Before The STATE LANDS COMMISSION STATE OF CALIFORNIA

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Regular Meeting held in Room 5168 State Capitol Annex, Sacramento, Calif.

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Tuesday, May 24, 1960 9:15 O'clock A.M.

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KAEMPFER REPORTING SERVICE

CERTIFIED SHORTHAND REPORTERS
4128 BRUHN COURT, SACRAMENTO 21, CALIFORNIA

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1		APPEARANCES
2		
3	Commission K	enters:
4	Messrs.	Glonn M. Anderson, Lieutenant Governor, Chairman
5		Alan Cranston, Controller
6	·	John E. Carr, Director of Finance
7		
8	Staff Nember	5 4 O 4 www
9	Messrs.	Prank J. Hortig, Executive Officer
10		Fred W. Kreft, Assistant Executive Officer
11		Kenneth C. Smith, Public Lands Officer
12		
13	Others Preser	ng dan ga Gallanda dan garangan dan garang Managan dan garangan dan garang
14	Messrs.	Fred Zweiback, Executive Secretary to Lieutenant Governor Anderson
15		Jay L. Shavelson, Deputy Attorney General,
16		Office of the Attorney General
17		Mrs. Julia T. Stahl, Secretary to the Commission
18		
19		and the sour () () () the same can
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21		Alex C. Kaempfer, Court Reporter
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1	(INDEX - Contid.)		TTEM CN	PAGE OF	PAGE &		
2	ITEM CLASSIFICATION		an hala (15) (http://wygaper.com/gaper.com/gaper.ac/m/gaper.ac/m/gaper.ac/	CALENDAR	CALBINDAR	OF TRAI	VS GRIE
3	4.	(Co)	ntinued)				
4		(E)	Pacific Cas and Electric Company	36	12	9	6
5 6		(h)	Pacific Gas and Electric Company	37	13	9	11
7		(1)	Safeway Stores, In	10. 2	14	9	15
8		(j)	Lindsey Spight	4	15	9	13
9		(k)	Standard Oil Co.	21.1	16,17	9	13
10		MoTI	ION ON ITEMS (a)-(k)	****	* * * * * * * * 0 * * * * 0 1 * 0	10	13 15 13
11	5.	City Tro	of Long Beach				
12		(a)	Construction of Co				
13			vention and Exhibi Hall	t 35	18,19,20	10	18
14			MOTION ON ITEM (a)				26
15		(b)	Dredging Alamitos	Bay 33	. 21	12	3
16		(c)	Improvement of App Way and Constructi	ian on			
17			af a Bridge	31	22		23
18			MOTION ON ITEMS (b),(c)	. , o e e e o o e e e e e e e	20	3 4
19		(d)	Subsidence Studies	32	23,24	21.	6
20			MOTION ON ITEM (d)			21	18
21		(e)	Subsidence Maint.	32	23,25	51	20
22		(f)	Pier E, Berths 125	70			
23			127 Wharf and Back Ares Development	34	26,27	51.	26
24		(E)	Pier E, Berths 118-119, etc.	34	26,27	22	22
25 26		(h)	Pier F, Rockwork er Dredging Fill		26,28	23	1

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(<u>i</u>) Pico M, oto.	<u> 5</u> 44	56, 58	23	•
(j) Chaumal 2 Prop. etc.	34	46,29	23	,
(k)) North Harbor Area, et	ic. 34	26,30	23	į
	MOTION ON ITEMS (e) & also covered (g), (h)	· (1) + + + + +	[©] ପ୍ରବ୍ୟର ୧୯୧୫ ୧୯		20
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6. <u>s</u>	ales of Vacant State				
S	chool Lards			23	9
	Moricon By MR. CARR (Amended by Mr. Carr) (Amended by Mr. Crens (Voted on)	operors:		• = 37	20 20 24
(a)		12	31	12	3
(b)	William I. Donahue	19	32	42	3
(c)	Anthony D. Gallo	10	33	42	4
(d)	Anthony E. Gallo	<u>(a)</u>	34		4.
(e)	Rey D. Martin (Sr.)	20	African Mily San y San I	42	5
(f)	Ben Mednick	30	36	40	r,
(g)	Marie L. Mobley and Ruth D. Forbes	21	37	42	Æ
(h)	N. H. Monroe	16	38	42	6
(i)	John J. Fytel	18	39	42	6
(j)	George Redda (Jr.)	8	40	#5	6
	MOTION ON ITEMS (a)-(j)	* * * * * * * * * * * * * * * * * * * *	୧୯୧୯୯୭ ୧୧୧୧		de la constante de la constant
(k)	A Band on	39	41	40	14
(1)	Calif. State Park Comm.	17	42	42	15
(m)	Imperial Irrig. Dist.	45	43.44	lio	18
	MOTTOR ON TIPMS (F)-(m)		460500000000	45	25

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1	IMDEX (Contid.)	ده چې د په و انځووندې سوم	er a waret a des		
2	ITER CLASSIFICATION	ITEM ON COLUMBAR	TACR / P CALLIDAR	PAGE OF TRA	
3	6∳Continued)				
4	(n) San Bernerdino Cou Ploca Control Dist	ın tı			
5	and Russell W. Fle		45,46	46	4
6	MOTION ON ITEM (n)	8 2 6 8 4 6 8 h 5 # 5 # 5 # 6			13
7 8	7. Selection and/or Sal		~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~	≈ & & & 1 }	J
9	(a) Selection and sale	**************************************			
10	60 acres, Riverside etc.	e County,	47,48		1.6
11	(b) Selection of 640 a	acres			
12	vacant Federal land San Bernardino Cour		49	47	18
13	MOTION ON ITEMS (a	a),(b)	, o a e o o e e e e e e e e e	48	5
14	8. Annexations.				
15	(a) Auth. for Exec. Off	licer to			
16	notify City Council of Pinole, etc.	of City	50	48	F7-
17	MOTION ON ITEM (a)		* * * * * * * * * * * * * * * * * * * *	48	18
18	9. Quitcleim Deeds.				
19	(a) Auth. for Exec. Of		-		
20	to accept a quitel deed from Dorothy	E.	,		
21	Cotton, etc.	11	· 51	48	so
22	MOTION ON ITEM (a)		000000000000000000000000000000000000000	49	1
23	10. Mineral Lease Offers				
24	(a) Auth. for Exec. Of reject both bids,	etc. 29	52	49	3
25	(b) Auth. for Exec. Off offer for lease 132	acres			
26	of land, etc. (Moe (c) Auth. for Exec. Off proceed with public	, to	53,54	49	23
	34 0 20 1 0 0 0 0 0	FER REPORTING SE	ERVICE 55	50	ST

