

1 TRANSCRIPT OF
2 MEETING
3 of
4 STATE LANDS COMMISSION
5 SACRAMENTO, CALIFORNIA
6 APRIL 30, 1959
7 9:00 A. M.

8 ****

9 PARTICIPANTS:

10 THE COMMISSION:

11 Messrs. Bert W. Levit, Director of Finance, Chairman
12 Glenn M. Anderson, Lieutenant Governor
13 Alan Cranston, Controller

14 STATE LANDS DIVISION:

15 Messrs. F. J. Hortig, Executive Officer
16 Fred Kreft, Assistant Executive Officer
17 Kenneth C. Smith, Public Lands Officer

18 OFFICE OF THE ATTORNEY GENERAL:

19 Mr. Leonard M. Friedman, Deputy Attorney General

20 and:

21 APPEARANCES AS FOLLOWS

22 IN THE ORDER OF APPEARANCE:

23 ASSEMBLYMAN BRUCE F. ALLEN

24 Re: Long Beach Boundary Determination

25 MR. HILLMAN A. HANSEN

26 In pro per, also re Long Beach Boundary

MR. DAVID ALLEN

Representing Charles T. Hover

MR. GORDON TURNER

Representing Chandler Lloyd, Trustee - Coal Land

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APPEARANCES IN ORDER OF THEIR APPEARANCE (continued)

MR. L. A. WHEELER

Representing Long Beach Harbor Department on credits

MR. HAROLD A. LINGLE

(District Attorney's office, Long Beach)
Re: Belmont Fish Market

MR. HARRY PON

In pro per, re: Advertising policy on large tracts

SENATOR RICHARD J. DOLWIG

Re: Descriptions of land grants and
Long Beach Boundary determination

MR. ROBERT J. WIRSING

Representing Senator Stanford C. Shaw

Reporter:

Louise H. Lillico
Division of Administrative Procedure

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1 MR. LEVIT: The meeting of the Lands Commission will
2 please come to order. We have for approval minutes of the
3 meeting of March the 25th. Are there any corrections or
4 additions? If not

5 MR. HORTIG: No staff corrections.

6 MR. LEVIT: If not, they will be approved as submitted.

7 If I might depart from the agenda for just a minute,
8 I would like to call attention of the Commission to the fact
9 that two bills affecting the Lands Commission, Senate Bill
10 382 and Senate Bill 385, are on the Governor's desk for sig-
11 nature and they are both, I believe, departmental bills of
12 the Commission; and unless there is objection, I propose to
13 send to the Governor today letters, as Chairman of the Com-
14 mission, recommending approval of the bills. The Commission
15 has previously passed on the bills, I take it, and approved
16 their submittal to the Legislature.

17 MR. HORTIG: The Commission authorized the introduc-
18 tion of these specific bills, these departmental bills.

19 MR. LEVIT: All right. If there is no objection I'll
20 send these to the Governor. Would you give these to my
21 secretary and ask that she send them down to the Governor?
22 (Handing letters to Mrs. McCrackin, State Lands Division
23 secretary)

24 MR. HORTIG: I might mention these are a series of
25 six now on the Governor's desk and the same six were author-
26 ized by the Commission previously. All have passed in the

1 Legislature.

2 MR. LEVIT: The first item on the agenda is the
3 matter of the Long Beach boundary determination. Chapter
4 2000 of the Statutes of 1957 is a very short chapter and has
5 one section that reads as follows:

6 " The State Lands Commission shall determine
7 the boundaries of the tide and submerged lands
8 conveyed in trust to the City of Long Beach by
9 Chapter 676, statutes of 1911, Chapter 102,
10 Statutes of 1925, and Chapter 158, Statutes of
11 1935. The commission shall survey, monument,
12 and plat the boundaries of such lands.

13 The commission may bring any actions nec-
14 essary to determine such boundaries, and for
15 that purpose may employ special counsel.

16 The commission shall report to the Legis-
17 lature not later than February 15, 1958, its
18 progress in carrying out the purposes of this
19 act."

20 and there follows a paragraph making an appropriation of
21 \$50,000 for the purpose of the act.

22 The Commission did report to the Legislature in
23 February 1958 that the matter had been referred to the
24 Attorney General and that it was under study. The Attorney
25 General has been working on this problem and has employed
26 private counsel to assist in the work, as permitted by the

1 act, and I would like to state at this time that preliminar-
 2 ily to reporting to the Commission, as will be done today
 3 and as has been done by letter, that I will read in a few
 4 moments, by the Attorney General -- at the request of the
 5 Attorney General the members of the Commission have met on
 6 two occasions with the staff of the Attorney General and the
 7 Attorney General himself.

8 The purpose of these meetings was to consult with the
 9 Attorney General, that is for the Commissioners to consult
 10 with the Attorney General, in a matter involving an attorney-
 11 client relationship; and these meetings were not official
 12 meetings of the Commission in the sense that they were meet-
 13 ings at which any action was taken or should be taken by
 14 the Commission as such. They were merely a gathering of the
 15 Commissioners with the Attorney General at his request to
 16 discuss matters that had been developed by the Attorney
 17 General and which he wished to report on and advise on in a
 18 confidential way to the Commissioners.

19 The basis, of course, for such conferences was that
 20 since litigation may ensue in connection with these matters
 21 on which the Attorney General is working, that unless such
 22 meetings could be held, information would have to be made
 23 public that might be detrimental to the interests of the
 24 State because of the fact that the Attorney General as the
 25 attorney for the Commission has to make full disclosure to
 26 the members of the Commission.

4

1 Now, written reports -- complete written reports --
2 have been made by the private counsel employed, the firm of
3 Orrick, Dahlquist, Herrington and Sutcliffe of San Francisco.
4 The Commissioners have received a copy of the report of that
5 firm dated April 21, 1959 to the Attorney General, and the
6 Attorney General has prepared and transmitted to each of
7 the Commissioners a memorandum report setting forth the
8 detailed investigation made and conclusions reached by the
9 Attorney General under date of 24 April. These two reports
10 were submitted to the Commissioners accompanied by a letter
11 dated April 24th, which I will now read. This is a letter
12 addressed to me and I believe copies of the letter were sent
13 to the other Commissioners:

14 "Dear Mr. Levit:

15 At the direction of Attorney General Mosk
16 we are enclosing herewith copies of the final
17 report of the law firm of Orrick, Dahlquist,
18 Herrington and Sutcliffe and the staff evalua-
19 tion of the Long Beach boundary problem prepared
20 by the office of the Attorney General. It is
21 imperative that these documents be kept confiden-
22 tial to preclude any prejudice to the interests
23 of the State in future legal proceedings relating
24 to these matters.

25 Very truly yours,

26 Stanley Mosk, Attorney General
by Jay L. Shavelson
Deputy Attorney General"

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Now, on the same day the Attorney General wrote me a letter, as Chairman of the Commission, with copies to the other Commissioners, which reads as follows:

"Re: Long Beach Boundary Problem

Dear Mr. Levit:

Both prior to and pursuant to the terms of Chapter 2000, Statutes of 1957, thorough legal and factual studies have been conducted to determine the legal location of the boundaries of the tide and submerged lands granted in trust to the City of Long Beach and to determine the nature and extent of the State's rights by virtue of said trust to lands and interests in lands within the City.

Upon careful examination of the results of these studies we have concluded that the State has litigible rights against the City of Long Beach. In any event, if you so direct us we are ready to commence proceedings for the purpose of establishing these rights. We have determined that no action relating to this question should be commenced against any other persons at this time.

Very truly yours,

Stanley Mosk, Attorney General"

Now, when we met with the Attorney General -- I guess

1 it was about a week ago, we were informed that at this
 2 meeting today the Attorney General would report and I
 3 assume that the letter which I have just read, dated April
 4 24th, constitutes the report of the Attorney General to the
 5 Commission. Of course, Mr. Friedman is here and if the
 6 Attorney General wishes to make any further report we will
 7 be very glad to hear it.

8 Anticipating that the report would be made, the staff
 9 noticed the matter for this meeting and a notice was made
 10 public, stating that under Chapter 2000 the State Lands
 11 Commission had consulted the Attorney General and that the
 12 Attorney General would report today; that in connection with
 13 the presentation of the report any parties interested in the
 14 subject matter of Chapter 2000 have been invited to appear
 15 to present their views to the Commission.

16 We think that this would probably be as good a time as
 17 any to ask whether the Attorney General wishes to make any
 18 report in amplification of or other than the report made in
 19 the letter of April 24, in which the recommendations were
 20 made.

21 MR. FRIEDMAN: No, Mr. Levit. The letter constitutes
 22 the report by the Attorney General and the members of the
 23 Commission as individuals have in their possession an ex-
 24 tensive memorandum prepared by the staff of the Attorney
 25 General and by the private law firm, and that constitutes
 26 what we have submitted to date -- and that's the size of it.

7
1 MR. LEVIT: Now, pursuant to the public notice, does
2 anyone present wish to address the Commission on this sub-
3 ject? We have received some communications on the subject
4 and all of the Commissioners have copies of those.

5 MR. HORTIG: Mr. Chairman, if I might note for the
6 benefit of the Commission, in addition to the normal distri-
7 bution of public notices, copies of the notice in separate
8 letters of transmittal were sent to all parties who have
9 heretofore indicated in writing to the Commission or staff
10 as having an interest in the subject matter of Chapter 2000.
11 These were sent to Mr. Hillman Hansen, Mr. Carl Whitson and
12 Mrs. B. Harte.

13 MR. LEVIT: I would like to say, so there will be no
14 misunderstanding later, that I don't know that the Commission
15 is going to take any action on this matter today, or even to
16 get into discussion of it; but if the Commission does get
17 into a discussion of its actions today I don't propose to
18 have a debate between the members of the Commission and
19 the members of the public that are here; so that if anyone
20 wishes to express any thoughts whatsoever to the Commission
21 on this subject, this is the time to do it because you may
22 not get the floor after the matter is up for discussion be-
23 tween the Commissioners.

24 ASSEMBLYMAN ALLEN: Mr. Chairman, Bruce Allen, Assembly-
25 man from San Jose. I don't wish to make a statement at this
26 time, but I will file a written statement with the Commission.

1 MR. LEVIT: Thank you, Mr. Allen. So that there
2 will be no misunderstanding, I would like to
3 Yes sir?

4 MR. HANSEN: Mr. Chairman, my name is Hillman A.
5 Hansen. Governor Anderson and Commissioners, in the pur-
6 suance of the

7 MR. LEVIT: Pardon me, sir. Your name is Hansen?

8 MR. HANSEN: Yes sir.

9 MR. LEVIT: And you're the gentleman that addressed a
10 letter to the Commission?

11 MR. HANSEN: Yes sir.

12 MR. LEVIT: Are you here representing anyone other
13 than yourself?

14 MR. HANSEN: Not specifically. I appear here as an
15 individual -- in that capacity.

16 MR. LEVIT: Yes. All right.

17 MR. HANSEN: The particular subject that I would like
18 to call the Commission's attention to with respect to carry-
19 ingo into effect the survey of the tidelands' boundary, it
20 may be helpful to the Commission at this time and I give you
21 two of the documents which basically shows the survey, the
22 original survey by the United States Coast Survey of 1859
23 and 1872. This is the topographic survey and it is the
24 triangulation containing the coordinates which were then
25 employed in the fixing of the boundary of the shore line and
26 for the location of the configuration of the embayment of

1 the San Pedro Bay and the location of the high tide line
 2 and the location of the permanently overflowed land in the
 3 Wilmington Bay, and the offshore area outside what was then
 4 called the Rattlesnake Island.

5 Now, this Honorable Commission will note that by the
 6 standard symbols used by the U. S. Coast Survey indicating
 7 the physical character of the land comprised within the
 8 survey of 1859, we have the cross-hatched area indicating
 9 here the low tide and the high tide. The area in between
 10 here constitutes tidal flat overflow land, which was over-
 11 flowed at high tide, and at low tide the permanent submersion
 12 of the land was at the configuration as here indicated.

13 Now, the great necessity and the need for correct
 14 determination in the fixing of a boundary of necessity com-
 15 pels this action to be taken and that all the tidelands
 16 constituting tidelands which the State holds in its consti-
 17 tutional capacity and the title of which no individual, cor-
 18 poration, firm or individual could acquire for the reason
 19 that the lands, tidelands, per se are situated within the
 20 constitutional prohibition that no private title could inure
 21 to individuals in whatever capacity they may have entered
 22 upon the land; and for that reason the State must assert its
 23 right pursuant to the law and the Constitution, and the
 24 State must fix the upland boundary upon the basis of the
 25 competent surveys; and I want to make very clear, gentlemen
 26 of this Commission, that there are no other surveys save and

1 except the original documents here and these documents hav-
2 ing been certified to by the United States, by the Admini-
3 strative Assistant of the Secretary of Commerce, an Admiral
4 Karo, the Director of the U. S. Coast Geodetic Survey now.
5 These documents, as to the limits and extent of the tide-
6 lands, are the public documents and they are binding upon
7 all parties of the State. They are binding upon the people
8 who pretend to have title in whichever capacity they have
9 entered upon the trust lands; and so, in fixing of the
10 boundary pursuant to Chapter 2000, it is necessary and
11 axiomatic that the State must fix that boundary to encompass
12 all of the tidelands and no more than the tidelands; and
13 having accomplished that, anyone claiming then contrary to
14 the State's position would have to submit a superior title
15 or he could not come into court because he in effect would
16 be claiming contrary to the Constitution of this State and
17 he would be claiming adverse to the State in all capacities.

