land Bank Act (Act) was introduced by Assemblyman Lawrence Kapiloff and enacted by the Legislature in 1982 (Public Resources Code Sections 8600, *et seq.*). The Act is an extension of CSLC authority provided for in Public Resources Code Section 6307. The Act was created 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 and management of those lands through the pooling of such payments. The CSLC holds and administers the acquired lands as sovereign public trust lands of the legal character of tidelands and submerged lands.

LAND BANK FUND DEPOSITS/EXPENDITURES

Moneys received into the Kapiloff Land Bank Fund (Fund) are subject to use restrictions as set forth in Public Resources Code Section 8613. Moneys in the Fund shall be available for expenditure 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 Fund for purposes of mitigation, the moneys deposited are subject to a statutory trust limiting its use exclusively to the identified mitigation.

ACQUISITIONS OF PROPERTY WITH LAND BANK FUNDS

Camp Pollock, Sacramento County

Camp Pollock is located within the active flood plain of the American River and is part of the American River Parkway (Parkway). The Parkway is an open space greenbelt which extends approximately 29 miles from Folsom Dam at the northeast to the American River's confluence with the Sacramento River at the southwest. The property was owned by the Golden Empire Council, which is part of the Boy Scouts of America, since the 1950s. According to information from the Boy Scouts, the lodge on the property was built in the 1920s and the property has been used for camping, training, and other recreational uses since that time. There are several improvements located on the property, including a lodge with a kitchen and main lodge room that can accommodate 150 people, a shower building with restrooms, landscaped grounds, a well and two septic systems, and various storage buildings and sheds, as well as riparian habitat and open space. The Sacramento Valley Conservancy has been

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granted a lease with the Commission to manage the property. Acquisition costs totaled \$300,000.

East Bay Regional Parks, Pacific Custom Materials, Contra Costa County

The acquisition is located adjacent to the Carquinez Strait within Contra Costa County and next to property recently acquired by EBRPD. The 7.7 acre parcel was previously owned by Port Costa Materials, Inc. and was recently owned by Pacific Custom Materials, Inc. for several years. A portion of the property is comprised of filled tidelands that were subject to litigation and a settlement agreement in 1990 that terminated the State's interest in the land. Due to the location of the parcel adjacent to the Carquinez Strait, acquisition of this property was deemed beneficial for trust purposes of open space and water-dependent recreation. The acquisition connects miles of property under public ownership along the Carquinez Strait and will possibly allow for the additional future continuation of the San Francisco Bay Trail, a bicycle and pedestrian trail that will eventually provide continuous access around the shoreline of San Francisco Bay. Acquisition costs totaled \$544,500.

SPECIAL MITIGATION AND MANAGEMENT PROJECTS

Bolsa Chica Lowlands Restoration

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 CSLC in 1973 in settlement of long-standing land title claims. The property has been 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 \$606,945.59 was expended during fiscal year 2012-2013 for site management and environmental monitoring.

Granted Lands Program

Pursuant to Chapter 728, Statutes of 1994, and Chapter 317, Statutes of 1997, the City of Newport Beach is directed to remit certain income from activities on trust lands into the Fund for costs related to the administration of Granted Trust Lands by the Commission. Additionally, Chapter 422, Statutes of 2011 provides that 20% of income generated by the grant be remitted to the Commission which then transmits 80% of that to the General Fund and 20% to the Kapiloff Land Bank Fund for administration of Granted Trust Lands. A total of \$391,121.15 was received in 2012-2013. A total of \$398,055.46 was expended during fiscal year 2012-2013 to support the Commission's Granted Lands oversight program.

Batiquitos Lagoon Maintenance Dredging

The Batiquitos Lagoon Enhancement Project in Carlsbad, San Diego County, was undertaken as mitigation for the loss of deep water fish habitat due to channel improvements and construction of landfill for cargo terminals at the Port of Los Angeles.

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The California Department of Fish and Wildlife (DFW) solicited the support of the Commission to undertake a maintenance dredging project at the Lagoon. The project includes lands owned by both the DFW and the Commission. At its October 22, 2009 meeting (Item 52), the Commission authorized staff to provide procurement and contract management services for maintenance dredging and to receive funding provided by the Port of Los Angeles held in trust by DFW. To facilitate the transaction, the Commission authorized transfer of those mitigation funds to the Fund per agreement with DFW. A total of \$54,161.12 was expended for fencing replacement and repairs in 2012-13 from those funds previously received.

Greater Vallejo Recreation District – Glen Cove Waterfront Park

At its meeting on October 16, 2008, the Commission authorized staff to transfer up to \$400,000 to the Greater Vallejo Recreation District for the implementation, purchase and construction of water oriented public access improvements associated with the Glen Cove Waterfront Park Improvement Project. Due to issues involving potential Native American cultural sites among other factors, the project was delayed. Work was completed in 2012-13 and the \$400,000 was transferred to the District. Funding for the project was made from deposits received from Unocal as mitigation for its marine terminal lease in San Pablo Bay. Those funds were placed in an account that could only be used for the promotion and enhancement of public trust purposes and resources in the local shoreline area and that such public trust purposes could include, but not be limited to, additions to the Bay Trail or the East Bay Shoreline Park system. This project met those requirements.

TITLE SETTLEMENTS

There were no Title Settlements during this period involving the Fund.

FUND BALANCE SUMMARY 07/01/2013

Title Settlements pursuant to PRC §8625 (a)	\$ 6,381,060.50
Bolsa Chica Lowlands Restoration	\$ 8,978,428.60
Special Mitigation and Management Projects	\$ 2,654,265.05

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