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2	ITEM	Compared to the property of th	ITEM ON CALENDAR			
3	10.	(Continued)				
4 5	,	MOTION ON ITEM (a) MOTION FOR DEFERMENT MOTION FOR DEPERMENT	ON ITEM (1)	* * * * * * * * * * * * * * * * * * *	F0 F0	16 26
6	11.	Transfer of Jurisdict	i.Oli e			
7 8		a) Auth. for Exec. Of: to request written approval of Dept. o Finance, etc.		56,57	<u>G</u>	IO
9		MOTION ON ITEM (a)	* > + * * * * * * * * * * * * * * * * *	. · · · · · · · · · · · · · · · · · · ·	51	17
10					52	7
11	12.	Confirmation of trans- actions consumme ten by	7			
12		the Executive Officer etc.	7	58-63	52	9
13		MOTION ON ITEM 12	* * * * * * * * * * * * * * * * *		52	16
14 15	13.	Report on Status of Major Litigation.	38	64	52	18
16		(No Commission action	required)			
17	14.	Confirmation of date a				
18		time of June meeting of the Commission Thur June 23, 1960, at 9:00	Deg			
19		a.m. in Room 115 State	}			
20		Building, Los Angeles	der men die son ge		53	11
21		MOTION ON ITEM 14	0 6 8 4 3 8 8 5 8 6 8		53	19
22	Adjou	nment	t a a b a t e e o o e e o	* * * * * * * * * * * * * * * * * * * *	53	17
23		no mo	and the () () () the case that			
24	SPEAK			_		
25		Harold A. Lingle, Depu Jesse Gilkerson, City	Engineer, Lo	ng Beach	14	50 51
26		Reginald Knox, Assista Irrigation District .	nt Counsel,	Imperial	43	10

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4		¥.	ACTION ON THEM L	*****	, • • • • • • • • • • • • • • • • • • •	400 I	10
5	2.	Spec	cial Order of Eu	siness:			
6		Sul	ig Beach Tide an merged Lends				
7		Bou Tic	indary Determina In	eminor de la companya della companya della companya de la companya de la companya della companya	2	· ·	22
8			MOTION ON ITEM	C	*****	*** 7	5I
9	3.		nits, easements,	end			
10		righ	ts-of-way to be ted to public and r agencies of ne				
11							
12		(a)	Aptos Sanitation District	on 3	2	8	<u> </u>
13		(d)	Chula Vista, C	ity 40	3	8	4
14		(c)	United States	of Am 27	4	8	5
15		(d)	Dept. of Water	Res. 23	5	8	5
16		M	OTION ON (a) - ((d)	ତେବା ବା ବା ବା ବା ଦେବା ଦେବା ବା ଦେବା	8	20
17	4.	Perm	its, easements, rights-of-way is	leases	•		
18		puro	rights of way is uant to statutes blighed rental	soued o and			
19		poli	blished rental cles of the comm	nission.			
20		(a)	Humble Oil &		,,,	_	
21		(n.)	Refining Compe	-	6	8	15
22			Kern County Lar		7	3	19
23		(c)	James A. Idoyd Kenneth W. Hilt		8	8	20
24		(d)	Hazel Locke	24	9	8	50
25		(e)	Malibu Pier Cor	'P• 7	10	8	21
26		(f)	Northern Calif.			8	21

TUREAY, MAY 94, 1960 9:15 O'CLOUE A.M.

CHAIRMIN AND MICH The recting of the State Lands Commission will come to order.

The first item is confirmation of minutes of the meeting of March 24, 1960.

MR. CRANSTON: I move their approval.

MR. CARR: Second the motion.

CHAIRMAN ANDERSON: Moved that they be dispensed without reading? If no objection, so ordered.

Item 2. Special order of business. Long Beach Tide and Submerged Lands Boundary Determination, pursuant to Chapter 2000/57. Mr. Hortig.

MR. HORTIG: As the Commission will recell, further consideration on this matter was deferred at the last meeting of the Commission to today's meeting.

A representative of the City Attorney's office of the City of Long Beach is here today. The Chairman may wish to call on Mr. Lingle.

CHAIRMAN ANDERSON: Mr. Lingle, would you like to report from the City of Long Beach?

MR. LINGLE: For the record, I am Harold A. Lingle, Deputy City Attorney, City of Long Beach.

Gentlemen, since the last meeting there has been some marked interesting progress as you have undoubtedly read in the

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paper. The City has successfully had herrings in Washington and had essupences on additional money for repair work in the shippord. All of the money has not yet been appropriated out of the various places where it has to be appropriated, but at least the hearings that we did have, I am told, were successful.

We also in our recent City elections had a charter measure on whereby it was necessary that we conform our charter provisions similar to the State laws so that the operators of the various wells which are the subject of your demand and our resistance would be assured that they would go shead and drill. So we think that the legal steps so far as putting those wells into a unit have progressed, and we are having active talks with the operators.

Now, I realize those are two of the things that you were particularly interested in having accomplished, and to a great extent they have been accomplished.

are working still very hard on this Fault Elock IV; as you've been told before it's probably more difficult to put it together than the other two Fault Elocks that we did put together due to the fact that it's so large and there are so many people involved. In addition to that, I would suggest that the time that we have had in the last month, as I stated, I think that you put to good use and we've put to good use.

I also might call your attention to the fact that we have had an election. I will have a new boss as of the 5th of

July, there will be a new City /ttorney. There will be at least four new City Councilmen, and I den't mean to put this on any sort of a political basis but even if you were operating as a board of directors of any sort of a private corporation there are new people who are coming in who I think it might serve both of our purposes if they had time to familiarize themselves with the problems.

So I think that if you can see fit to put this matter over enother month we could make further progress on Fault Block IV, and we could also have time to familiarize these new officials with the problems that are in front of them.

CHAIRMAN ANDERSON: Any questions of Mr. Lingle?

Mr. Carr?

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Mr. Carr: Well, I don't have any, Mr. Chairman.

CHAIRMAN ANDERSON: Mr. Cranston?

MR. CRANSTON: No questions.

MR. CARR: Mr. Chairman.

CHAIRMAN ANDERSON: Mr. Carr.

MR. CARR: I've been looking at the record in this 20 matter, and I believe that this Commission has always had in 21 mind the joint interests of the State of California and the City 22 of Long Beach in this matter, and in response to a request by 23 Mayor Keeler, going back almost a year ago or more, actually the 24 Long Beach City Council authorized Mayor Keeler in May last year 25 to request this Commission to negotiate a settlement of this 26 boundary dispute so as to avoid any possibility of interfering

with this representing progress.

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the Commission, but I remember the first meeting that I attended of this Commission, we accorded to this request and we have gone along on this policy ever since, and I think advisable; I think we have been correct in our attitude and in our conclusions, and the things that we were anxious to accomplish which was to make it possible to assure the Navy and the citizens of Long Beach that this repressurizing program would work, everybody seems to be satisfied including the Navy who had a great interest in it.

Fut as of now, the very reasons that Mr. Lingle advances for putting it over another month seem to me to be the reason why we should. There is a new City Council coming into Long Beach. There is no reason to believe that they're going to come into office completely in possession of all of the facts and theories and policies that are necessary to consider to come to a point of negotiation over these boundaries or this boundary.

So I think that this is time now for this Commission to accede to the mandate of the legislature, which is to arrive at a conclusion as to where this boundary is, and in looking at the record, I remember in one previous meeting Commission Cranston — and we went along with him; we agreed with him — said that we were going on the assumption that everybody was negotiating in good faith, and I think we were.

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But I'm looking at some news releaves here where one of the present councilmen of Long Heach says that, and I quote from this newspaper:

"The word of Etate officials is worthless, Docley continued, and he likened them to the officials in Russia."

And it says:

"Dooley said the State has the temerity to send down punk lawyers 25 years of age to tell us what to do."

Now, Mr. Chairman, that does not smack of good faith as far as I'm concerned, and I personally resent it. I think it shows the opposite of good faith. But I don't think it represents the feelings of the City of Long Beach or the City Council.