18 Therefore, it is my position -- and I have gone to a
19 considerable expense, I have spent several thousand dollars
20 of my own personal money; no one has contributed to this
21 matter -- that this is a matter of great public concern.
22 It concerns the integrity of the trustees, the City of Long
23 Beach, and it concerns basically, and more basically, the
24 State's right which the people hold in its constitutional
25 capacity.

26 Now, I believe this matter has reached a point where

1 there must be a determination of it, so that even those
2 that are the trespassers will know the position that is to
3 be taken from this point forward and it isn't right that
4 this confusion by laxity of governmental determination, that
5 this unce'ainty should be continued -- because the conse--
6 quences of this operation by those who have no authority upon
7 the land are quite severe. It involves many facets in viola-
8 tion of the laws and they are quite severe, and it is un-
9 necessary for me to spell out the meaning of them. It
10 involves not only the law as concerning the question, but
11 the Federal -- there is a Federal question involved here too
12 because of the theoretical concept of some people that they
13 have certain specie of title and on the basis of that they
14 have taken depletion and they have so reported to the Federal
15 government, and there are nasty words that they use to
16 describe that phase of the situation.

17 Therefore, it is essential that this matter be con-
18 cluded and that the people have protection and that there
19 should be a clear and specific governmental policy declared
20 and determined, and the issue should be brought to a close
21 as speedily as possible.

22 These documents I shall make available for this Honor-
23 able Commission. They are two certified documents and it
24 would be my pleasure to present them to you for your future
25 guidance here.

26 MR. LEVIT: Thank you, Mr. Hansen. I think I can state

1 categorically from our conferences with the Attorney General
2 that he has had access to these documents. Mr. Friedman,
3 I think you can confirm that?

4 MR. FRIEDMAN: I am not sure, Mr. Chairmar. I have
5 not conducted the studies myself.

6 MR. HORTIG: We can confirm it.

7 MR. LEVIT: I am sure these documents were referred to
8 in some of the discussions we have had on it. However, I
9 think for the record we ought to identify the documents.

10 MR. HANSEN: Yes. Thank you.

11 MR. LEVIT: The first one is a U. S. Coast Survey,
12 Section 10, 1859, of part of the coast of California from
13 Point Fermin eastward to the San Gabriel River, and it is
14 certified as a photographic copy of the original topographic
15 survey No. T-892 made in 1859 and on file in the U. S. Coast
16 and Geodetic Survey; and the other one is U. S. Coast Survey
17 Section 10, 1872, of the coast east of San Pedro Bay and is
18 certified as a copy, photographic copy, of the original topo-
19 graphic survey No. T-1283 made in 1872-1887 on file in the
20 U. S. Coast and Geodetic Survey office.

21 I think, Mr. Hansen, that it will not be necessary for
22 you to leave these with the Commission because I am sure they
23 are available in the files of the Attorney General. However,
24 thank you very much for your offer.

25 Now, if you have any other material available, I'd
26 like to ask this: You spoke of the title problems and I

1 believe you even referred to certain evidentiary matters
2 that would be involved in any litigation. Are you a lawyer?

3 MR. HANSEN: No, I am not. I have studied law. I
4 am not practicing law.

5 MR. LEVIT: Have you ever been admitted to the bar?

6 MR. HANSEN: No.

7 MR. LEVIT: Have you obtained any written opinions
8 from any firm of attorneys on this matter?

9 MR. HANSEN: Yes, I have.

10 MR. LEVIT: You have written opinions?

11 MR. HANSEN: Oh, yes.

12 MR. LEVIT: Well, if you care to make those available
13 to the Commission we would be very glad to have copies of
14 them, but we would like to have them, let's say, within the
15 next ten days.

16 MR. HANSEN: All right. Can do.

17 MR. LEVIT: Thank you very much, sir. Now I would like
18 to say one thing more in connection with these detailed re-
19 ports that have been received by the Commissioners from the
20 Attorney General, which comprise his report of April the 24th
21 and the report of private counsel of April the 21st. These
22 reports in my opinion and in the opinion of the Attorney
23 General, so long as litigation is contemplated or may be
24 pending on this subject, are not to be placed in the public
25 files of the Commission unless the Commission should other-
26 wise determine. They will be considered as confidential

1 communications from the Commission's attorneys to it and
 2 will not be opened to public inspection. They will, of
 3 course, be eventually open for public inspection at such
 4 time as the interests of the State would not be prejudiced
 5 by their disclosure.

6 I take it there isn't anyone else that wishes to
 7 address the Commission on this subject. Mr. Allen, when do
 8 you anticipate that your presentation to the Commission will
 9 be ready?

10 ASSEMBLYMAN ALLEN: Well, if the Commission is trying
 11 to bring this thing to a head within ten days, I will get my
 12 statement to you before then.

13 MR. LEVIT: That would be helpful if you could. What
 14 is the pleasure of the Commission in connection with this
 15 matter? We have generally felt -- I may say this, it has
 16 been the general feeling of the Commissioners that we would
 17 need a period of at least ten days to two weeks to thoroughly
 18 digest the detailed reports that we have already received
 19 and, of course, I think we all want to consider anything
 20 else that might be presented to us on this subject, and
 21 since we only received these detailed reports -- well, my
 22 copy is marked April 27th, received April 27 -- we haven't
 23 really had an opportunity yet to thoroughly review them.
 24 I have been over my copies, but I have just had a chance to
 25 read them over myself and it's quite likely that we will
 26 want to confer further as Commissioners with the Attorney

1 General and ask further questions about some of the detailed
2 material in the reports.

3 MR. CRANSTON: When is the next meeting of the Commis-
4 sion?

5 MR. HORTIG: May 28th, last Thursday of May, sir.

6 MR. CRANSTON: Mr. Chairman, I suggest we place the
7 matter on the agenda for that meeting.

8 GOV. ANDERSON: I'll second that.

9 MR. LEVIT: Well, I think that the motion then would
10 be to table the matter until the next meeting of the Commis-
11 sion and it will be placed on the next calendar as a special
12 order of business. If there is no objection that will be
13 the order. I should have asked you, Mr. Friedman, whether
14 you had anything to state other than what you have already
15 stated.

16 MR. FRIEDMAN: No. The matter has an unfavorable
17 relationship to the progress of the anti-subsidence program
18 down in Long Beach and several of the major oil operators
19 have indicated that they do not want to commit their claimed
20 properties to the anti-subsidence program until their status
21 has been determined.

22 MR. LEVIT: Well, could you be more specific about
23 that? In other words, are you suggesting that to postpone
24 final action on the matter until May the 28th would be
25 prejudicial and that we should act more rapidly than that?

26 MR. FRIEDMAN: I think it would be preferable. As I

1 understand it, unit agreements and unit operating agreements
2 for Fault Blocks II and III of the Wilmington Oil Field are
3 supposed to be completed within the next two weeks and ready
4 for signature at that time. Whether that will actually hap-
5 pen, I don't know. All I can point out at this time is that
6 the sooner the Commissioners, the Lands Commission, makes a
7 determination -- why, the sooner the situation will be clari-
8 fied and either the unit agreements will go forward or they
9 will not.

10 MR. LEVIT: Well, I believe that the Commission will
11 probably be in a position within the next two weeks anyway
12 to know whether they want to meet further with the Attorney
13 General to question him further concerning these detailed
14 reports and I think any such meeting should be arranged for
15 within that period; and, of course, we can always have an
16 earlier meeting of the Commission should that seem advisable
17 and take this matter off of the table and consider it then.

18 GOV. ANDERSON: If we set it as a special order, as we
19 just did, wouldn't that have to be at that meeting?

20 MR. LEVIT: I do not think so, Governor. I think the
21 Commission could take it up earlier if it decided to do so.

22 GOV. ANDERSON: At a special meeting?

23 MR. LEVIT: At a special meeting, yes. Well, then,
24 we'll let it stand for the moment as a special order of
25 business on the May 28th calendar, subject to the possibility
26 that the Commission may at an earlier public meeting act on

1 it if the situation develops that earlier action is
2 imperative.

3 GOV. ANDERSON: Could I ask something of Mr. Friedman?

4 MR. LEVIT: Certainly.

5 GOV. ANDERSON: I haven't had a chance to read your
6 report here or the special reports, but there were just a
7 couple questions I wanted to ask. Does this report explain
8 in any way whether we jeopardize our position or the City's
9 position in reference to the Federal suit that is now going
10 on? Is that included in this report?

11 MR. FRIEDMAN: No, that is not included. We just
12 discussed the boundary situation itself without relation to
13 the Federal law suit or the subsidence problem.

14 GOV. ANDERSON: The other one was along the repressuri-
15 zation. I'd like to have a little more legal information in
16 connection with these cooperative agreements on the repres-
17 surization. Isn't the Attorney General the one that should
18 give us the legal information on this -- and I would like to
19 have that if it isn't in this report -- give us a report on
20 this, so when we do make our decision we will know if it is
21 going to jeopardize our position in the Federal suit or also
22 jeopardize some of the repressurization.

23 MR. FRIEDMAN: Yes.

24 MR. LEVIT: If I may make a suggestion -- I think
25 rather than have the Attorney General make a report, I think
26 we should suggest to the Attorney General that we want this

1 report, whether it be written or oral, for our discussion
2 within two weeks. One other question that occurs to me --
3 and that is in connection with the legislative action taken
4 in Chapter 2000, Statutes of 1957. I'd like to know from
5 the Attorney General also what discretion the Commission has
6 with respect to these matters. In other words, to what
7 extent are we instructed to take action as a result of the
8 action of the Legislature?

9 MR. FRIEDMAN: To sue or not to sue?

10 MR. LEVIT: Yes, to sue or not to sue.

11 GOV. ANDERSON: Also, one last one here -- and this
12 one would not be in a written part, but more advice -- in
13 your letter to us of April 24th your conclusion is that the
14 State has litigible rights against the City of Long Beach.
15 You concluded also that no action relating to this question
16 should be commenced against any other persons at this time.

17 When we make the decision, I'd like to know whether,
18 if we institute suit against the City of Long Beach, whether
19 that would jeopardize a further suit against these other
20 people that you are recommending we make no suit against at
21 this time.

22 MR. LEVIT: That's partially answered in the other.

23 GOV. ANDERSON: In the other report? Well, I have
24 not read that.

25 MR. LEVIT: All right. That brings us to the next
26 item on the calendar, which is a group of permits, easements,

1 and right-of-way to be granted to public and other agencies
2 at no fee, pursuant to statute.

3 GOV. ANDERSON: Where are we now?

4 MR. LEVIT: Item 3 on the agenda, page 1 -- Tahoe
5 National Forest -- a permit to install mooring buoys in the
6 tide and submerged lands of Lake Tahoe to mark a swimming
7 area.

8 MR. HORTIG: For the benefit of the Commission, there
9 are no recorded objections to any of these.

10 MR. LEVIT: You are talking about all of the eight
11 items under Item 3?

12 MR. HORTIG: Yes sir.

13 MR. LEVIT: Are there any questions in connection with
14 these? I think for the benefit of anyone who may want to
15 discuss them, the first one relates to Tahoe National Forest,
16 U. S. Forest Service, as I have mentioned; second, Gallinas
17 Boat Club -- navigation markers in the Gallinas Creek Channel
18 in San Pablo Bay; third is the Vallejo Sanitation and Flood
19 Control District -- right-of-way easement for outfall sewer
20 line into Carquinez Strait; fourth, Allan H. Beckwith and
21 Nina L. Beckwith -- permit to dredge Salt Works Canal in
22 Richardson Bay; next, the Pacific Telephone and Telegraph
23 Company -- easement across tide and submerged lands of White
24 Slough in San Joaquin County for telephone cable; (f)
25 County of Sacramento -- right-of-way across submerged lands
26 of the American River in Sacramento County at Fair Oaks, for

1 a bridge; (g) is the Sacramento Municipal Utility District
 2 request for right-of-way across submerged lands in the
 3 American River at Carmichael for a power line; (h) the
 4 City of Seal Beach -- permit to deposit sand on tide and
 5 submerged lands at Seal Beach.

6 Are there any questions or discussion with relation
 7 to any of these? In each of these, there is recommendation
 8 for the authorization of the permit. If not, a motion to
 9 approve the resolution will be in order.

10 GOV. ANDERSON: So move.

11 MR. CRANSTON: Second.

12 MR. LEVIT: There being no objection, that will be
 13 the order of the Commission.

14 Item 4 is a proposed revision of the rental rates and
 15 policies pertaining to commercial and recreational leasing
 16 of State lands. Is that the balance of the calendar -- this
 17 question of changes? No, it isn't.

