

## **KAPILOFF LAND BANK REPORT**

### **Fiscal Year 2006-2007**

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, 2006 through June 30, 2007.

### **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, which was 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 CSLC 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 2006-2007.

### **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 (by a non-public agency) the moneys deposited are subject to a statutory trust limiting its use exclusively to the identified mitigation.

### **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 CSLC in 1973 in settlement of long-standing land title claims. The property will be transformed into a full tidal basin with the remainder into wetlands. Construction began in the fall of 2004 after 64 oil wells were abandoned under an agreement with the oil field operator. 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 \$90,151.86 has been deposited to the Fund and a total of \$18,806,223.15 was expended during fiscal year 2006-2007.

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**Burton Mesa**

The Burton Mesa property, known as the Burton Mesa Ecological Reserve, located near Lompoc, Santa Barbara County, encompasses approximately 5,125 acres of undeveloped land owned by the State of California through the CSLC. In 1994, the California Department of Fish and Game (CDFG) received \$200,000 from the Fund for expenditures in regard to the final management plan and associated environmental impact report. During fiscal year 2006-2007, CDFG returned \$8,565.04 to the Fund.

**City of Newport Beach**

Pursuant to Chapter 728, Statutes of 1994, and Chapter 317, Statutes of 1997, the City of Newport Beach has deposited \$332,195.81 for the fiscal year into the Fund for costs related to the administration of Granted Trust Lands. A total of \$429,362.07 was expended during fiscal year 2006-2007.

**Emerald Bay, Lake Tahoe**

In April 2005, the CSLC, as trustee of the Fund, authorized the expenditure of up to \$15,000 for a demonstration project to determine the feasibility of controlling and eradicating a non-native, invasive aquatic plant from Emerald Bay, Lake Tahoe. A total of \$8,543.50 was expended during fiscal year 2006-2007.

**UC Davis**

A total of \$32,484.69 was received for fiscal year 2006-2007 as mitigation monies from the city of Los Angeles, Department of Water and Power in order to reduce and mitigate dust emissions at Owens Lake.

**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 380, also known as Fuel Oil No. 6. Due to light winds and fair weather, the oil moved little in the first few days, primarily staying in the vicinity of the southbound traffic lane. On September 30, however, oil began to wash ashore, largely in the form of scattered tarballs, 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 for the Command spill. The settlement resulted in a \$175,000 deposit to the Fund. Funds are to be used to implement two of the human use loss restoration projects at the Fitzgerald Marine Reserve and Mirada Surf Improvements.

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**Ballast Water Exchange Study**

In January 2004, the State Lands Commission, accepted funds in the amount of \$200,000 from Carnival Cruise Lines, a division of Carnival Corporation, into the Fund as settlement for certain questions regarding compliance with ballast water management requirements under Public Resources Code Sections 71200 *et seq.* These funds were designated for projects relating to ballast water management. The State Lands Commission has entered into a contract with the Smithsonian Institute for ballast water research into determining viability of using chemical tracers to determine ballast water exchange verification. A total of \$132,000 was expended during the fiscal year 2006-2007.

**Honey Lake**

In 1933, the State of California ceded the lands comprising the bed of Honey Lake to the United States for military operations related to the Sierra Army Depot. The transfer of the bed of Honey Lake to the U.S. was subject to a reversionary interest to the State should the Army cease military operations there. In 2003, the Army declared it no longer needed the bed of Honey Lake for support of its missions. On September 24, 2003, the area was conveyed by the U.S. to the Honey Lake Conservation Team (HLCT). A total of \$655,424.00 was received from the HLCT during the fiscal year 2006-2007 to be spent on White Top (a non-native invasive weed) eradication program, habitat restoration projects and costs associated with management and administration activities.

**TITLE SETTLEMENTS**

**Petaluma Riverfront**

A title settlement between Petaluma Riverfront, LLC and State Lands Commission to settle public trust claims on approximately 39 acres of land on the bank of the present-day Petaluma River in the city of Petaluma. The bend at the historic Petaluma River was straightened more than a century ago through a program supported by the State and federal governments to enhance navigation to the main docks of the town. A total of \$296,000 was deposited into the Fund per terms of the settlement agreement.

FUND BALANCE SUMMARY 07/01/2007

<b>Title Settlements pursuant to PRC §8625 (a)</b>	<b>\$6,643,373.69</b>
<b>Bolsa Chica Wetlands Restoration</b>	<b>\$23,391,613.98</b>
<b>Special Mitigation and Management Projects</b>	<b>\$2,430,030.44</b>

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