Long Beach a service or the State of California a service and certainly I think that this Commission has been extremely cooperative, and it was our duty, it was our interest to do but so,/because of the fact that I don't think that any City Council in Long Beach is going to get themselves in a frame of mind where they will have the courage to nogotiate a settlement on an issue that is as red hot as this one is, and is liable to be kept that way, so I think the friendliest and the most sensible attitude that we can take is that as long as Mr.

Jacobson has said here, and I read this, in his campaign

literature, that he thinks this should be settled in the courts. I think that is one statement he has made that is correct. I think it should be.

General to take the necessary legal steps to get this cause into court and we settle it this way, and I think in that way no one will be subject to any undue criticism and especially in the City of Long Beach, the members of the commission who are -- the City Council who are working in the interests of the City and cooperating with the State will be relieved from unjust criticism on a giveaway program or any other of that kind of monkeybusiness, I think we should get it in the court in the friendliest way possible, and any way possible, and I move that.

MR. CRANSTON: Mr. Chairman, I second it.

CHAIRMAN ANDERSON: Moved and seconded. Any further discussions?

MR. CRANSTON: Mr. Chairman.

CHAIRMAN ANDERSON: Mr. Cranston.

MR. CRANSTON: I'd like to state, Mr. Chairman, that the principal reason apart from our desire to seek to negotiate this in good faith for delaying institution of a suit was that the Land Commission would in no way jeopardize the actions insofar as whether or not the Naval Base would be kept at Long Beach, and all information that has been made available to the Commission indicates that there is no longer any threat

at the present time that the Nevy Base would leave Long Beach, and there is every indication that whatever we might choose to do in regard to this boundary dispute would have no effect whatsoever on that particular matter.

A new reason is now advanced by Long Beach that they have a new City Council coming or perhaps they have a new City Council coming that we should take time for them to familiarize themselves with this situation, but it seems to me that we could go on finding new reasons forever, and we should bring this to a head. We have sought to negotiate in good faith and we have waited for the primary reason I mentioned insofar as the Nevy Base is concerned, and when we have somebody from the City attorney's office recommending that we delay and have his present boss in print here saying that the only way to handle this is to sue, I think that Mr. Carr is quite right, we should sue and reach a fair determination in that way with no hard feelings on either side as far as the Commission is concerned.

CHAIRMAN ANDERSON: I think we might also point out that there's still a possible chance of settlement even after the suit has been instituted.

Any further comments? If not, all in favor of the motion signify by saying aye. (Chorus of ayes.) Opposed? It's unanimous.

and rights-of-way to be granted to public and other agencies at no fee, pursuant to statute. And the first one is Applicant (a), the Aptos Sanitation District; (b) is the City of Chula Vista; (c) the United States of America; and (d) the Department of Water Resources. Those are the four items under Classification 3. Is there a motion to approve?

MR. CARR: I so move.

MR. CRANSTON: Second the motion.

CHAIRMAN ANDERSON: Moved and seconded. If there is no objection it's so ordered and approved unanimously.

Item Classification 4 is permits, easements, leases, and rights-of-way issued pursuant to statutes and established rental policies of the Commission. And the first applicant is (a), the Humble Cil and Refining Company. Mr. Hortig, if there are any of these you want to comment upon, I'll pause briefly.

MR. HCRTIG: I will, Mr. Chairman.

CHAIRMAN ANDERSON: Item (b), Kern County Land
Company; (c), James A. Lloyd and Kenneth W. Hilt; (d) Hazel
Locke; (e), the Malibu Pier Corporation; (f) is the Northern
California Plywood, Incorporated.

MR. HCRTIG: Excuse me, Mr. Chairman, if we may return momentarily to Item (d) Locke as appearing on page 9. The recommendation should have deleted from it the words "... a portion of Lot 2, Section 19, T. 28 N., R. 17 E., ..."

This is surplusage and would confuse the description of the area authorized to be included in the grazing lease.

CHAIRMAN ANDERSON: If there is no objection them to will be understood that the recommendation will be corrected to read as Mr. Hertip corrected it there.

We'll proceed on them to the next item, Item (g),
Pacific Gas and blectric Company. I understand that's the one
that Senator Short had criginally objected to, (g) and (h),
and I understand he has withdrawn his objection to both, correct?

MR. HORTIG: That is correct, by letter, Mr. Cheirman.

CHAIRMAN ANDERSON: The same with Item (h), Pacific Gas and Electric Company; Item (i), Esfeway Stores, Incorporated; Item (j) is Lindsey Spight; Item (k) is Standard Cil Company of California.

MR. HORTIG: With respect to Item (k) appearing on pages 16 and 17, Mr. Chairman, the staff recommends that, to be certain there is no misunderstanding, the proposal to account for royalties is to be strictly conformable to the terms and conditions of the existing agreement for essement #15.1, that the recommendation appearing on page 17 be restated as I will now read it: (Reading:)

"IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE
THE EXECUTIVE OFFICER TO APPROVE AN AMENDMENT TO
AGREEMENT FOR EASEMENT 415.1, SUBMITTED BY THE
STANDARD OIL COMPANY OF CALIFORNIA IN ITS LETTER
DATED APRIL 29, 1960, EFFECTIVE OCTOBER 29, 1959,

ALL CATING FOR ROYALTY PAYMENT UNDER LACEMENT

415.1, 6.48 OLD LENT OF THE GAS RECOURD PROM

NONUNITIES OF MEST INCLUDED IN THE UNIT AGREEMENT

POR THE ISLETON GAS FIELD, SACRAMENTO, CALIFORNIA,

EXCLUDING THEREPROM GAS USED FOR OPERATION IN

CONNECTION WITH SUCH PRODUCTION."

The calculation of royalty payments is to be in accordance with Standard's letter of April 29, 1960, which conforms with agreement for easement 415.1.

CHAIRMAN ANDERSON: What is your pleasure?

MR. CARR: I move approval of the staff recommendation.

MR. CRANSTON: Second it.

CHAIRMAN ANDERSON: Moved and seconded. All those in favor signify by saying aye (chorus of ayes). Opposed, no. So ordered and passed unanimously.

Item 5, the City of Long Beach Projects, approvals required pursuant to Chapter 29/56, 1st Extraordinary Session. Item (a) is the construction of convention and exhibit hall to be located on tidelands. Mr. Hortig?

MR. HCRTIG: The Commission will recall that at an earlier meeting it was requested that with respect to this item the staff arrange to have procedures established in accordance with the routine heretofore utilized by the Commission for having items of this type which required Commission approval first reviewed by the Commission staff and recommended on concurrently with and in accordance with the opinions of the

office of the Atterney General.

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Where had been discussion and items noted in the press which the Chairman brought to the staff's attention, that there had been comments that there had been discussion in the Attorney General's office with respect to this particular item without any prior consideration by the Lands Commission.

All procedures I am happy to report are back on the track with respect to the proper administration of Chapter 20 as it is viewed by the Lands Commission and by the Attorney General's office and pursuant to application by the City of Long Beach and with an opinion from the office of the Attorney General that if certain criteria are met the Commission may authorize the expenditure by the City of Long Beach from its share of tideland revenues of not more than six million one hundred thousand to be expended subsequent to May 24, 1960 for the construction of a Convention and Exhibit Hall to be located on tidelands is an item which may properly be considered by the Commission; the Staff having completed review of the purposes and found them to be in conformance with the requirements as specified by the Attorney General's opinion, recommends that the Commission authorize or direct approval of this recommendation.