18 MR. HORTIG: The calendar item appearing on pages 9
 19 and 10 is the summary report and recommendations based on a
 20 review of commercial and recreational permit policy which
 21 was furnished to the Commissioners on April 13.

22 MR. LEVIT: You furnished us with a very elaborate
 23 discussion of the policies and practices of the Commission.

24 MR. HORTIG: Yes sir.

25 MR. LEVIT: And does this item -- I am not clear --
 26 does this item cover the entire report that you presented

1 to us?

2 MR. HORTIG: Yes, it does.

3 MR. LEVIT: I see. What is the pleasure of the
4 Commission?

5 MR. HORTIG: This is a summary recommendation based on
6 the report of April 13th.

7 GOV. ANDERSON: April 13th? I have one here of
8 April 21st. Do I have a different one?

9 MR. HORTIG: I am sorry. It was prepared on the 13th
10 and transmitted to you on the 21st.

11 GOV. ANDERSON: This has been in my office one day
12 and I haven't had a chance to look at this.

13 MR. LEVIT: I was going to say that I agree with
14 Governor Anderson -- that this involves practices of the
15 Commission that apparently have been going on for so long
16 that the memory of man runneth not to the contrary; and we
17 have a report of many pages, I would say probably close to
18 sixty or seventy pages -- maps and everything else -- and
19 we all received this within the last week or ten days and
20 I think that perhaps unless there is some urgency we ought
21 to put it over until the next meeting of the Commission.

22 GOV. ANDERSON: I'd like to suggest our delaying it
23 until the July meeting for this reason -- I think I raised
24 one of the points in asking for this -- the July meeting we
25 will be through with legislation and we will have time to
26 go into it. This is something I want to go into. I want

1 to sit down with Mr. Hortig and discuss some of these things
2 deeply, and I can't do it under the present pressure; and I
3 don't think July will hurt us any more.

4 MR. LEVIT: I fully agree with you, Governor. The
5 only thing is, I recall at the last meeting we had one mat-
6 ter held up because of the fact that we were contemplating
7 receiving a report, and I think probably what we should do
8 as to any matters that come before us, including that one,
9 we should act on them on the basis of the present schedule
10 and let nature takes its course if we do act on the new
11 rule.

12 MR. HORTIG: On that understanding, Mr. Chairman, we
13 would foresee no difficulty. We actually did have three
14 items that were carried over from the last meeting of the
15 Commission.

16 MR. LEVIT: I only recall one.

17 MR. HORTIG: Two on the basis of the rental schedule
18 and a third one which was deferred for other reasons and
19 which is also involved in the matter of the rental, and the
20 delay has already been of concern to the applicant in that
21 instance.

22 MR. LEVIT: Are those calendared today?

23 MR. HORTIG: Yes sir.

24 MR. LEVIT: Are these recommendations that you have
25 here in the rest of the calendar based upon the assumption
26 that the new schedule will be adopted?

1 MR. HORTIG: They are, sir, although in the case of
2 the first two items which were put over from the last meet-
3 ing involving submarine pipelines, there is a recommended
4 rate change there. The rate recommended in the calendar
5 currently would be higher. This is based on current rental
6 schedules. In the case of the second one, which is in the
7 case of unoccupied tide and submerged lands, there ^{is} being no
8 recommendation for change in rental rates.

9 MR. CRANSTON: I second Mr. Anderson's motion that
10 the matter go over to July -- the rules.

11 MR. LEVIT: If there is no objection, that will be
12 the order. Now, do you have on the calendar these carryover
13 items as well?

14 MR. HORTIG: Yes sir.

15 MR. LEVIT: All right. That brings us to Item 5, then,
16 which involves permits, easements, leases and rights-of-way
17 issued pursuant to statutes and established rental policies
18 of the Commission.

19 MR. HORTIG: Mr. Chairman, if I may note -- Items
20 (b), (c) and (d) in that tabulation are the carryover items.

21 MR. LEVIT: All those are the carryover items?

22 MR. HORTIG: Yes.

23 MR. LEVIT: I might also note that Item (f) is to be
24 put over.

25 MR. HORTIG: Deferred.

26 MR. LEVIT: Item (f) is a matter of an easement for a

1 bridge crossing on the Tuolumne River, involving Mr. Ruddy
2 doing business as Santa Fe Rock and Sand Company, and the
3 staff has received a request that this matter go over to
4 the next calendar. If there is no objection, why, that will
5 go over.

6 Now, let's take these items in order:

7 Pacific Gas and Electric Company -- 49-year easement
8 for an overhead wire crossing of the Sacramento River, one
9 and a half miles north of Hamilton City, Butte County --
10 Butte and Glenn Counties -- total rental \$100.

11 MR. HORTIG: I am not positive, Mr. Chairman, at this
12 time whether recomputation on existing rental schedule would
13 be at variance with the recommendation here. The recommenda-
14 tion of this calendar item is in accordance with the proposed
15 new schedule, so the motion of the Commission should show
16 if this is granted the computation should be verified and
17 should be brought to the present existing and continued
18 rental schedule.

19 MR. LEVIT: Well, I trust that the recomputation
20 process will not take more time than the State of California
21 will make on the profit on the \$100 rental over 49 years.

22 MR. HORTIG: No sir, I am sure it won't.

23 MR. LEVIT: Well, we will assume as to any of these
24 that are approved that you will work the rental out not
25 less than the old schedule; and if there is no objection to
26 making it higher than that, based on the new schedule, why

1 that's all right too. The Commission won't object to that.

2 MR. HORTIG: Effectively we have such an agreement as
3 to item (b).

4 MR. LEVIT: All right. Is there any comment or dis-
5 cussion -- questions -- on the first item relating to Pacific
6 Gas and Electric Company? (No response)

7 Item (b) involves fifteen-year lease of tide and sub-
8 merged lands in San Pablo Bay -- Charles T. Hover is the
9 applicant. Involves the dredging of a channel, construction
10 of something I never heard of before. What is a berm?

11 MR. HORTIG: It's a low earthen levee in probably
12 more familiar terminology. I might comment, action was
13 previously held by the Commission on behalf of the County of
14 Marin and other public agencies who desired to review this
15 program, who have now filed statements of nonobjection with
16 respect to approval by the Commission.

17 MR. LEVIT: Now if anyone wants to address the Commis-
18 sion on any of these items, don't hesitate to speak up or
19 I will assume ...

20 MR. ALLEN : Dave Allen is my name. I am working with
21 Charles Hover on that. Even though the rental does not
22 amount to a big amount, the rental agreed upon with the State
23 is about double the rental from a competent appraiser and
24 his rental schedule was at a certain figure and just as a
25 matter of agreement, to alleviate any possible question as
26 to the proposed new schedule, why the rent figure was

1 increased and it was satisfactory to us and satisfactory
2 to the staff.

3 MR. LEVIT: Thank you, Mr. Allen. Next item: Shell
4 Oil Company -- fifteen-year lease for submarine pipelines
5 over tide and submerged lands over the Pacific Ocean near
6 Capitan in Santa Barbara County.

7 Next item: Tidewater Oil -- fifteen-year lease of
8 tide and submerged lands in the Pacific Ocean at Gaviota,
9 Santa Barbara County, for maintenance of wharf construction.
10 This was the one where the gentleman appeared at the last
11 meeting and said in view of the fact that we had a new
12 schedule under consideration he had no objection to it going
13 over.

14 GOV. ANDERSON: Is this figured on the new schedule?

15 MR. LEVIT: They are all figured on the new schedule.
16 Let me ask you this: Of course, we are talking about pennies
17 and not dollars, but if we adopt a schedule such as we have
18 now -- we have a schedule -- is there anything to prevent
19 the negotiation of a rental higher than that in the schedule?

20 MR. HORTIG: If that should be the policy of the Com-
21 mission it would not be. Heretofore, the policy of the
22 Commission has been to announce the calculated rental rates
23 based on the value of the land -- period.

24 GOV. ANDERSON: Let's take the case we just passed and
25 the one we are coming to. You take tidelands and you figure
26 so much an acre?

1 MR. HORTIG: Yes.

2 GOV. ANDERSON: If you put a pipeline under the ground
3 you charge the same rental as if you allow them to build a
4 wharf on top of the ground, don't you?

5 MR. HORTIG: No sir.

6 GOV. ANDERSON: You don't?

7 MR. HORTIG: The difference being that for rights-of-
8 way you will note - - well, perhaps that is correct. The
9 proposed rental rate is to be based on that for exclusive
10 occupancy in view of the fact that our rights-of-way preclude
11 the use of the land for any other purpose normally. So,
12 effectively, the right-of-way easement holder has a lease
13 for his exclusive purpose over that width of land.

14 MR. LEVIT: In other words, if he wanted to lease the
15 land to put a hotel on, it would be the same?

16 MR. HORTIG: That's right, except the amount of land
17 is less for a right-of-way easement than for construction.

18 MR. LEVIT: Of course it's less but it might affect
19 the use of the land.

20 GOV. ANDERSON: Like in the case here, you are giving
21 a wharf 710 feet in the ocean, 100 feet wide, at \$159.39 a
22 year. It would be seem it would be worth that much to the
23 county not to have it there.

24 MR. HORTIG: Oddly enough, the particular wharf you
25 are referring to is a matter of extreme interest to the
26 Small Craft Harbor Commission. It's a place where there is

1 no offshore refuge currently. It is a matter of public
2 interest rather than being an eyesore.

3 MR. LEVIT: I think, Governor, what you are really
4 getting at is whether the schedule is right or not.

5 GOV. ANDERSON: Yes.

6 MR. LEVIT: Perhaps we should proceed on the assump-
7 tion that since this has been going on under this schedule
8 for some time, until we do adopt a new schedule we ought to
9 adopt this. I assume that the approval of the Commission ..

10 GOV. ANDERSON: Can I ask him one question so I know,
11 roughly, what we are talking about in difference. What
12 would the amount have been under the old schedule? Would
13 it have been lower than this Calendar Item 30, page 15?

14 MR. HORTIG: I do not have the old schedule with me
15 but as I recall there were some twenty or thirty dollars'
16 difference. It would be lower.

17 MR. LEVIT: Well, I assume that the staff will be
18 authorized to operate under the old schedule adjusted with
19 these figures which are on the new schedule.

20 Next item: United States Department of the Interior,
21 item (e) -- a permit for a period of twenty-four months
22 maximum to remove materials from unsold State school lands
23 in Nevada County -- consideration of \$800.00. What kind of
24 material is that?

25 MR. HORTIG: Fill material which will be used for a dam
26 and this is a mutually interesting project in that the lands

1 are ultimately to be acquired by the U. S. Forest Service.
 2 They are included in an exchange, wherein the State is going
 3 to transfer them to the Forest Service and, actually, after
 4 removal of this material and paying the State for this
 5 material the lands are going to be in better condition for
 6 the Forest Service also; so the Forest Service approves
 7 this also. This is one of those unusual operations where
 8 everybody is going to benefit.

9 MR. LEVIT: The next item is going over, as I stated,
 10 Item (g) Arthur Burnham Wing -- approval of assignment of
 11 Corte Madera Ark Site 13, Corte Madera Creek, Marin County.

12 Item (h) -- Ozal Land and Wharf Company -- approval
 13 of assignment of lease covering a portion of the Tideland
 14 Resurvey in Contra Costa County.

15 (i) -- Myco Mining Corporation

16 MR. HORTIG: Excuse me that's right, that's a
 17 continuation.

18 MR. LEVIT: Waiver of operating requirements under
 19 mineral extraction lease in Fresno County.

20 MR. TURNER: Mr. Chairman I hate to interrupt you, but
 21 did you wish anyone on the floor to speak up?

22 MR. LEVIT: Yes.

23 MR. TURNER: My name is Gordon Turner and I am appear-
 24 ing for the application on Ozal. I represent the assignee,
 25 who is Chandler Lloyd, Trustee. Mr. Lloyd is trustee for a
 26 group who are investors in the Lark Corporation. The Lark

1 Corporation has a contract with the United States Government
 2 for the installation and operation of jet fuel facilities.
 3 The Lark Corporation, or Mr. Lloyd as trustee, have pur-
 4 chased some fourteen acres on a hillside where the jet fuel
 5 tanks are to be installed. There are to be twelve 83,000-
 6 barrel each storage tanks, concrete and steel, covered by
 7 earth. The pipelines will run down to the property known
 8 as Ozal. The uplands of the Ozal property consist of
 9 approximately fourteen acres which Mr. Lloyd as trustee of
 10 the corporation has purchased.

11 The Ozal Land Company for many years have had this
 12 lease from the Lands Commission, dating back to 1940, which
 13 was lease 312. That was originally for a term of fifteen
 14 years. It was renewed for an additional term of ten years
 15 and in connection with the Lake Corporation we are purchas-
 16 ing the fourteen acres of highlands and purchasing, with
 17 the consent of your Commission, the lease.

