

KAPILOFF LAND BANK REPORT Fiscal Year 2009-2010

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, 2009 through June 30, 2010.

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.

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 typically contractual obligations and subject to a statutory trust limiting their use exclusively to the identified mitigation.

ACQUISITION OF PROPERTY WITH LAND BANK FUNDS

There were no acquisitions of property made during fiscal year 2009-2010.

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 \$1,977,287.43 was expended during fiscal year 2009-2010.

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City of Newport Beach

Pursuant to Chapter 728, Statutes of 1994, and Chapter 317, Statutes of 1997, the City of Newport Beach has deposited \$381,296.99 for the fiscal year into the Fund for costs related to the administration of Granted Trust Lands. A total of \$517,827.55 was expended during fiscal year 2009-2010.

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 projects for the Fitzgerald Marine Reserve and Mirada Surf Improvements in San Mateo County. \$72,992.66 was expended from these funds in fiscal year 2009-10.

Owens Lake Dust Abatement

Mitigation monies were previously received from Los Angeles Department of Water and Power (LADWP) to reduce and mitigate dust emissions at Owens Lake. Residual interest totaling \$11,892.72 was used to offset Commission staff expenses related to continuing dust mitigation projects in fiscal year 2009-10.

TITLE SETTLEMENTS

United States Western Area Power Administration condemnation of power line easement involving Colorado River W503.2009	\$30,092.52
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The Commission terminated easement claims over approximately 1 acre of lands to East Bay Regional Park District for Bay Trail land swap with UPRR for Martinez Inter Modal facility AD 530	\$ 5,700
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FUND BALANCE SUMMARY 07/01/2009

Title Settlements pursuant to PRC §8625 (a)	\$ 7,137,082.73
Bolsa Chica Lowlands Restoration	\$17,382,495.75
Special Mitigation and Management Projects	\$ 2,596,090.17

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

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bank for purposes of mitigation the moneys donated are subject to a statutory trust limiting its use exclusively to the identified mitigation.