MR. CRANSTON: I move that we approve this request from Long Beach.

MR. CARR: Second it.

CHAIRMAN ANDERSON: Very well. Project (a) has been

moved and seconded that we approve this. If no objection, it's so ordered and passed unanimously.

Item (b), Fredging Alamites Tay. And I just want to comment that our effice has received innumerable letters and telegrams the last few days protecting the procedure down there and raising certain questions. Has your office been receiving these, too?

MR. HCRIIG: No, sir, we had not.

CHAIRMAN ANDERSON: Mr. Zweiback has, I think, about six or eight letters there.

MR. HORTIG: Pursuant to promises or at least agreements made before the citizens had notified those groups who were on our mailing list that this item was to be considered, we had not at headquarters received any letters respective to this item.

Under the circumstances I could only suggest, Mr.

Chairman, consideration of deferment of action on this item
in order that we may have the opportunity to review and report
to the Commission as to the inter-relationship of these
projects and the project --

CHAIRMAN ANDERSON: For example, I know one of the telegrams I got this morning inquired into dredging of /lamitos Bay, what you were doing with the dirt, the excess dirt that is being taken out of the dredging. Now, that was public land; it should be distributed in public lands and it's being given to someone else. Do you know anything about this?

ME. HTTIG: Yer. May I suggest this is not actually a new item. The request here is for an extension of time to complete a project which the Commission has already authorized heretofore, but the authorization had a terminal date of June 30, 1960, and the project has not been completed and can not be completed by June 30, 1960, so the City is asking here for an extension of time into the next fiscal year for the completion of a project which the Commission heard previously and authorized previously. So this is not a new project.

CHAIRMAN ANDERSON: The next one is a new one, kind of part of the same thing, the Appian Way is part of the same project, and you're making a new expenditure on this. That's why I thought we'd bring this up.

MR. HORTIG: It's additional expenditure again on the Appian Way, on a project also previously authorized by the Commission.

Under the circumstances, not having read the objections, as I say, of the objectors feel that the staff should review and report as to whether they reflect properly on the items here being considered by the Commission.

CHAIRMAN ANDERSON: Well, this first one, Item (b), giving an extension of time, this will not in any way conflict with the staff doing that. But what about Item (c), the expenditure by the City of Long Beach of an additional amount of \$87,200?

MR. HORTIG: Again, this is expenditure of additional

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funds for an electic sutherized encloat, but in an amount prester than beretofore sutborized. So it is of the same nature, in one case were roney and in the other case were time, but for previously authorized projects.

Mr. CARR: I think we might authorize (b) and hold we (c), checking as to why this extra money is requested. I'd like to ask a question. As of this morning is there anyone here, do you know, or is enjone here from Long Ecoch that can tell us what the impact of this tidal wave was on this particular area here, -- Alemitoe Bay, was that -- ?

MR. HORTIG: We have both the City Engineer Jesse Gilkerson, and a representative of the Harbor Department. Mr. Al Wheeler, present, so both can report.

MR. CARR: I think it's pertinent to this to know what has happened.

> CHAIRMAN ANDERSON: Would you like to ack them now? MR. CARR: Yes, I would.

CHAIRMAN ANDERSON: Would you identify yourself for the record, please?

MR. GILKERSON: Jesse Gilkerson, City Engineer.

In respect to your inquiry relative to the tidal wave damage, actually in the Alamitos Bay area we had little damage. We did have unusual waves. We had the current receding very rapidly and almost draining the Bay, should we say, in a matter of minutes, a phenomena which is not normal. But we didn't have any boat damage down there, surprisingly enough. Demage occurred 1 : 2 to 3 : 5 to 6

the the Cerritor channel which is the connecting channel on the north side of Terminal Island between Long Beach and Long Ceach Harbor where you have a terrific rush of water apparently in the Long Feach entrance side through the Cerritos Channel.

MR. CARR: Was the pontoon bridge carried away:

MR. GILKERSON: No, it was not. The railroad was poing to be the only access to the Terminal Island for awhile.

MR. CARR: Was that because the pontoon bridge was nut out of commission or what's the reason for that?

MR. CILKERSON: Mr. Carr, perhaps Mr. Wheeler can answer that better then I. It's my understanding that they closed both the Schuyler Heim Bridge and the paralleling Bescule Bridge to the west of it during this phenomena, and it was in that area where the boats were sunk, small croft, and were dashed against the north goutment to the so-called Bascule Bridge.

Now, the pontoon bridge which is around to the east and which is across the Long Beach entrance channel, I understand, still maintains operation, and that apparently was the only access, vehicular access, to the island for awhile.

I say, I'm not as familiar with that as Mr. Wheeler.

MR. CARR: Perhaps the radio report was wrong. The radio report I heard about 5:00 o'clock this morning was that the Schuyler Heim Bridge would be the only access to the Island for a few days, which would indicate that the pontoon bridge

was carried away, but after all, maybe they just got it reversed. These early morning radio reports aren't always the most accurate in the world.

MR. GILKERSON: If that occurred in the morning, I wouldn't have any knowledge of it. I came up last night.

MR. CARR: But you do know that the Alamitos Pay project, as far as that yacht harbor and everything in there is concerned, was not damaged, is that right?

MR. CILKERSON: Not seriously. There may have been extensive erosion but we'll only be able to determine what that is after this is over. And fortunately, when this tide came up some 3 or 4 feet, and George Hart, a local attorney was watching it, we had a reasonably low tide. Now, if that 3 or 4 foot of surge had occurred concurrently with the high tide, we probably would have had the whole peninsula under water.

We were just fortunate that the current was at a medium or low tide and we didn't have serious property damage on the peninsula.

Centlemen, I would like to comment on these Items (b) and (c), if it would be in order, if you're finished with the questioning on this matter.

CHAIRMAN ANDERSON: All right, proceed.

MR. CILKERSON: In respect to Item (b) which is the dredging up around Alamitos Bay, Mr. Carr will recall, and the others that are familiar with Long Beach, that there has been a running battle in connection with those who have bost frontage and those who have docks and those who do not since late '49,

and animal control of the control of

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Rut this matter has been thoroughly sired in the council on numerous occasions and in respect to the matter at the last hearing before the council, there was a preponderance of support both from the island operation as well as those who had bosting interests, to go ahead with the project.

As a result of that, the plans were adopted, we have advertised for bids and all that we are asking today is that it's obvious we can't complete it by July the 1st, that this terminal date be extended.

Now, in relation to the disposal of this meterial, we discussed this at great length with the Lands Commission staff. There are not public lands immediately adjacent to the site on which to dispose of this material, and we have pumped over two million yards from the Marina project on to the ocean side of the peninsula. We had filled all the public land around there that is capable of filling with the type of material involved.

The disposing of this material in part on private property results in economies in connection with the operation. We are discussing the proposal to dispose of some forty of the one hundred thousand yards on public property on the north and south side of the Marine Stadium immediately adjacent to the area to be dredged. As regards the private property which flanks that public property to the north and south, there would be a drainage problem created if we filled the public land without

filling the edjecent public procerty.

In socition to that, we would have the additional pumping costs of rome thirty to thirty-five cents per cubic yard if we pumped this material out to the ocean side of the peninsula where we do not need it and where the material which is a black silt -- we've already had objections reised from the landowners down there that we pushed the ocean too far away from their property.