18 There are a few matters that I think perhaps we
 19 should ask clarification on. Number one -- the lease itself
 20 commences October 18, 1940. However, I notice that it was
 21 not executed until March 4th of 1947. I presume that that
 22 casts no cloud upon the lease. I merely mention it so that
 23 there will be no question about that.

24 Secondly, the lease renewal agreement, while it implies
 25 that the lease is -- it is agreed that the lease is renewed
 26 for an additional term of ten years, does not so expressly

1 state and I would like

2 MR. LEVITT: We don't have that before us today.

3 MR. HORTIG: We were not aware of these questions.

4 We have no question in our record -- number one, but that
5 the lease is in existence; number two, it was renewed and
6 has a terminal date, I believe, in 1965.

7 MR. TURNER: That is right.

8 MR. HORTIG: I might explain for Mr. Turner's benefit
9 -- and possibly this will alleviate some of his concern --
10 the lease was activated 1940 as of a date 1947 because it
11 was not until 1947 that the Lands Commission had discovered
12 that the Ozal Company had been occupying State property for
13 seven years.

14 MR. TURNER: I think that clears that point. I might
15 mention one more fact -- the purposes stated in the lease
16 are for wharf purposes. Our use will be substantially the
17 same. The wharf extends 960 feet from the Southern Pacific
18 right-of-way. The wharf is T-shaped. The top of the "T"
19 is 150 feet wharf length and each way it extends 75 feet.
20 We are going to have to come in later and ask for an amend-
21 ment because the size of the tankers coming in there is such
22 the bow will extend easterly beyond, upstream. We will
23 bring that up at a later date.

24 I want to mention the urgency. I hate to hurry anyone
25 but we are up against an extremely heavy time schedule under
26 our contract with the United States Government to get these

1 facilities installed. The Lark Corporation is proceeding as
 2 rapidly as it can with the tanks. The hill has been cut off.
 3 We have to get down from the fourteen acres down on the
 4 waterfront. We will put either two 16-inch lines or four
 5 12-inch lines out the wharf to the end of the dock. That
 6 will be maintained where tanks will be moored and the fuel
 7 will be pumped to the shore. Loading and unloading facili-
 8 ties and facilities for tank trucks will be on the uplands.

9 MR. LEVIT: Mr. Turner, the only thing before us today
 10 is the assignment of the lease.

11 MR. TURNER: I don't want to take up your time unnec-
 12 essarily but we are most anxious to get that today.

13 MR. LEVIT: Well, if you will let us vote on it, you
 14 probably will get it.

15 MR. TURNER: We want to come before your Commission
 16 next meeting and have application on file to cancel this
 17 when assigned and give us a new lease for fifteen years with
 18 an option for ten.

19 MR. LEVIT: Of course we are not passing on that today.

20 MR. HORTIG: For Mr. Turner's assurance, that's in
 21 process for the next meeting.

22 MR. LEVIT: Item (i) Myco Mining Corporation -- waiver
 23 of operating requirements, mineral extraction lease in Fresno
 24 County.

25 Next, Standard Oil Company -- extension of term -
 26 submarine geological exploration permit in Santa Barbara,

1 Ventura and Los Angeles Counties.

2 GOV. ANDERSON: What do we get out of a permit like
3 that?

4 MR. HORTIG: Only the permit fee, Governor, but the
5 operation of the permit -- I should retract that. We get
6 good information out of such a permit; monetarily, only the
7 filing fee for issuance of the permit.

8 GOV. ANDERSON: What is that?

9 MR. HORTIG: Five dollars. But the permit is operated
10 at no cost to the Commission, in that any Commission staff
11 time in terms of inspection or other operations in connection
12 therewith are reimbursed by the permittee, at no cost to the
13 Commission. Such permits require the permittee to make
14 available to the Commission on a confidential basis all ex-
15 ploration results from the permit and extremely valuable
16 information comes to the Commission as a result of the issu-
17 ance of these permits.

18 MR. LEVIT: Are they actually operating on this permit
19 now?

20 MR. HORTIG: Spasmodically, depending on the success
21 or lack of success in connection with the operations under
22 some of the existing leases. This dictates the desirability
23 of initiating this type of exploration program. Therefore,
24 it is the preference of the permittees to have such permits
25 in effect, so that they can go into operation on rather short
26 notice -- invariably on a Sunday night, much to the chagrin

1 of the staff. But definitely they are always in an emer-
2 gency crash program, where they can't possibly wait for the
3 next meeting of the Lands Commission, hence these renewals
4 of these permit terms.

5 MR. LEVIT: All right. The next four items -- (k),
6 (l), (m), (n) -- are similar items, relating to Richfield
7 Oil, Union Oil, Monterey Oil, and the Texas Company -- and
8 in each case the staff has recommended the extension?

9 MR. HORTIG: Yes sir.

10 MR. LEVIT: Are there any questions or further discus-
11 sion of any of the items under No. 5? If not, a motion to
12 approve the recommendation of the staff and grant the per-
13 mits will be in order.

14 MR. CRANSTON: So move.

15 GOV. ANDERSON: Second.

16 MR. LEVIT: If there is no objection, that will be
17 the order by unanimous approval of the Commission.

18 Item 6 -- City of Long Beach projects which require
19 approval of the Commission. The first one, (a), relates
20 to wharf rehabilitation, Pier A, Berths 3 and 4 -- approval
21 of credit due the State of \$902.85 pursuant to final audit
22 on the completed project.

23 Item (b) -- allowance of additional \$15,000-odd
24 dollars to the City of Long Beach for subsidence costs pur-
25 suant to audit on Eighth Street construction.

26 The next item is also a credit due the State on final

1 audit in the LBHD and LBOD administrative area development.

2 MR. WHEELER: Those three -- the figures are in the
3 wrong order as you read them.

4 MR. HORTIG: They are in the wrong order on the index.
5 If we can refer to the calendar items themselves

6 MR. LEVIT: You mean the figures are transposed?

7 MESSRS. WHEELER and HORTIG: Yes.

8 MR. LEVIT: What is the 902.85?

9 MR. HORTIG: 902.85 is on administrative area develop-
10 ment operation. Pier A is credit due the City and if we
11 say credit due State 392.66 (b) and 902.85 (c) we would
12 conform to the calendar item as prepared.

13 MR. WHEELER: Page 30 shows them as they should be.

14 MR. HORTIG: Page 30 the three projects are listed as:

15 Credit due the State - -0-
16 \$392.66
17 \$902.85

18 MR. LEVIT: Anyway, they are right in the material and
19 in the resolutions as presented.

20 MR. HORTIG: That's correct.

21 MR. WHEELER: Yes.

22 MR. LEVIT: Item (d) involves Piers 28 and 29, bulk-
23 loader reconstruction -- estimated expenditure by Long Beach
24 Harbor Department of \$20,000 to cover raising of bulkloader
25 facility on Pier D.

26 Item (e) refers to repairs of terminal facility damaged

1 by subsidence, estimated expenditure by LBND of an additional
2 \$20,000 for terminal facility repairs damaged by subsidence.

3 Item (f) Belmont Pier Fish Market -- denial of request
4 by the City of Long Beach for approval of proposed expendi-
5 tures of approximately \$10,000 for construction of a fish
6 market. This is a recommended denial?

7 MR. HORTIG: Yes.

8 MR. LEVIT: The others are recommended approvals?

9 MR. HORTIG: Approvals, yes.

10 MR. LEVIT: Item (g) is a recommended approval of an
11 application to contract through public bidding for site
12 preparation and so forth relating to water injection wells --
13 estimated cost not to exceed \$700,000.

14 Is there any discussion or questions from the staff
15 regarding any of these items?

16 MR. FRIEDMAN: May I ask a question about that last
17 item?

18 MR. LEVIT: Yes.

19 MR. FRIEDMAN: The \$700,000 water injection facilities
20 Parcel K -- I take it the approval is for expenditure of
21 tideland trust funds of Long Beach?

22 MR. HORTIG: Well, the financing would come from tide-
23 lands trust funds but this would be conducted as part of the
24 normal oil operations and would be charged to the oil opera-
25 tion expense to the City and, therefore, one-half of the
26 expense would be apportioned in the subtraction of the

1 revenue to the State.

2 MR. LEVIT: We are not even determining that. We are
3 only giving formal approval of going ahead with the project.

4 MR. FRIEDMAN: I wasn't sure whether it was a finan-
5 cial approval or project approval.

6 MR. LEVIT: My understanding is project approval.

7 MR. HORTIG: And approval to spend \$700,000 on this
8 project.

9 MR. LEVIT: In other words, it not only approves the
10 project, but determines it is chargeable in this way?

11 MR. HORTIG: That is correct.

12 MR. LEVIT: What page is that resolution on?

13 MR. HORTIG: That is page 37.

14 MR. LEVIT: Any further question?

15 MR. LINGLE: On the fish market

16 MR. LEVIT: What is your name?

17 MR. LINGLE: My name is Lingle. I am from the Long
18 Beach City Attorney's staff. We recognize that we probably
19 have a legal dispute with your staff and advisers but one
20 thing I would like to point out. It is suggested here that
21 we should resolve our differences with the attorneys. We
22 have attempted to arrive at some solution with the Attorney
23 General's staff and we were then referred to the Commission
24 and in this item we are asking to spend \$10,000 and I am
25 not going to press it at this time -- I know you don't want to
26 get in a debate with me nor do I wish to take the time of

1 your attorneys at this point; but the \$10,000 -- if we are
2 finally left with the resolution of the matter to go to
3 court, we are going to spend of your time and our time, it
4 seems to me, almost more money in addition to the amount of
5 money we are required to spend for this fish market.

6 MR. LEVIT: Well, I suspect you won't go to court
7 just to build a fish market. You will be doing it to estab-
8 lish precedent for similar projects in the future and that
9 would apply equally to us if we should act now. So I don't
10 know that we can avoid this. In other words, I suppose this
11 would be something of a test case.

12 MR. HORTIG: The court has retained continuing juris-
13 diction, so declaratory relief items are expeditious. In
14 fact, the City has proceeded on numerous other questions
15 heretofore.

16 MR. LINGLE: I am aware of one

17 MR. FRIEDMAN: It took two years, but you got your
18 point.

19 MR. LEVIT: Any further questions or discussion? If
20 not a motion to approve the recommendations submitted by the
21 staff, or the resolutions submitted by the staff will be in
22 order.

23 GOV. ANDERSON: So move.

24 MR. CRANSTON: Second.

25 MR. LEVIT: That will be the order of the Commission.

26 Item 7: Sales of vacant State school lands. The first

1 three items involve Stanford C. Shaw. These items have been
2 before us previously. The first is to accept a bid on cer-
3 tain lands; the second is to ratify an extension of deposit
4 time on another application and provides for cancellation if
5 the deposits are not made on time.

6 Now the third item you will have to brief me on. That
7 relates to policy relative to advertising. What is that?

8 MR. HORTIG: Yes sir. The problem before the Commis-
9 sion which is brought into focus today by Mr. Shaw's applica-
10 tions will be equally applicable to other applications pend-
11 ing which are in process by the Commission.

12 MR. LEVIT: Well, are they binding on this Commission?

13 MR. HORTIG: The others are not, but the policy on
14 this matter on Mr. Shaw's application would be equally applic-
15 able to the other issues.

16 MR. LEVIT: Which one?

17 MR. HORTIG: Pages 38 and 39 relate to Mr. Shaw's
18 application for an aggregate of a large tract of land

19 MR. LEVIT: In order to know what we are doing, I
20 suggest we pass items (a) and (b) and take up item (c),
21 which is a matter of policy. Under that item, let me read
22 your recommendation:

23 "It is recommended that a determination be made by the
24 Commission that it is considered to be in the best
25 interest of the State to require that all published
26 notices for receipt of sealed bids on State school

1 "lands and on lands acquired in place thereof which
2 are authorized to be sold under school land regula-
3 tions, shall provide for the submission of competi-
4 tive bids on individual parcels embraced in an
5 application (a parcel containing a full section or
6 less), and that in instances where noncontiguous
7 parcels exist within a section of land separate
8 bids likewise shall be required."

9 Now this has to do with what -- with the advertising for
10 bids?

11 MR. HORTIG: Yes.

12 MR. LEVIT: We can't change the situation that existed
13 on the advertisement for bids in connection with Mr. Shaw.

14 MR. HORTIG: No sir. Mr. Shaw's original application
15 has been processed in parts and he has already acquired cer-
16 tain parcels of land which were specified in his original
17 application; and recommended in the first item of the calendar
18 of the series here today, is a recommendation relative to
19 approval of the sale of two more parcels pursuant to competi-
20 tive public bidding. These were advertised as separate
21 parcels and separate bids were received, and Mr. Shaw is
22 the high bonafide bidder on those.

23 Now, there remain additional lands of the 20,000 acres
24 applied for, on which Mr. Shaw has now deposited the addi-
25 tional funds to meet appraised value, which are now ready to
26 go to advertising; and the question is a matter of policy

1 before the Commission is: Do we advertise 20,000 thousand
2 acres in one block or do we advertise a series of parcels
3 comprising not more than the lands in one section in each
4 advertising notice?

