

**CALIFORNIA STATE LANDS COMMISSION
KAPILOFF LAND BANK REPORT
Fiscal Year 2013-2014**

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 or Commission) to meet the objectives of the Kapiloff Land Bank Act. This report reflects transactions from July 1, 2013 through June 30, 2014.

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 title settlements of real property with cash payments where substitute parcels are not readily available for acquisition 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 with the legal character of tide and submerged land.

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. Money 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 money deposited is subject to a statutory trust limiting its use exclusively to the identified mitigation.

ACQUISITIONS OF PROPERTY WITH LAND BANK FUNDS

No acquisitions were completed in the 2013-14 fiscal year. However, on June 19, 2014, the Commission authorized the expenditure of \$500,000 from the Fund for the purchase of a 0.44-acre parcel of land located adjacent to Lake Tahoe at 3339 Lake Tahoe Boulevard, in the City of South Lake Tahoe, El Dorado County. The Commission also authorized a lease to the California Tahoe Conservancy to manage the 0.44-acre property and provide public access and recreation opportunities to Lake Tahoe. While the CSLC authorized the expenditure and lease in June 2014, the closing of escrow is scheduled for the 2014-15 fiscal year.

KAPILOFF LAND BANK REPORT

Fiscal Year 2013-2014

Page 2

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 \$477,441.86 was expended during fiscal year 2013-2014 for site management, environmental monitoring and minor repairs.

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 public 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 to the City of Pittsburg 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 \$449,121.15 was received in fiscal year 2013-2014. A total of \$588,398.02 was expended from the fund during the fiscal year to support the Commission's Granted Trust Lands oversight program.

Oil Spill Remediation

On September 26, 1998, the tanker Command left San Francisco Bay bound for Panama. As it traveled in the southbound traffic lane off the San Francisco and San Mateo County coasts, it released an estimated 3,000 gallons of Intermediate Bunker Fuel. That oil washed ashore, largely in the form of scattered tar balls, over 15 miles of beaches, mainly in San Mateo County. The Federal Government and the State of California reached a settlement with the parties responsible designating that funds used for human use loss restoration projects. The Commission has previously approved funding projects for the Fitzgerald Marine Reserve and Mirada Surf Improvements in San Mateo County. \$105,863.90 was expended from these funds in fiscal year 2013-14 for the Mirada Surf Improvements.

TITLE SETTLEMENTS

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

KAPILOFF LAND BANK REPORT

Fiscal Year 2013-2014

Page 3

FUND BALANCE SUMMARY 07/01/2014

Title Settlements pursuant to PRC §8625 (a)	\$ 6,406,658.33
Bolsa Chica Lowlands Restoration	\$ 8,536,722.85
Special Mitigation and Management Projects	\$ 2,502,528.58

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