This filling of these so-called private lands was instituted by the City not with any ulterior motives at all but in the interests of trying to get a project which was workable and trying to save some money.

Our estimate is \$130,000 instead of one hundred fifty.

Now, the sixty-five thousand yards which was disposed of on private property adjacent to public property, we did ask consideration for this material which is a dredge type fill within a dike, and we must obtain deeds to two parcels of property which are required for the Marina, one for the Lido Lane widening and another for connection with our Marina Drive and the West Davies Bridge, properties on which we were negotiating and for which we will have to pay good money if we do not otherwise obtain them through this so-called arrangement

Now, I petition you gentlemen, this has been thoroughly aired. There have been hearings over 6 or 8 months on this before the City Council. We have already advertised for bids.

There is no "nigger in the woodpile" at all. The people who are

protesting represent, I'm sure, a minority of interests down there and you are never going to reconcile all the different groups in the area anyway. You have as many different thoughts down there as you have people. I know of no area in the City where there are as many controversial issues which have been raised.

There have been some political overtones in this but

I think it's interesting to you gentlemen to note that

Councilmen Louis Rees who lives in the district and who resided there for years voted in favor of this project when it came up for vote in the Council, and there were only two negative votes.

I would petition that you accede to our request and the recommendation of your staff and authorize the extension of this terminal date to its completion.

MR. CRANSTON: Mr. Chairman, since both items are to implement projects previously approved, I move the approval of Items (b) and (c) in accordance with the staff recommendation.

MR. CARR: I second the motion, Mr. Chairman. And I might comment that I passed by this area last Saturday and again last Sunday, and I wasn't aware that, at that time that there was this controversy, but it's definitely an improvement which is much to be desired, and it's going to result in a better use of that area for recreational purposes.

And as far as putting this fill on private land, it's certainly going to increase the assessed value of that land and the City is going to be getting taxes out of it. I'm in favor

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of taxes as long as we don't have to raise them. We need the money.

CHATRMAN ANDERSON: Moved and reconded that Items (b) and (c) of Item 5 be approved according to staff recommendation. Any further discussion? If no objection, it's approved unanimously.

Do you want to comment, Mr. Zweiback?

MR. ZWEIBACK: No comment. Mr. Chairman, but I'd like to insert in the record that the mail that's on the deak here was all postmarked from Long Beach over the week end and arrived in our office, I am told, yesterday, late yesterday afternoon. Of course, neither one of us being there, we had no chance to read it until just prior to the meeting this morning.

If the Chairman would like, we can just read the names of the major ones that sent them. Mrs. C. H. McFadden sent in two letters; there's a letter from Mrs. A. L. Miller; there's a letter from Mr. Edgar Miller; and there's a letter from Mrs. Gloria Maupin, M-a-u-p-i-n; and there are two other letters containing about a dozen or so signatures each.

All of these letters are eddressed to our office, Mr. Chairman, but are also addressed to the members of the Lands Commission. The material contained in them is so voluminous that it would have been impossible to digest them in any form in advance of this meeting.

CHAIRMAN ANDERSON: Well, then, for the record you'll turn that over to Mr. Hortig for the staff to peruse?

MR. THUIPACK: I shall.

CHAIRMAN AND SECON: I have at least one wire, maybe two, on my deak that I shall also turn over to Mr. Hortig.

Then if there is no objection, Items (b) and (c) will be approved unanimously.

Item (d) is Subsidence Studies. Mr. Hortig?

Mr. Hortig: The Commission will recall that as a continuing procedure it is necessary for the Harbor Department to undertake subsidence studies on an engineering evaluation basis. The Commission has heretofore approved, pursuant to statute, on a fiscal year basis amounts to be utilized for such studies. The recommendation now before the Commission is for approval for the fiscal year '60-'61 of an amount not to exceed \$246,000 for the conduct of subsidence studies by the Long Beach Harbor Department.

MR. CRANSTON: I move approval.

MR. CARR: Second it.

CHAIRMAN ANDERSON: Moved and seconded we approve these items. If no objection, it's passed unanimously.

Item (e) is Subsidence Maintenance. Any comment on that, Mr. Hertig?

MR. HORTIG: Only in this sense, Mr. Chairman, that the balance of the items including (e) are repetitious or additions to authorizations heretofore approved by the Lands Commission, that is, Items (e) through (k), with only one additional comment as to Item (f) appearing on page 27, under

Item 1 on page 27, the approval sought for Borths 195-127
Wharf & Pock Area Development, should include in the statement
that this is an approval for "second phase" costs, the term
"second phase" as it has been defined for the Commission
consists of additional costs approved subsequent to review of
detail construction plans and/or other data sufficient to guide
construction operations.

MR. CRANSTON: I move approval in accordance with
the staff recommendation.

CHAIRMAN ANDERSON: Was that Item (e) you were talking about, Item (f), or both?

MR. HORTIG: The modification was to Item (f) and the statement with respect to the items being standard refers to everything from Item (e) through Item (k).

CHAIRMAN ANDERSON: 0.K. It's been moved that Items (e) and (f) be approved.

Mr. Carr seconded the motion. You seconded the motion of approval of these two items?

MR. CARR: Yes.

CHAIRMAN ANDERSON: If no objection, so ordered and passed unanimously.

Item (g) is Pier E, Berths 118-119, Oil Terminal, and the same reports will cover that?

MR. HORTIG: Yes, sir.

CHAIRMAN ANDERSON: If no objection, then, this will be approved with the others.

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Them (h) is fier F, Rockwork and Dredging Fill (and Phase). And your explanation, I believe, included that one, too, didn't it?

MR. HORTIG: Yes, sir, overything through Item (k).

MR. CRANSTON: And my motion covered through Item (k).

CHAIRMAN ANDERSON: Your motion covered through Item

- (k). As I understood the motion as approved covered Items (f) through (k).
- We will proceed then to Item Classification 6. Sales of Vacant State School Lands.

MR. CARR: Mr. Chairman, I'd like to make a comment here. As a member of the Public Works Board we are approving from time to time the purchase of lands for the State Parks and Recreation Division, and a rather cursory examination of the requirements and needs of the State Park system indicates to me that there are some of these areas which we are selling that we probably could better use if we kept them and made sure that we get the full use out of this land, and this was brought to our attention in this famous case where we sold some land for three dollars an acre and turned around and bought back the same kind of land for ten dollars an acre.

Now, the needs of the Beaches and Parks Department are great, and I would like to suggest here, move that we, before we sell any more of these surplus school lands or any other lands that are presently owned by the State, take a more detailed inventory and make sure that the lands that we are

owning at the present time are lands that we want to sell and not lands that we might want to keep for the use of our Posches and Parks Department for their growing needs.

They're all over the State. Some of these lands are in the desert; some of them are in the mountains. And they're all potential, good recreation lands. I think we ought to take a good look at the property the State now owns and make cure we don't need it before we sell it.

CHAIRMAN ANDERSON: Mr. Hortig, right now what is the procedure of notifying other State agencies, particularly the Parks and Beaches of the sale of these school lands?

MR. HORTIG: Well, first, Mr. Chairman, the Division of Beaches and Parks is completely informed as to the location of all existing vacant State school lands which could be sold upon application. I believe they have as a matter of routine access to the knowledge of proposed sale of actual parcels but I think the major item for the information of the Commission is the fact that the Division of Beaches and Parks knows as to the location of all the lands that the Commission potentially might sell whether the Commission has applications for purchase at this time or not.