5 MR. LEVIT: What has been the practice in the past?

6 MR. HORTIG: We have only had in the past one large
7 application for land sales and that one was with respect to
8 acquisition of lands for a consolidated ranch holding and
9 that was divided into numerous notices, but not nearly as
10 many notices as would be recommended here.

11 MR. LEVIT: When would you be advertising these lands?

12 MR. HORTIG: Immediately after the Commission action
13 which tells us which way to advertise.

14 MR. LEVIT: Which way are you recommending -- separate?

15 MR. HORTIG: We are recommending minimum size parcels
16 not to exceed one section of land per notice, in order to
17 achieve the maximum competitive public bidding, to achieve
18 the maximum sales value of these lands for the benefit of
19 the school trust fund.

20 MR. GRANSTON: What other precedents other than the
21 one recent one -- have there been other ones in the past,
22 more recent past?

23 MR. HORTIG: Ken?

24 MR. SMITH: No, just the one large one. It has been
25 the practice in the executive office for the last five years
26 to advertise for receipt of bids individually. Most of the

1 applications that would fall under that directive, however,
2 wouldn't contain more than two or three parcels at the most.

3 MR. CRANSTON: What occurred at that time? Did the
4 person who was seeking the whole thing acquire the whole
5 thing, or were portions acquired by others as a result of
6 the separate bidding?

7 MR. HORTIG: Acquired the entire acreage.

8 MR. CRANSTON: By meeting the bids?

9 MR. HORTIG: Yes.

10 MR. CRANSTON: Does that mean if these sections are
11 taken altogether that somebody could bid on this inside
12 section while somebody was bidding the whole?

13 MR. HORTIG: That is correct, except I must emphasize
14 that these land applications, all land applications we have
15 on file are scattered. In other words, it is proposed that
16 contiguous lands in one section be offered as a block and
17 that when it no longer can be considered in contiguity, it
18 be as one.

19 MR. LEVIT: Are there some contiguous lands here that
20 do exceed one section?

21 MR. HORTIG: I don't believe in this application. Is
22 that correct?

23 MR. SMITH: Not contiguous. They are all checker-
24 boarded.

25 MR. HORTIG: However, we have other applicants who
26 have lands, previous applications for lands, which will be

1 acquired from the Federal government in lieu of State lands on
 2 applications which have been in process for many years, and
 3 who are represented here today and would like to comment
 4 upon this recommended policy by the State. Mr. Pon is here,
 5 if the Commission would care to hear from him.

6 MR. PON: About 1953 an exchange application was filed
 7 with the State and processed and I understand that it prob-
 8 ably is being appraised at the present time and will shortly
 9 be advertised for sale. I happen to have the checkerboarded
 10 sections, the odd numbered sections, and the even numbered
 11 sections which the State is acquiring -- has recently acquir-
 12 ed from the Federal government on this exchange -- will make
 13 a solid block. So, obviously, if the sections were sold
 14 individually in smaller parcels, I would not know at what
 15 point I would begin to assemble a solid block.

16 In other words, it is a question of the entire applica-
 17 tion was processed not in individual parcels but on the
 18 entire thing as a unit, and I have had a sizable deposit up
 19 with the State for almost six years; and, after all, the
 20 property is being appraised, not as of six years ago but as
 21 of now, and yet it was started approximately six years ago
 22 when I deposited without interest all of that time. Natur-
 23 ally if I felt that the properties would ultimately be sold
 24 in small units, I wouldn't have started the application in
 25 the first place.

26 MR. LEVIT: But I understood this has been the practice

1 of the Commission -- to advertise separate items where they
2 were noncontiguous parcels.

3 MR. SMITH: Yes, it has been.

4 MR. PON: Well, if they are isolated parcels. You
5 see, in this one application there are some parcels in
6 another township that are somewhat disjointed and constitute
7 less than a section of land. In those particular cases I
8 can see that no one would be harmed and someone might be
9 benefited who has property adjoining those sections.

10 MR. LEVIT: The point I am making, sir, that's bother-
11 ing me -- I don't think we should be asked to make rules to
12 meet special cases. In other words, if we have a practice
13 that we have been following, I think we ought to continue to
14 follow it and not make special exceptions, because then
15 people do get misled if we are going to do that. We are
16 going to be constantly faced with the necessity of doing that.
17 If this has been the practice of the Commission, as I under-
18 stand it this resolution you are proposing is in accordance
19 with the past practice of the Commission.

20 MR. HORTIG: That is correct, with the understanding
21 that the past practice of the Commission is that the Commis-
22 sion has had very little practice in connection with adver-
23 tising and selling large tracts of land which were applied
24 for in one application. We had one such application and
25 even that application was broken down in a greater number of
26 parcels than contained in the original application, although

1 not the number of parcels it would have been broken down
2 into in accordance with the present recommendation.

3 MR. CRANSTON: Are there no rules in existence govern-
4 ing that?

5 MR. HORTIG: No sir, but now that we are faced with,
6 for the first time since my tenure in office with the Com-
7 mission, this matter of what to do with large acreages of
8 land contained in one application as exemplified by Mr.
9 Shaw's application, and in the near future will be faced with
10 what to do with respect to applications containing large
11 acreages which have been pending for a long time -- Mr.
12 Pon's and others -- we felt it was essential that we have a
13 directive from the Commission as to the appropriate practice
14 to follow.

15 I might indicate to the Commission -- on which I think
16 Mr. Pon will agree -- he certainly has a plea in equity on
17 the matter of his application being in process for six
18 years, this six years being by courtesy of the Bureau of
19 Land Management in Washington, D.C. This is how long it
20 takes us to get Federal land sometimes. This is a typical
21 example.

22 MR. CRANSTON: What is the precedent with land that
23 comprises more than one section and that is contiguous?

24 MR. HORTIG: There really have not been, at least in
25 my experience, sufficient number of sales out of the total
26 number of sales that have existed to say that we had

1 established a precedent.

2 MR. CRANSTON: To continue that line of thought, do
3 we have anything like that before us at the present time,
4 where there is land in more than one section that is con-
5 tiguous?

6 MR. HORTIG: As of today's agenda, I don't believe so.

7 MR. SMITH: I don't believe there are.

8 MR. LEVIT: Doesn't the man that puts up the deposit
9 have opportunity to meet bids that are made?

10 MR. HORTIG: As the first applicant, under the present
11 rules and regulations he has first refusal to meet the high
12 bid.

13 MR. LEVIT: Then, in view of the fact it seems to me
14 that this is consistent with the practice we have had; in
15 view of the fact it will open the bidding to more competi-
16 tion and thereby be likely to benefit the State in the long
17 run; and in view of the fact that the first applicant does
18 have an advantage in being able to meet the bids if he
19 chooses to do it, just at this point I feel inclined to
20 approve the recommendation of the staff.

21 MR. HORTIG: May I verify something, Mr. Chairman.
22 I am correct all of these applicants do have first applicant
23 status?

24 MR. SMITH: They do, speaking for the exchange.

25 MR. HORTIG: Mr. Pon, for example?

26 MR. SMITH: Yes. Under the present rules, of course.

1 MR. LEVIT: Well, I assume that in proposing this rule
2 you were looking ahead prospectively and not aiming this
3 particularly at the present applicants, even though it would
4 apply to them.

5 MR. HORTIG: Well, that is correct.

6 MR. LEVIT: In other words, you are looking towards a
7 long-term policy in this matter.

8 MR. HORTIG: With the necessity that the Commission
9 have a consistent policy, as you have indicated; and now,
10 being faced with this situation for the first time, is the
11 time to establish the policy rather than after we have estab-
12 lished some adverse precedents down the line.

13 MR. CRANSTON: What would be your recommendation for a
14 situation that might come up in the future where the land
15 was more than one section and is not contiguous?

16 MR. HORTIG: This rule would require advertising not
17 more than one section per notice.

18 MR. LEVIT: Do you have anything to add, Mr. Pon?

19 MR. PON: Just this -- that there has been six years of
20 very hard work with the State coordinating with the Federal
21 government and the various Federal agencies to make it avail-
22 able so that the State could effect the exchange, which would
23 result in the State acquiring the property and Uncle Sam
24 acquiring lands in the Joshua Tree National Monument.

25 MR. HORTIG: I believe we have the problem, for the
26 benefit of the Commission, that the first responsibility of

1 the Commission with respect to the trust lands is to achieve
2 the maximum returns from the land for the trust fund, and
3 then we look at and certainly cannot deny the equitable
4 rights of the depositors and literally the blood and tears
5 by which applicants, including Mr. Pon, certainly have
6 expended tremendous effort in these things.

7 MR. LEVIT: The equities in these things don't impress
8 me. I can figure out why you want to have it the way you
9 suggest, but whether you have any other reason to suppose
10 it would be otherwise than suggested here is what I can't
11 understand. In other words, from all we hear here today
12 the practice of the Commission has been to break these
13 things down.

14 MR. PON: Of course all the State lands that have been
15 sold have not been sold as a result of acquisition from
16 Uncle Sam. In this particular case, this entire application
17 was started, as I say, some six years ago and required a
18 terrific amount of work and expense in just processing it
19 through the various departments and various State agencies;
20 and governmental agencies were very cooperative but, as you
21 know, the red tape involved -- Had that work not been done,
22 naturally we wouldn't have started the application in the
23 first place.

24 MR. LEVIT: Did you have any reason to believe that
25 it would be processed any differently than is being recom-
26 mended now?

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MR. PON: Well, initially, if the application had gone through, to answer your question indirectly -- If the application had gone through within a year from the time it was filed, it probably would have sold for considerably less at that time. So the harder we worked and the longer we worked we were penalized and the State is making another appraisal.

MR. LEVIT: We are not talking about price. We are talking about the method of sale, the method of advertising.

Mr. PON: Well, as you probably know, some of these small government tracts that have been sold through the Bureau of Land Management, you see them scattered throughout the countryside -- little 2 x 4 buildings on them without restrictions and many of those people, thinking they were buying from Uncle Sam, paid three or four times more than the property was worth. The improvements were in accordance with those set up by planning commissions and actually, when we consider the amount in the initial application, the appraisal in the initial application, it sounds ridiculous but that was the basis on which it was initiated. That was about two dollars an acre six years ago. Naturally, the appraisal will be considerably higher and I will be at the mercy of the State appraiser for whatever it is worth, whatever it is appraised at.

It is just a question whether somebody who has made this possible should have an opportunity to bid on it as

1 a whole, because if one isolated bidder gets in there on
2 part of it, it will be useless.

3 MR. LEVIT: I think we should act separately on this
4 item (c).

5 GOV. ANDERSON: Do you first want to approve the
6 recommendation of the staff on this policy?

7 MR. LEVIT: Well, if you do that settles it.

8 GOV. ANDELRSON: I mean I am satisfied with the
9 recommendation of the staff, I think.

10 MR. LEVIT: Can we have a motion to that effect, then?

11 GOV. ANDERSON: I so move.

12 MR. CRANSTON: Second the motion.

13 MR. LEVIT: Motion is to adopt the recommendation of
14 the staff on Calendar Item 48. If there is no objection,
15 that will be the order of the Commission.

16 Now, let's go back to

17 SENATOR DOLWIG: Mr. Chairman, may I interrupt at this
18 point? Would it be possible to go back to your item relative
19 to the tidelands? I was in committee and was not able to
20 be here and would like to get some information from your
21 Commission.

22 MR. LEVIT: Relative to the tidelands? You mean the
23 boundary determination? Certainly. What do you have in
24 mind?

25 SENATOR DOLWIG: I was the original chairman of the
26 committee in 1951 that made a study of the tideland situation,

1 and at that time we discovered the Lands Commission did not
2 have an inventory of all the State lands and as a result of
3 that study I understand the State has gone ahead and made an
4 inventory and there is a question so far as exact descriptions
5 are concerned; and in the legislation we are having in com-
6 mittees at the present time we have noticed that the State
7 has been making grants very much on a general description.

8 Now, it's my understanding that this has been causing
9 considerable difficulty and at the present time in one of the
10 committees we have set a policy that insofar as the local
11 agencies are concerned that they should come in with an
12 exact description.

13 Now, I would like to inquire from the Commission
14 whether it is possible for the municipalities now to obtain
15 a metes and bounds description of these tidelands and I think
16 the Commission is familiar with the problem we are having,
17 particularly in the Long Beach situation, where due to the
18 fact where there has been lack of exact descriptions there
19 are many problems that devolve on it.

20 I would like to make inquiry -- maybe Mr. Hortig or
21 somebody can answer my question -- as to exactly where we
22 stand on these descriptions.