In certain specific instances, at the direction of the Commission, when there were areas being offered that in general appeared possibly might have recreational values, these were again specifically called to the attention of the Division of Eeaches and Parks and other agencies, State agencies, who

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might have interect, without the recent considerations of the sale of vecant State acheol lands under Salton Sea, suggestions that any other State agency might be interested in those were rejected by all other State agencies including Boaches and Parks.

We have yet another item on the agenda here today for consideration of possible sale of such lands to the Imperial Irrigation District es a quasi-public organization who might better administer and utilize the lands and have ther remain on the vacant land list.

MR. CARR: Mr. Chairman.

CHAIRMAN ANDERSON: Mr. Carr.

MR. CARR: We are being asked to approve an augmentation at the present time of \$340,000, that is, the Public Works Foard is, \$340,000 to acquire land slong the banks of the Salton Sea.

Now, I don't imagine that all of these lands which the State now owns or even the very large part of them are appropriate for recreational use, but I do know in talking over with the Division of Beaches and Farks that they haven't had the staff or time to really investigate these publicly owned lands and they couldn't tell you today without considerable staff work whether they are interested in them or not, but it seems to me in the interest of economy and good management of the property that we now own that we should know more definitely whether these lands are appropriate for State use or not before we sell them.

I make it in the form of a motion.

CHAIRWA AM FRAM: How do you do that, though, if they already notified them of all the potential land to be sold and they don't indicate an interest in it?

MR. CARR: Well, I think we could do it this way, that we could spot these lands on a map and I don't know where these lands are but I sit here and approve these sales and I don't know any were about it than the State Beaches and Parks Repartment.

CHAIRMAN ANDERSON: Doesn't the staff of the Beaches and Parks know where all the potential land is that even might be for sale, not just that that we're selling but all of our petential land?

MR. HORTIG: Py geographical location, yes, sir.

CHAIRMAN ANDERSON: And I assume on maps and overything in connection with their own parks and beaches and their own programs?

MR. HORTIG: With relationship to existing beaches and parks they know this. I might point out a typical example, although this is in the minority, of the type of program that I understand Mr. Carr is proposing. If the Commission will refer to Item (1), there's a proposal to sell a specific piece of vacant State school land for addition to Dry Lagoon Beach State Park without advertising to the State Park Commission for additional parks.

Now, here's one instance where a piece of land has been

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 indicated by the Tank Commission as being desirable to their purposes and which we are recommending it be sold to them without the necessity for going to competitive public bidding and bid against the world in view of the State interest in the retention of this percel in the State Park System.

CHAIRMAN ANDERSON: I was just inquiring how you thought we could hold it up any more than we are holding it up now.

MR. CARR: Well, Mr. Chairman, we have a new Director of the Division of Peaches and Perks, Mr. DeTurk, and he hasn't had time to become fully acquainted with these lands, I don't think.

I've discussed this with him personally and I think that he feels that inasmuch as we have a program of acquiring more land for beaches and parks and inasmuch as that appropriation is somewhere, I think even with the last budget correction, about twelve million dollars over-appropriated for the things we want to buy now, there's a definite saving by close examination of this program -- I think there's a definite saving to the State of California -- as well as making it possible to acquire lands in areas such as these. These lands are worth quite a bit of money or people wouldn't be bidding on them.

CHAIRMAN ANDERSON: What would your thought be, to give an agenda each month to the Division to have them approve any of these before we sell them?

MR. CARR: No. I think the discussion that we've had is that we set up the inventory of these State-owned lands on

punch cards so that we can, in such a way, identified in such a way that we can take an inventory and give it to the Division of Feschet and Parks before these lands are offered for sale, before they're put up for sale, so that they can isolate certain areas and certain lands that they think would be appropriate for their program and then we negotiate with

It seems to me there's a possibility that we would acquire these necessary lands for recreational purposes factor and also in buying them for ourselves we would get them at a much lower price and seve the tempeyers some money.

MR. MCRTIG: Mr. Chairman.

them on that besis.

CHAIRMAN ANDERSON: Mr. Hortie.

MR. HCRTIG: I should like to comment that the inventory though not in the punch card type but in mimeographed sheets by indicating parcel, section, township, range, county, specific geographic location, has heretofore been furnished to the Division of Beaches and Parks, is available on a current basis on any day to the Division of Beaches and Parks in its latest revised form; if the Commission today, for example, authorizes sales of certain of these lands as recommended, the inventory, of course, is changed immediately.

This revised inventory, as I say, is available immediately to a State agency after completion of action by the State Lands Commission either on an informal or a formal basis.

I should like to bring to the attention of the Commission

and to Mr. Carr as the Director of Finance, that the next oter over and above inventory is probably classification in order that an agency such as Feaches and Farks in addition to knowing the geographic location also would have a description of the probable utility of the particular parcel of land to that program.

Preparing such a classification either on study by
Eeaches and Parks or by the State Lands Commission, of course,
would represent a project which has not been undertaken
heretofore to my knowledge by either agency, but certainly
could be carried on, but in order to carry on would require
staff specifically assigned to that project.

MR. CRANSTON: Mr. Chairman, it seems to me that Mr. Carr as Director of Finance should have an opportunity to discuss this with the new heed of the Division of Beaches and Parks with whom he shares budget responsibilities.

I'd like to ask Frank, would we run into any technical, legal snarls if we delayed action on these items until the next meeting so that there could be recommendations submitted in written form on these and probably the policies forwarded for further consideration.

MR. CARR: Mr. Chairman, I'm not putting in my motion that we withhold action on these. I think we should take action on these applications, whatever the appropriate action is, but I want to make my motion read like this, that we instruct the Lands Commission or Division, whichever is the

appropriate one, to inventory and classify the lands presently owned by the State and we then discuss this inventory and classification with the Division of Feaches and Parks, and also the Youth Authority and Corrections and everyone else that has any programs for acquisition of additional land before we offer them for sale. That is exclusive of these present.

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CHAIRMAN ANDERSON: You've placed that in the form of a motion?

MR. CRANSTON: What would be the effect of that on matters that are scheduled now to come before us at our next meeting?

MR. CARR: Well, I would say that it would exclude every one except these that are in front of us now. I don't know, I would like to be advised on that.

CHAIRMAN ANDERSON: Are you able to do this with your present staff?

MR. HORTIG: I feel that we should undertake a feasibility study and report to the Director of Finance as to the various types of classification studies which could be undertaken at various costs and then determine which of those might represent the optimum return for Beaches and Parks for the program the Director has in mind before we actually undertake this study. We could undertake this starting immediately after having received direction to do so.

I would like to suggest possible consideration of

modification or clarification of the Firector's motion in tide sense, that over and above the applications which are being considered today for cale, consideration might be given to these applications now pending which have been filed with the State Lands Commission, but which have not been processed to completion but which were filed in good faith.

The other remaining alternatives then are that the Commission direct either that such inventorying classification run concurrently with the normal procedures of the Commission, which means that over a period of time there would be less and less land available for selection for Beaches and Parks purposes, or direct today the withdrawal from public sale of all remaining vacant State school lands for which applications are not on file as of today, process to completion those applications which are on file, and during the time of the withdrawal undertake this study and determine as to what the future sales program of the Commission should be.

MR. CRANSTON: John, how about restating your motion as you would like to make it in the light of his comment?

MR. CARR: I would like to make the motion in this form, that we act on these applications that are before us today, that we suspend all further sales until such time as we have had a chance first to review those that are partially in process and perhaps process them on through, but aside from those that are to be considered today and those that are in process, which we would review before we further continued the process, that we

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hold them up until we have this review and classification.

Now, I've been looking these things over as we all have. It says: (Reading:)

"A staff appraisal shows" -- and this is a standard paragraph -- "that the land is not suitable for cultivation without artificial irrigation and establishes its value at \$15 per acre, . . "

Now, it just happens that I know, and we all know lands that were sold for \$15 an acre, subdivided and put out on the market for many times that amount. This is no attack on private enterprise, but I think that we should make sure that we don't sell land for \$15 an acre that may have water under it.

There's a lot of desert land that there's no water on the surface but I happen to know where you can drive a well into this desert out there and get plenty of water for domestic purposes, and in some cases they've got whole lakes of water underneath them.

Now, it doesn't seem to me to make very much sense to sell land for \$15 an acre when the State turns around and pays thousands of dollars an acre for land which is perhaps no better than this, except we just didn't happen to find out whether there was any water there or not before we sold it.

CHAIRMAN ANDERSON: Mr. Hortig, you heard his restated motion?

MR. HORTIG: Yes. I would like to restate again for

consideration, however, Mr. Carr, that the problem of the equity to those applicants who have filed applications, who have deposited monies, who have expended monies in seeking purchase of these lands, and ask your reconsideration of the possibility of completion of those pending applications which are not too numerous that are being processed.

MR. CARR: How many pending applications are there?

MR. SMITH: Roughly, 100 to 125 pending.

MR. CRANSTON: Is there any legal objection to our stopping action on whatever actions we choose?

MR. HORTIG: We would have to evaluate that. There might be some applications in a particular stage of processing where we might have commitments to complete.

Therefore, my suggestion would be that possibly the most orderly procedure would be to simply process to completion all applications which by the normal course of circumstances are on file as of today with the Lands Commission, and then have a clean cutoff, a very distinct cutoff point for consideration, inventory and classification of all the remaining lands having withdrawn from public sale all the remaining vacant State school lands which withdrawal incidentally is specifically authorized by statute.

MR. CRANSTON: Do we have legal authority to do that, to stop, to withdraw from sale those on which there has been no bid?

MR. SHAVELSON: Yes, I think Section 6210.2 of the

and the regulations specify that ofter the Yidding procedure in completed and there's a review of the recommendation of the divisions the Commission may make final sward or take such other action as pullic interest indicates.

Now, before making or expressing a final opinion, I'd like a chance for more careful study but that would be my tentative view.

MR. CRANSTON: Well, Mr. Chairman, I would like to second the motion, to amend it to provide that on all pending applications not presently before us that we continue to process them and that the staff make all efforts to find out if any State agency is interested in any of them and at the time they come before us to advise us whether interest has been indicated by any State agency.

I would also like -- not pert of the motion -- but
to ask John if he would undertake to consult with the head of
the Division of Beaches and Farks and other agencies on this
general policy matter because I think that word from him in
relationship to the budget problems that we face in the State
of California should supplement whatever word came from our staff
in regard to this. It would create, perhaps, greater interest
on the part of these agencies.

MR. CARR: Mr. Chairman, the Division of Beaches and
Parks has already been in on such a discussion, and they are
very much interested in exploring the possibilities of the lands

precently owned.

Mr. Oronston, I think your amendment actually reads then that in effect all pending applications are automatically O.K.'d, right?

MR. CRANSTAN: No.

MR. CARR: Because when do we ever turn one down?

MR. CRANSTON: We consider each one here; we have some before us now; others will come before us later. But those will be given priority for reference to all State agencies who might be interested so we can find out if they are interested in acquiring them.

CHAIRMAN ANDERSON: How would you interpret the word "pending"? Would that be any person who has put a cash deposit down or any person who has inquired?

MR. HORTIG: Where an application has been filed, which is specifically detailed in the law and the rules and regulations and where an application has been accepted and filed in accordance with law as of today.

CHAIRMAN ANDERSON: So the words "pending application" is clear as far as you are concerned?

MR. HORTIG: Yes.

CHAIRMAN ANDERSON: So you could live with this motion as amended by Mr. Cranston?

MR. HORTIG: We could implement and administrate under any of the motions. I would like to suggest consideration of Mr. Cranston's amendments as a matter of equity to the applicants

who have deposited money.

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CHAIRMAN ANDERSON: Will you accept Mr. Crenston's emendment, Mr. Carro

MR. CARE: I'd like to ask Mr. Hortig a further question. You say there are pending some 150 applications?

MR. HORTIG: Some 100, I believe.

MR. SMITH: 100 to 125.

MR. CARR: 125 in addition to these that are before us today?

MR. HORTIG: Yes, sir.

MR. CARR: And your amendment would include that those go through --

CHAIRMAN ANDERSON: Be screened.

MR. CRANSTON: That they be screened with all agencies that have an interest in them before we act on them here, but we keep processing them as they come before us.

CHAIRMAN ANDERSON: Now, then, anything that comes in after these 100 or 125 that are pending, what happens to those now?

MR. HORTIG: They are rejected. They are not accepted. They are not filed.

CHAIRMAN ANDRESON: Until what?

MR. HORTIG: Until the Commission restores the vacant
State school lands to public sale. The motion today would
require a withdrawal from public sales of vacant State school
lands and thereafter the staff would no longer accept applications

and if any further amplications were received, they would be returned with the statement that the Commission had withdrawn the lands from sale, therefore no application could be accepted.

MR. CRANSTON: I'd like to sak one other question on a matter which is now pending before us, and on its way to us, if Mr. Cerr finds that Boaches and Parks is interested in one of these items, what are our powers than insofar as turning down the bid of the citizen and giving Beaches and Parks on opportunity to --

MR. HORTIC: Well, your powers are complete. The equitable considerations and the relationships of State interest versus the equities of the applicant would be the items that would have to be determined by the Commission by motion.

MR. CRANSTON: But we would have the power if we chose to turn the citizen down and p ive the State the opportunity?

MR. HORTIG: Yes. And on rare occasions this has been found to be necessary by State Commissions previously.

IR. CAER: Nr. Chairmen, my motion contemplates this. We do it very fast, as fast as possible obtain rundowns on locations of these various pieces of lands and give Beaches and Parks and these other State institutions an opportunity to take a look at them and on a rather rapid basis because what I would hope to do is to get into the hands of the State institutions those appropriate lands and then we pursue a vigorous policy of disposal of the rest, getting them on the taxrolls and getting money into the State treasury.

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of this property getting on the tex rolls as possible, so I'd like to see these sales go on. How soon do you think, Mr. Hortig, you could get together with these different departments and work out some sort of a procedure with the staff that you have and the staff they have because I understand there is a staff problem? You don't have it, is that right?

MR. HURTIG: Well, complete classification would be a stelf problem beyond that to which we had allocated any stelf heretofore. However, as of tomorrow we could dispatch to every State agency a complete inventory of the vacant State school lands in California by peopraphical location.

CHAIRMAN AMERSON: You don't do this now?