23 MR. LEVIT: Mr. Hortig?

24 MR. HORTIG: If I may, Mr. Chairman. Mr. Dolwig, since
25 1947, in my own personal experience, the Lands Division at
26 the direction of the Lands Commission have invariably worked

1 with the authors of all tideland grant legislation, seeking
2 to assist technically, not as to the merits of whether a
3 grant should be processed, but to ascertain that the techni-
4 cal land descriptions in grants are technically accurate. In
5 a very few instances, and this has been many years ago now,
6 a few of the authors desired not to accept the description
7 of the Lands Division as to the description of the lands and
8 proceeded with their own descriptions.

9 Certainly, as you recognize, while it is not a policy,
10 it certainly has been a practice of the Senate of the State
11 of California to require grants to specify that the granted
12 lands will be surveyed, platted and recorded by the State
13 Lands Division at the cost of the grantee. Every one of the
14 grants which roughly start in the series since 1950 that
15 have required that type of survey and recordation and mapping
16 have been completed and there are, in the counties in which
17 the lands are located, recorded maps which are accurate and
18 will permit at any time in the future the exact location and
19 determination of the areas and position of the lands which
20 the Legislature has granted -- which, admittedly, has been a
21 far cry from our inability to do likewise in grants that
22 were so popular in the period 1911 to 1917, most of which
23 as of this date are very difficult to determine as to their
24 location and extent.

25 Yesterday, in your Senate Governmental Efficiency Com-
26 mittee, it was indicated by Senator Collier that even in

1 amendments to previous grants it would be desirable to have
 2 those grants further amended to include conditions which your
 3 committee now feels should be standard, namely, mineral
 4 rights to the State, survey of the lands by the State, and
 5 a condition for reversion of those lands in the event those
 6 grants are not for the purpose originally intended.

7 SENATOR DOLWIG: That's true, Mr. Hortig, and we still
 8 have the question -- we have these deals before us. I think
 9 we have six or seven moving right now, two or three in Marin
 10 County. I would like to ask this practical question. I am
 11 sure the Commission is interested in it and that is this:

12 When the legislation is put in, is it possible for a
 13 municipality to get a metes and bounds description, so this
 14 can be put in the legislation, so in the future if oil is
 15 developed in these areas the State will not be in the same
 16 problem they are in the Long Beach situation?

17 I think this is something that is going to require a
 18 policy so far as the Legislature is concerned and is cer-
 19 tainly something the Lands Commission will be concerned with.

20 MR. HORTIG: I believe you have touched upon the tax
 21 of this thing, Senator Dolwig, when you say it is going to
 22 require a policy of the Legislature. In all instances
 23 where municipalities have requested grants and have requested
 24 assistance from the State Lands Commission, there have been
 25 furnished upon their requests metes and bounds descriptions
 26 which have been subsequently recorded by the State Lands

1 Commission, so there is no doubt of the location of the
2 lands granted by the Legislature. As I have said, this has
3 not been even remotely universal except since 1951 and even
4 of the number of grants being processed in the Legislature
5 today, one half of the descriptions originated in the Lands
6 Division at the request of the grantee, the other half were
7 offered to the Legislature that it might have assistance on
8 the description, so it would be technically correct, if, as
9 a matter of legislative policy, the Legislature should pro-
10 pose to direct any proposed grants to the Lands Division
11 for approval of description, our problem will be solved.

12 SENATOR DOLWIG: I don't believe you have answered my
13 question. Six, seven or eight bills are in. Every one I
14 have examined does not have an adequate metes and bounds
15 description so the State and municipality will know exactly
16 what lands are granted. This is a question I would like to
17 have answered, because I think we have got to solve this
18 problem, either legislatively or through regulation by the
19 Commission. This is the question I am pursuing, because
20 this has been raised and there is legislation under con-
21 sideration. I would like to get the viewpoint of the Commis-
22 sion on this matter. You are the people that are dealing
23 with it.

24 MR. LEVIT: Senator, if I might comment -- I am not
25 nearly as familiar with this as you are, but just from
26 listening to the interchange here, the Lands Commission can't

1 control, and wouldn't want to in any way, the action of the
2 Legislature. If a legislator introduces a bill and it
3 doesn't have descriptions in it and the Lands Commission
4 does not have the request or isn't given the opportunity to
5 prepare the descriptions, there is not very much we can do.

6 Now, it would seem to me that there would be a
7 technique possible, whereby the bill would be passed subject
8 to, as Mr. Hortig indicated, subject to the actual survey
9 and metes and bounds description being supplied by the Lands
10 Division, and I would think there is no real difficulty there
11 except to the extent that you can't control what the Legis-
12 lature might do in passing bills otherwise drawn.

13 SENATOR DOLWIG: That's true, Mr. Chairman. The only
14 thing I am speaking of is information -- number one, if we
15 put that in as a condition on tideland grants from now on,
16 is the State Lands Division from a practical standpoint in
17 a position to produce exact descriptions when we pass legis-
18 lation with the condition that the description will be
19 furnished by the State Lands Commission? Can we do that?

20 MR. HORTIG: In general, Senator Dolwig, the answer
21 would be yes -- except where the grants might fringe on an
22 area where title is in litigation.

23 May I ask a question? Apparently I don't understand
24 your terminology with respect to the insufficiency of the
25 descriptions in the grant legislation now pending before the
26 present session, inasmuch as every one of the bills which

1 has been introduced has been reviewed by the Lands Division
2 and where the descriptions were not sufficient have been
3 amended by the authors of the legislation so that if the
4 legislation is adopted the area conveyed can actually be
5 surveyed and monumented on the ground and survey filed as
6 required by the statute, and so far as records in the future
7 there will always be complete knowledge because there will
8 be a recorded plat on file in the county where the property
9 is located. The descriptions in there, while they may not
10 meet your particular test of a metes and bounds description,
11 are nevertheless sufficiently definitive and accurate to
12 locate the ground on such a plat or survey.

13 SENATOR DOLWIG: Then, why, Mr. Hortig, do we have
14 the problem so far as Long Beach is concerned? To go back
15 to the 1911 act, this description was along the same descrip-
16 tions you have. Now we are confronted with the problem of
17 where are the lines -- how much is owned by the State and
18 how much is not owned by the State. I think this is a prob-
19 lem.

20 MR. HORTIG: I think the answer is rather simple, in
21 retrospect at least. If your predecessors had had the fore-
22 sight that you gentlemen are exercising now in requiring
23 platting and monumenting before a grant, if that had been
24 filed in 1911 as to what were the granted lands in 1911,
25 then there would be no question. There is no question on any
26 grant that you gentlemen have passed since 1951.

1 SENATOR DOLWIG: Now, is there any way we can take
2 care of, by regulation through the Lands Commission or by
3 legislation, to determine those boundaries now of all the
4 grants we made prior to 1950. This is a matter I think we
5 have to take up in legislation.

6 MR. LEVIT: This matter, it seems to me, is of course
7 a very interesting legal problem which might involve some
8 of the principals that were involved in the boundary litiga-
9 tion. I think that all we could say now we might refer
10 this matter to the Attorney General for some

11 SENATOR DOLWIG: Mr. Chairman, I have discussed it
12 with the Attorney General in a general way. We haven't had
13 enough time to go into the thing thoroughly but I wanted to
14 have this opportunity, since this Commission is meeting, to
15 find out what the facts are. I'll be glad to take it up
16 further and not take your time up and take it up with the
17 Attorney General.

18 MR. LEVIT: It does seem to me, Senator, that any
19 attempt on the part of the Legislature to pass any legisla-
20 tion that would determine the boundaries would have the
21 effect of leading to litigation anyway.

22 SENATOR DOLWIG: I'll take that matter up with the
23 Attorney General. I think that is definitely a consideration.

24 I have another request. I wonder if it is possible,
25 since this is under consideration now, to get the report of
26 the special attorneys on this problem.

1 MR. LEVIT: You weren't here when we discussed this
 2 earlier and I read a letter from the Attorney General in
 3 which he pointed out that it would be very detrimental in
 4 his opinion to the interests of the State if these details
 5 were made public; and I stated that my own conclusion was,
 6 and I believe I can say that this is the opinion of the
 7 members of the Commission, that this is correct -- that
 8 these are detailed briefs, if you will, or opinions prepared
 9 by an attorney for his client and as long as litigation is
 10 pending or likely to ensue, it would be most unusual and
 11 unwise and prejudicial to the interests of the State to dis-
 12 close the detailed investigations of our own attorneys.

13 Therefore, I stated that these reports would be kept
 14 in a secret file at the Lands Commission but would, of
 15 course, be made available at such future time as this situa-
 16 tion no longer exists. We have consulted as individuals and
 17 also as members, of course, as members of the Commission in
 18 an attorney-client relationship with the Attorney General and
 19 his staff in going over the details of these reports, and we
 20 probably will do that again before the Commission reaches a
 21 final decision as to what it should do.

22 We have, however, a public recommendation of the
 23 Attorney General in which he states that the State has liti-
 24 gible rights in his opinion against the City of Long Beach
 25 and has also concluded that no actions relating to this
 26 question should be commenced against any other persons at

1 this time.

2 I think I should also say that the Commission is fully
3 aware of the requirement of law that all its meetings are
4 public meetings and it is not only aware of it but is in
5 complete sympathy with it; but at the same time there are
6 certain situations that occasionally arise where you don't
7 have formal meetings because obviously the Commission can't
8 act in private -- it has to act in public meetings. No
9 action was taken in these consultations with the Attorney
10 General and none was contemplated or will be contemplated;
11 but there are certain situations where the public interest
12 requires that members of a public body have to consult in
13 private. One of those obvious matters is matters relating
14 to preliminary investigations involving personnel, where
15 disclosures prematurely would injure character and simply
16 couldn't be tolerated in fairness; and another situation,
17 it seems to me, is an attorney-client situation where an
18 attorney is making an investigation and detailed recommenda-
19 tions and reports. If those are made public and litigation
20 ensues, you in effect are furnishing legal services to the
21 opposition and this would be damaging to the interests of
22 the client, in this case the State of California.

23 SENATOR DOLWIG: Mr. Chairman, as a lawyer I am fully
24 aware of the situation as far as attorney and client is
25 concerned. However, this is public business and I am a
26 member of the Legislature; and, as I have indicated here,

1 there is a legislative problem involved and certainly the
2 members of the Legislature should have all of the facts
3 that have been developed on this particular problem

4 Insofar as the Commission is concerned, I am certainly
5 aware of the fact that there is litigation pending and so
6 forth, but I am still making the request to the Commission
7 that I be given a copy of it -- with the understanding, and
8 I am sure that you realize if I told you it is only going
9 to be used from the standpoint of considering legislation,
10 that as far as I am concerned the document will not be made
11 public. I am making that request.

12 MR. LEVIT: Well, Senator, I think we have to distin-
13 guish between yourself as a legislator and the Legislature;
14 and if I read Chapter 2000 of the Statutes of 1957 correctly
15 the Legislature has referred this matter to the Lands Com-
16 mission, with instructions and authority to act. It is not,
17 therefore, at this time in the hands of the Legislature and
18 I think that the problem you pose, regretfully I say this,
19 is a much broader one than the way you put it.

20 In other words, I think we either have to maintain
21 the position that the Commission has already stated it would
22 maintain or else we have to determine that this is a public
23 document and available to any limited group -- let's say
24 all the members of the Legislature or other officials than
25 the Lands Commission; and I know you won't misunderstand
26 what I am saying now, but I believe if we take that position,

1 Senator, why we might just as well assume it is a public
2 document.

3 You are not the only legislator who has made a request
4 that these documents be furnished and the Attorney General
5 called me some days ago and told me that he had had requests
6 from legislators to furnish these opinions and asked me
7 what I thought; and I told him that as far as I was concerned
8 he was the attorney for the Lands Commission in this matter
9 and it was up to the Commission and not up to the Attorney
10 General to furnish this information to anyone else than the
11 Lands Commission.

12 I am sure you are aware of the fact that when your
13 counsel, the Legislative Counsel, renders an opinion to you
14 at your request, no one outside the Legislature -- no matter
15 how much they may be interested in or affected by the opin-
16 ion -- can get it except by release of the legislator him-
17 self.

18 SENATOR DOLWIG: Mr. Chairman, that's all very true;
19 but we have a practical problem from a legislative stand-
20 point. At the present time there is legislation affecting
21 this matter; there is legislation under consideration; We
22 have a deadline of practically May 4th as a practical matter.
23 I think it's making it very difficult because we as legis-
24 lators are certainly concerned about not putting in any
25 legislation that in any way is going to prejudice the State's
26 position insofar as any of these law suits are concerned.

1 That determination cannot be made unless we are in full
2 possession of the facts.

3 MR. LEVIT: Then I think the Legislature should by
4 resolution instruct the Commission on the current legisla-
5 tion. We are subject to that.

6 SENATOR DOLWIG: If you would like collective action
7 rather than individual action

8 MR. LEVIT: There can't be individual action.

9 SENATOR DOLWIG: I meant so far as any individual legis-
10 lator is concerned. I am in agreement with your position.

11 MR. LEVIT: I certainly don't want to convey the im-
12 pression that I have the slightest doubt

13 SENATOR DOLWIG: No, no

14 MR. LEVIT: ... of your ability to keep this secret,
15 but if we turn it over to you we have to turn it over to any
16 legislator that wants it and it's quite obvious from just
17 general knowledge of human nature and past experience as to
18 what the effect of that will be.

19 SENATOR DOLWIG: Mr. Chairman, I appreciate your prob-
20 lem in this matter and if it is going to require determina-
21 tion by the Legislature, we will look into that. I appre-
22 ciate your problem, as an attorney.

23 MR. LEVIT: I am not attempting to bind the Commission
24 by what I am saying. I believe I am giving the opinion of
25 the Commission.

26 MR. CRANSTON: May I ask one question? Is it

1 possible that certain information contained in the Attorney
2 General's opinion would be helpful to the Senator on legis-
3 lative inquiries he is concerned in, that it might be pos-
4 sible to be made available to him without making others?

5 MR. LEVIT: How can the Senator tell what he wants
6 without seeing the whole?

7 MR. CRANSTON: I think it might be possible in a con-
8 ference between the Senator and the Attorney General's
9 office.

10 SENATOR DOLWIG: My problem is we don't want to take
11 any action that will prejudice the State's position. As I
12 have indicated, I think there are other problems here and
13 certainly legislation should go ahead to resolve the prob-
14 lems; and, again, we have a practical problem and I can see
15 you have.

16 MR. LEVIT: I'd like to suggest one possible way to
17 approach this, Senator. That is, if you can discuss this
18 matter with Mr. Kleps, Legislative Counsel, I'd be very
19 happy to discuss it with him and with the Attorney General
20 because I'd like very much to work out a satisfactory
21 conclusion.

22 SENATOR DOLWIG: All right. I'll do that.

23 MR. CRANSTON: It seems to me by such a conference he
24 could get the information he wants.

25 MR. LEVIT: All right. We will proceed with the
26 calendar.....

1 MR. WIRSING: I am Robert Wirsing, representing
 2 Senator Shaw, in this matter that was just before you and
 3 that you passed on, at the request of Mrs. Shaw. As you
 4 know, Senator Shaw has been out ill since a week ago Monday.
 5 I am in no position to tell you the gravity or the serious-
 6 ness of his illness. However, at Mrs. Shaw's request she
 7 instructed me to pray the Commission would put over all
 8 matters pertaining to his application for thirty days and
 9 I respectfully

10 MR. LEVIT: Now, let's make sure what we are talking
 11 about here. We haven't taken any action yet on any of Mr.
 12 Shaw's applications. Item (c), although it appears under
 13 the name of Mr. Shaw, does not relate to Mr. Shaw and was
 14 taken up separately as an adoption of a rule that related to
 15 all applications pending or to be pending in the future. It
 16 didn't relate to Mr. Shaw.

17 MR. WIRSING: I am sorry.

18 MR. HORTIG: Not exclusively.

19 MR. LEVIT: Well, it will affect him like all the rules
 20 of the Commission will affect him.....

21 MR. WIRSING: Yes.

22 MR. LEVIT: ... but we didn't pass on this as a matter
 23 specifically relating to Mr. Shaw. Now, are you suggesting
 24 that we don't take any action on those for the next thirty
 25 days? Are there any applications to which Item (c) relates
 26 that can be processed -- that have to be processed within

1 the next thirty days?

2 MR. HORTIG: Well, in the normal circumstances of the
3 deposits already made by Mr. Shaw -- in connection with
4 these matters, in the normal processing by the Commission
5 these areas would be advertised for bid immediately and the
6 question was the manner in which they would be advertised.

7 MR. LEVIT: You are talking about item (a) now,
8 aren't you?

9 MR. HORTIG: We are actually talking about how item
10 (b) shall be processed under the rules of item (c). Item
11 (a) is a completed series of bids and the question is
12 whether the Commission will award the sale as to the bids.
13 This is as to a portion of the acreage originally applied
14 for. (a) is completion of a sale.

15 MR. LEVIT: That has been advertised.

16 MR. HORTIG: That has been advertised, bids have been
17 received. Mr. Shaw is high bidder.

18 MR. LEVIT: But (b) is ratification of extension of
19 time.

20 MR. HORTIG: To five p.m. today to complete deposits
21 on which lands would then be advertised in accordance with
22 the rules under (c).

23 MR. LEVIT: Are you asking that that be extended?

24 MR. WIRSING: Yes, item (b), Mr. Commissioner.

25 GOV. ANDERSON: I think first we should ratify what we
26 have done in the past so that part is taken care of.

1 MR. LEVIT: Yes, we can do that; but I am just trying
2 to see what it is they want us to do. Senator Shaw came
3 before the Commission some time ago and asked for an exten-
4 sion of time, which was granted. Then prior to this meeting
5 of the Commission, the Senator got in touch with me and ex-
6 plained he needed a short additional time. I assume from
7 what you say it ran until today -- I don't recall; and I
8 undertook to grant that extension because there wasn't time
9 to consult with all the other members of the Commission and
10 since then that has been ratified individually by the other
11 two members of the Commission.

12 Now, I understand you want to postpone for a period of
13 thirty days again?

14 MR. WIRSING: Yes.

15 MR. LEVIT: ... the time within which the deposit
16 must be made?

17 MR. WIRSING: Yes.

18 MR. LEVIT: Well, if the extension is granted, or if
19 the deposit is not made today, there wouldn't be any occa-
20 sion to proceed under item (c) within the next thirty days?

21 MR. HORTIG: There wouldn't be the immediate necessity,
22 I don't believe. We have no other applications processed so
23 far.

24 MR. LEVIT: I mean nothing would happen under item (c).

25 MR. SMITH: That is correct. There are no lands under
26 present application where the second applicant would be

1 held up.

2 MR. LEVIT: What I can't understand, if these things
3 are all to be acted on at the same time -- for instance, if
4 you get a thirty-day extension, that will take you just
5 about up to the next meeting of the Commission and whether
6 Mr. Shaw wants to make a deposit or not might depend to some
7 extent on how the Commission acts on Item (c) -- that is,
8 in connection with the rule.

9 MR. WIRSING: I hesitate to speak for the Senator or
10 Mrs. Shaw, but I don't believe -- I think the paramount
11 interest at the moment, Mr. Chairman, is the fact of his
12 illness.

13 MR. CRANSTON: I move the matter be extended to the
14 May 28th meeting.

15 MR. LEVIT: You mean item (b)?

16 MR. CRANSTON: Yes.

17 MR. HORTIG: May the staff bring the Commission's
18 attention to some complications? First, I can answer at
19 least in part again to Mr. Wirsing, that in contemplation
20 of any consideration of establishment of the policy in regard
21 to the matter of advertising, this was brought to the atten-
22 tion of Senator Shaw before the item was brought to the Com-
23 mission and I believe no objection to that procedure was
24 indicated by Senator Shaw.

25 MR. LEVIT: What is the complication?

26 MR. HORTIG: The complication is that at this time the

1 appraisals for the land for which you are proposing to grant
 2 further extensions of time are over nine months old and on
 3 the basis of information available to the Commission's
 4 appraisal staff -- and, incidentally, they are this old be-
 5 cause of the successive extensions of time heretofore granted
 6 to Mr. Shaw -- on the basis of the Commission's appraisal
 7 staff, land evaluations may have raised to the point where
 8 it is outdated. Ordinarily, any appraisal is reviewed where
 9 the appraisal is over six months old. This is extremely
 10 important in desert areas of the southern portion of the
 11 State, where demand is great and increasing almost daily, and
 12 particularly where development of such lands for substantial
 13 use, largely as subdivisions, desert homesites or even in-
 14 dustrial use has occurred subsequent to completion of the
 15 original report.

16 Therefore, it is felt that in connection with any
 17 granting of any further extension of time the staff would
 18 have to recommend to the Commission that there be a direc-
 19 tive to the staff to reappraise these lands and then Senator
 20 Shaw would have the opportunity to again meet the new
 21 appraised value; and then if he does, the lands to go to
 22 advertising. In other words, if we don't complete this
 23 situation as of five p.m. tonight, which is the last dead-
 24 line of a series which the Commission has granted in exten-
 25 sions, we are up against the very serious problem of probably
 26 going to advertising with minimum prices required which are

1 completely out of line with the actual appraised values of
2 the land and, therefore, would be in a position of not
3 adhering to the Commission's regulation that the minimum
4 price specified will be the current appraised value of the
5 land.

6 MR. WIRSING: May I comment on that, Mr. Chairman?
7 I think this is just a point and I pose it in the form of a
8 question and as possibly the reasonable reason. Gentlemen,
9 you can appreciate the reason for the increase in the valua-
10 tion of the lands is Senator Shaw's past activities. In
11 other words, they may have been the stimuli that has caused
12 the increase.

13 MR. LEVIT: I don't think that has anything to do
14 with it.

15 MR. WIRSING: I merely pose it as a question.

16 MR. LEVIT: Well, the thing that bothers me about
17 this -- I am very fond of Senator Shaw, both in his pro-
18 fessional capacity, his public capacity, and personally;
19 but since I have been on the Commission these things have
20 always come up from the Senator as a last-minute matter.
21 I mean the Commission never has a chance to get on balance
22 on any of these things. It is always the very eleventh
23 hour that we are suddenly told that something has developed,
24 that we have to do something right away quick -- which is
25 not normal procedure and I don't think this is fair to the
26 Senator and I don't think it is fair to the Commission. I

1 am sure that we have no desire to take advantage of the
2 Senator or anyone else and we want to lean over backwards to
3 be perfectly fair.

4 MR. WIRSING: This is a difficult decision -- but I
5 mean, would a medical report be of any help or assistance --
6 the only proof I can give you?

7 MR. LEVIT: If we put this over for thirty days, then
8 in view of what Mr. Hortig has said it seems to me that we
9 would probably have to go to a reappraisal on the matter
10 before we could proceed any further.

11 MR. WIRSING: My only concern

12 MR. LEVIT: I don't think it is a matter of the
13 medical report at all. I think we want to be perfectly
14 reasonable about it, whether the Senator is ill or not. He
15 hasn't been ill the last two times this came to my attention.

16 MR. WIRSING: I don't know the circumstances of the
17 previous postponements or delays, Mr. Chairman, but I can
18 assure you with all the vigor that I can muster that in view
19 of legislation and bills he is carrying, that he would not
20 absent himself from the Senate without good and serious
21 cause.

22 MR. LEVIT: That is not involved at all. Nobody ques-
23 tions that, but there is a question as to how long we can
24 keep these items open. That's the real question, and each
25 time I have talked to the Senator about it -- and it's only
26 been when he has made a formal request for extension -- it

1 has always been "This is it. This is going to be settled
2 by the time this extension is over."

3 What would be the normal procedure if we have to make
4 a new appraisal or decide to make a new appraisal on this?
5 That would change the amount of the deposit possibly, would-
6 n't it?

7 MR. HORTIG: That is correct.

8 MR. LEVIT: Is there anything to stop us from going
9 ahead with a new appraisal if we decide to do it?

10 MR. HORTIG: No s. r. Are there any second applica-
11 tions pending?

12 MR. SMITH: There are not.

13 MR. HORTIG: There are not, so we can go ahead with
14 the appraisal.

15 MR. LEVIT: Who pays for the appraisal?

16 MR. HORTIG: Senator Shaw.

17 MR. CRANSTON: When was this last appraised?

18 MR. HORTIG: Nine months ago.

19 MR. CRANSTON: How long does it take to make a new
20 appraisal?

21 MR. HORTIG: It is anticipated that complete review
22 appraisal would be in the hands of the Commission within
23 sixty days.

24 MR. LEVIT: If a new appraisal is made.

25 MR. CRANSTON: Has the policy normally been to re-
26 appraise after six months?

1 MR. HORTIG: Yes.

2 MR. CRANSTON: Last time we made an extension this was
3 different from normal procedure?

4 MR. HORTIG: First time was for a modest time, which
5 was going to complete the thing; then it was followed by
6 one or two others. Well, this is the final one, and we
7 are in an almost borderline kind of trap. This time --
8 that is why I have a report before me -- this is the time we
9 have to take the step.

10 MR. CRANSTON: How many extensions have been granted
11 since the six-month period expired?

12 MR. HORTIG: Do you know offhand, Ken?

13 MR. SMITH: I don't recall offhand. The original
14 notice was given Mr. Shaw on November 5th.

15 MR. CRANSTON: Original notice of what?

16 MR. SMITH: Original notice to meet the appraised
17 value of all of the lands in the application including
18 approximately 20,000 thousand acres.

19 MR. LEVIT: That is five months.

20 MR. SMITH: And normally twenty days are allowed to
21 applicants after receipt of notice and it has been extended
22 since that time up to this time.

23 MR. CRANSTON: You don't have the dates of the other
24 extensions?

25 MR. HORTIG: Yes, we have it here. During what would
26 have been the normal twenty-day period or starting with the

1 normal twenty-day period, after November 3rd the applicant
2 requested and was granted three extensions.

3 MR. CRANSTON: When?

4 MR. HORTIG: One of thirty-one days, the second ...

5 MR. CRANSTON: What dates were these?

6 MR. SMITH: That would be twenty days after the date
7 of November 3rd ...

8 MR. HORTIG: November 23rd...

9 MR. SMITH: ... then thirty-one days after that.

10 MR. LEVIT: That would be about December 25th.

11 MR. CRANSTON: But the extension was granted on what
12 date?

13 MR. SMITH: It would be prior to the expiration of the
14 first thirty-one day period.

15 MR. CRANSTON: Prior to December 23rd?

16 MR. HORTIG: Second one of fifteen days and a third
17 one twelve days; and here we have a takeoff point -- the
18 Commission by resolution of February 24th confirmed the
19 prior extensions of time to February 24th and then author-
20 ized the further extension to March 6th, subsequently author-
21 ized a further final extension of time until five p.m. April
22 19th, and then by letter to the staff authorized a further
23 final extension to April 30th.

24 MR. LEVIT: That was the one I granted.

25 MR. HORTIG: That you authorized and the other Com-
26 missioners also requested.

1 MR. LEVIT: That's right, yes. Well, it is true we
 2 can't get away from the fact that the Senator is ill. Would
 3 you suppose that if we -- and I am not attempting to speak
 4 for the Commission on this -- that if we granted an additional
 5 ten-day extension that the Senator would understand that this
 6 is final and that unless he acted, why, the time would defin-
 7 itely expire?

8 MR. WIRSING: I am sure that would be greatly appre-
 9 ciated, Mr. Chairman.

10 MR. LEVIT: I'd be inclined to go along ...

11 GOV. ANDERSON: For ten days?

12 MR. LEVIT: ... We are over six months anyway and in
 13 view of the illness it seems to me ten days won't make any
 14 difference.

15 MR. HORTIG: Under those circumstances, may I recom-
 16 mend for approval of the Commission the establishment at
 17 this time of item (c)?

18 MR. LEVIT: We are not talking about anything except
 19 item (b).

20 MR. HORTIG: No. Item (c) is still hanging.

21 MR. CRANSTON: No. We approved that.

22 MR. HORTIG: You have approved it?

23 MR. LEVIT: Yes, we are talking about item (b) only.

24 MR. HORTIG: I wanted to be sure. We would need it to
 25 process item (b).

26 MR. CRANSTON: I move.

1 GOV. ANDERSON: Second.

2 MR. WIRSING: Thank you very much.

3 MR. LEVIT: You don't have any objection to going
4 ahead with item (a)? The deposits are all up. We have
5 accepted the bid. That hasn't been acted upon.

6 MR. CRANSTON: Move the approval of that item.

7 GOV. ANDERSON: Second that. You are not asking for
8 an extension of item (a).

9 (Recess 11:15-11:25 a.m.)

10 (Mr. Levit left the meeting and Gov. Anderson
11 took over as Chairman)

12 GOV. ANDERSON: The meeting will reconvene and just so
13 we know where we are, then, it is my understanding that
14 under item 7 we approved now item (a); we gave an extension
15 of ten days on item (b); and we adopted the policy of item
16 (c). Is this right? So this brings us, then, up to item
17 (d) -- the Henri A. Camin purchase. I imagine the policy
18 is just to go through these. If there is no objection we
19 will go right down.

20 MR. HORTIG: The tabulation of the items is for vacant
21 State school lands, are all equal to or in excess of the
22 appraised value of the land.

23 GOV. ANDERSON: These would be item (e) - J. D. Rippey;
24 item (f) Harry A. Forest; item (g) Elvin Gene Streeter; item
25 (h) Lionel Levinson; item (i) Ralph C. Dills; (j) Frank
26 Wuscher; (k) Ruth M. Blender.

1 Do you want to make any further comments on any of
2 these?

3 MR. HORTIG: There are no objections.

4 GOV. ANDERSON: If there is no objection, then, do
5 you want to make a motion?

6 MR. CRANSTON: Approve.

7 GOV. ANDERSON: It has been moved and seconded --
8 no objection.

9 Item 8 is approval of sale of vacant Federal lands in
10 accordance with State Lands Commission regulations. Do you
11 want to comment on this?

12 MR. HORTIG: In both item (a) and (b) relating to 240
13 acres in San Bernardino County and 80 acres in Mariposa
14 County, applications were filed with the United States De-
15 partment of the Interior to have these lands transferred to
16 the State, ultimately to be sold to the original applicant.
17 In each instance, after appraisal and it was determined how
18 much the lands were worth, the applicants withdrew. It is
19 recommended that the Lands Division proceed with the process-
20 ing of the applications, place them on the land list, and
21 advertise them for sale for the advantage of the State.

22 GOV. ANDERSON: So ordered?

23 MR. CRANSTON: Yes.

24 GOV. ANDERSON: So ordered. Sale of vacant swamp and
25 overflowed lands - item 9.

26 MR. HORTIG: Swamp and overflowed lands are sold under

1 the same rules and regulations pertaining to public competi-
2 tive bidding as are used with reference to the sale of vacant
3 State school land. The two parcels proposed to be sold to
4 Kenneth D. Fobes -- as is obvious from the tabulation, the
5 bid received was equal to the appraised value in each in-
6 stance and it is recommended that the parcels of land be
7 sold subject to all statutory reservations including minerals.

8 GOV. ANDERSON: I notice going through several of these
9 that there was only one bid. Now, is there any reason for
10 this -- any comment you might make?

11 MR. HORTIG: They have been advertised under the stand-
12 ard procedures in newspapers of general circulation in the
13 county in which the lands are located -- the same maximum
14 circulation newspapers which are used for all our advertis-
15 ing. People who are interested in acquiring State lands fol-
16 low these things regularly and in these instances we devel-
17 oped interest only on the part of the original applicant and
18 no other competitive bids were developed as a result of the
19 advertising.

20 GOV. ANDERSON: Do you move item 9?

21 MR. CRANSTON: Yes.

22 GOV. ANDERSON: So ordered. Item 10 -- approval of
23 map of grant to the City of Vallejo, vicinity of Mare Island,
24 pursuant to Chapter 483, Statutes 1947.

25 MR. HORTIG: Proposed approval of the grant map, of
26 the type which I discussed with Senator Dolwig this morning.

1 In this instance the Statutes of 1947, amended '57, required
 2 a survey of the granted lands at the cost of the grantee.
 3 The map has been completed and it is desired that it be
 4 approved for filing and recordation in order to complete the
 5 transaction.

6 GOV. ANDERSON: Do you move the authorization?

7 MR. CRANSTON: Yes.

8 GOV. ANDERSON: Moved and seconded.

9 MR. HORTIG: Item 11, Governor, if I may -- the staff
 10 request deferment of consideration. This was another map...
 11 In this case to the City of Sausalito; but on rereview of
 12 the calendar item it appears that possibly a recheck should
 13 be made. In any event, the time of filing is not critical
 14 and, therefore, we propose deferring item 11, which appears
 15 as Calendar Item 19 on page 56.

16 GOV. ANDERSON: You are withdrawing this for action
 17 at this time?

18 MR. HORTIG: That's right.

19 GOV. ANDERSON: All right. There is a recommendation
 20 that they withdraw item 11 at this time. If there is no
 21 objection we will so withdraw item

22 MR. KREFT: Item 11.

23 GOV. ANDERSON: Item 11 -- too many numbers. Item 12.

24 MR. HOFITIG: The Division has heretofore completed maps
 25 of survey of the mean low water line and the ordinary low
 26 water mark along Carquinez Strait and Mare Island Strait in

1 Solano County to determine the waterward boundary of private
 2 ownership along the shore, where we have had to determine
 3 these boundaries to determine what areas are leasable by the
 4 State; and it is recommended that the Commission approve the
 5 maps for recordation in the county where they are located.

6 MR. CRANSTON: So move.

7 GOV. ANDERSON: If there is no objection, so ordered.

8 Item 13.

9 MR. HORTIG: Item 13, page 58, is somewhat unique.
 10 The City of Long Beach has requested the concurrence of the
 11 office of the Attorney General with respect to a boundary
 12 agreement as between the City of Long Beach and private up-
 13 land owners of the easterly portion of the downtown area of
 14 Long Beach in settlement of litigation. It is strictly a
 15 legal question and the Attorney General's office has deter-
 16 mined that they will inform the City of Long Beach that they
 17 see no legal objections; however in view of the fact that the
 18 Attorney General's office is the counsel to the Lands Commis-
 19 sion in connection with this matter, the Attorney General's
 20 office did not desire to inform the City of Long Beach on
 21 the legal question until they had first informed the Lands
 22 Commission of their intent to so do.

23 Therefore, this is an informative report to the Commis-
 24 sion, requires no action on the part of the Commission, and
 25 subsequent to this information to the Commission the Attorney
 26 General will correspond with the City of Long Beach, stating

1 no legal objection to the proposed settlement, compromise
2 settlement of the case of Long Beach Amusement Company vs.
3 the City of Long Beach, in view of the fact the boundary
4 lines therein proposed and the fiscal operations proposed
5 have been evaluated by the State Lands Division and recom-
6 mended to be satisfactory.

7 MR. CRANSTON: Just pass it over?

8 GOV. ANDERSON: Pass it over. Item 14, then.

9 MR. HORTIG: Item 14 is a report of status of major
10 litigation. As the Commission will recall, the Alamitos Bay
11 quitclaim litigation relates to a 2200-foot strip of tide
12 and submerged lands quitclaimed to the State of California
13 for park purposes, which probably should be developed for oil
14 and gas, but the City of Long Beach contends that in the
15 quitclaim they did not intend to give the State the oil and
16 gas. So this has had to be set for trial to get a judicial
17 determination, and the case has been set for June 10, this
18 year.

19 Orange County's suit for declaratory relief against the
20 State of California, claiming that all the tidelands in
21 Orange County were given to the county by a broad interpre-
22 tation of an act of the Legislature in 1919, remains in
23 court, with both sides taking depositions from various
24 individuals -- primarily a matter of perpetuation of testi-
25 mony for fear the people won't be around when their testimony
26 is needed because many of them are rather aged, because a

1 a lot of the problems will involve on what the intent was in
2 1919 and the people involved at that time who are still
3 around are all rather aged.

4 In the meantime, the opposition in Orange County con-
5 tinues to be an administrative problem to the State Lands
6 Division because in connection with the discovery procedures
7 now permitted in pretrial procedures, we are almost weekly
8 in receipt of voluminous requests for data. The last one,
9 we reported to the court, would involve 1,250,000 sheets of
10 paper in the State Lands file and this is the reason we
11 can't give an immediate reply. Whether this is for harass-
12 ment or whether it is necessary we give them some information
13 they should have, we don't know; but pretrial procedures,
14 which we understand from counsel were designed to expedite
15 litigation, turn out in this case to be one year of expedit-
16 ing before we even get started.

17 The third item -- complaint by one Mr. Carl Whitson --
18 is the second in a series of actions which Mr. Whitson has
19 brought. He first contended last fall that neither the State
20 nor the City of Long Beach were entitled to any revenues from
21 the tidelands, that the constitutionality of the Federal
22 quitclaim act was in question, and all the money should go
23 to the United States Treasury in Washington, D.C. The
24 Federal District Court dismissed that action, so Mr. Whitson
25 is taking this second action, stating that the State of Cali-
26 fornia is not entitled to any proceeds from the tidelands,

1 only the City of Long Beach is; and this was under submis-
 2 sion with the court at the date of the preparation of this
 3 calendar item and the court's indication to Mr. Whitson is
 4 that his second action is being dismissed.

5 We await with interest whether he takes the third and
 6 obvious step, which in the next case would have the State as
 7 the only party entitled to the proceeds. He has had two,
 8 so we think he will probably go to court and say the State
 9 is entitled to everything.

10 GOV. ANDERSON: No action?

11 MR. HORTIG: No action.

12 GOV. ANDERSON: The next is item 15.

13 MR. HORTIG: ... which is a summary report which the
 14 Commission can read at its leisure and is the status of
 15 legislation possibly affecting the Commission's jurisdiction.
 16 Ranging from S.B.233 to S.B.385 are those bills previously
 17 authorized by the Commission, to be introduced as depart-
 18 mental legislation and inclusive of A.B. 904 also, and of
 19 which group six bills have now reached the Governor's desk.

20 GOV. ANDERSON: This completes the items on the
 21 calendar. Is there anything further -- any further business
 22 you want to bring up?

23 MR. HORTIG: Not to the knowledge of the staff.

24 MR. CRANSTON: Move that the rules and regulations re-
 25 lating to lands sales procedure be calendared for the July
 26 meeting.

GOV. ANDERSON: Second.

CERTIFICATE OF REPORTER

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I, LOUISE H. LILLICO, reporter for the Division of Administrative Procedure, hereby certify that the foregoing eighty-two pages contain a full, true and correct transcript of the shorthand notes taken by me at the meeting of the State Lands Commission of the State of California at Sacramento, California on April 30, 1959.

Dated: Sacramento, California, May 2, 1959.

Louise H. Lillico