MR. HORTIG: We have heretofore done it only on request of the agency because in general we had been informed previously there was no agency interest nominally in vacant State school lands, and our experience has been that even in those instances where we have brought specific potential sales to the attention of the agency, we have been informed that there is no agency interest.

expressions from all agencies potentially interested in Salton all State agencies particularly interested in Salton Sea.

Similarly, the Commission will recall that we had a pier which the Federal Government was willing to sell at cost, which was located on State lands, and the State had first refusal; failure

a pier that had possible recreational advantages, was obviously on the water in Carquinez Straits, and our file again is a complete series of rejections from every State agency who were contacted with respect to the desirability of that perticular facility to their operations, so the standard practices as a result of this experience have been to not routinely circularize all State agencies but do it in those instances where it appeared there might be an interest and certainly to report to the Commission and to withdraw or withhold and make available for sale even as on the colendar today those specific parcels of State land which other State agencies indicate they need in their business.

MR. CARR: Mr. Chairman.

CHAIRMAN ANDERSON: Mr. Carr.

MR. CARR: The case of the pier cited by Mr. Hortig is one of the incidents that elerted me to the fact that in many cases the left hand of the State of California doesn't know what the right hand is doing, and this is a pretty big State and it's really difficult to get these various agencies acquainted with what the other person, other one, might own, and that's the reason why I want to get this classification.

This is not criticism of Mr. Hortig's staff. It's just simply a lack of communication between various State departments

and I think it's costing us money and keeping us from the best development of these recrestional facilities.

CHAIRMAN ANYMETERN: Well, how soon do you think we could get tack to the procedure of putting these lots up for sele?

Could this be done by the next meeting, some sort of procedure set up?

MR. HUHTIG: I would say no.

MR. CARR: If Mr. Hortig would have to have some staff assistance, I would undertake to get the loan of some staff people from these agencies interested including the Department of Finance, see if we can't talk these things out. We certainly aren't going to hold these things up indefinitely but I would like to have a good statewide look at it.

MR. HORTIG: Well, the snawer there, Mr. Chairman, is that the inventory is available right now. The question then is, what of the lands in the inventory are of interest to any other State agencies, and this is a decision which, of course, has to be reached by the agency who wants the lands.

MR. CARR: And therein would have no control. The prime classification would be geographical.

MR. HORTIG: We have that.

MR. CARR: That's a rough classification, and in order to make it easy for these other agencies to interpret whether or not they're interested, we could simply pinpoint it on a map in general in areas and then let them take a look at it, but it's going to take a little time. It's going to take a little

staff work and cost a little womey, but I think it would say off.

MR. 2WFIFACK: Mr. Chairmen.

CHAIRMAN AMERICA: Mr. Zwoiback.

MR. ZWEIBACK: There may be a bit of problem here on semantics, but as I understand it when Mr. Hortig and the staff use the term "classify the lands," it's my improssion that this means the process that takes place when the appraisar goes out there, that is, actually views the land, describes the terrain, and whether water is available, and for what other oursess aside from agriculture it might be useful.

Now, if we use the yardstick of what the normal appraisal costs are to go out and do this for the applicant and multiply it by the parcels, I'm just wondering how much money we're talking about? As I say, we're using that word "classify" in a general way in this discussion, whereas the staff uses it in a specific manner to mean a specific function.

MR. CARR: When you just say that lands are not or would not be suitable for agriculture without artificial irrigation, that applies to nine-tenths of the lands in California, but we're trying to get the water bonds voted for irrigation and other purposes that we use water for, so I think that this procedure is definitely in order.

I move the question.

CHAIRMAN ANDERSON: It's been moved and seconded, the motion as amended by Mr. Cranston and the amendment by Mr. Carr. All those in favor signify by saying aye (chorus of ayes).

Opposed, no. The motion is carried unaniwously.

Then we'll proceed with the sales of vacant State school lands, Applicant (a), Helen M. Bouer; (b), William Irving Donahue; (c), Anthony E. Gallo; (d), Anthony E. Gallo; Mobley (e), Ray D. Martin; (f), Ben Mednick; (g), Marie L./and Ruth D. Forbes; (h), N. H. Monroe; (i), John J. Pytel; (J), George Rodds.

MR. CHANSTON: I move approval of Items (a) through (j).

MR. CARR: Second the motion.

CHAIRMAN ANDERSON: Moved and seconded that Items (a) through (j) be approved. If no objection, it's passed unanimously.

We will now proceed to Item (k), Adrienne C. Burke; (Item (1) is the California State Park Commission.

MR. CARR: Now, this is done without advertisement, as Mr. Hortig mentioned before.

CHAIRMAN ANDERSON: Item (m) is Imperial Irrigation

District, which is also without advertising for tentative bids.

MR. HORTIG: Mr. Chairman, this is a proposal as to procedure which would be followed if satisfactory to the Commission. There are no pending applications from the Imperial Irrigation District. There were inquiries whether the Commission would consider with favor this procedure for selling because of the quasi-governmental status of the Imperial Irrigation District such lands as are vacant State school lands

under Selton Sea to be sold to the Imperial Irrigation District at the market value established by staff appraisal but without the necessity for advertising for competitive public bids.

CHAIRMAN ANDERSON: When we sell this now to the Imperial Irrigation District they in turn consult with someone else without any -- or someone can sell without any advertising to whoever they want. This is not actually a public agency, is it?

All right, Mr. Knox.

MR. KNOX: My name is Reginald Knox. I'm Assistant Counsel from the Imperial Irrigation District. I was asked to appear here today to answer any questions you might have in connection with this matter.

I'd like to say first that the Imperial Irrigation

District is a political subdivision of the State of California and it's organized as many of the other irrigation districts in the State are, and carries out public functions mainly for distributing water and providing drainage for the lands in the Imperial Valley.

The Salton Sea is a necessary sump, so to speak, for the disposal of drainage water from the irrigated lands in the Imperial Valley, and it has been the policy of the Irrigation District over many years to protect that erea for continued use as a sump.

And in connection with that policy, we have acquired and now own approximately 150,000 acres of lands that underlie the

States, and back in the twenties was withdrawn from public entry as a public water reserve for purposes of drainage.

And that is the status of the matter at this time.

And I might cay further that the Imperial Irrigation
District does cooperate with the State and the various agencies
of the State who wish to acquire any of the land that the
Irrigation District owns in the Salton Sea area.

As Mr. Carr pointed out, at the present time there are several miles of beach on the north side of the Salton Sea that are leased to the State Division of Beaches and Parks.

Likewise, there are several hundreds or thousands of acres in the south end of the Salton Sea that are leased to the Department of Fish and Geme and also there are several thousand acres under lease to the Federal Fish and Wildlife Service.

All those leases are for nominal rental of perhaps one dollar a year, or something like that.

CHAIRMAN ANDERSON: If you wish to dispose of some of this land, you can sell it direct to one of your members without any advertising, can't you, or any competitive bid?

MR. KNOX: Yes. However, it has been the policy of the district not to sell any of these lands; the district has leased lands and appropriations are placed in the leases to protect the district from litigation and liability for changes in the level of the sea.

But the policy is not to sell the land although it could

he done.

CHAIRMAN AND ERS IN: Is thic district like so many of them are, where it consists solely of the people who own land and they vote in proportion to the number of scree they have?

MR. KNOX: No. Any resident of the district otherwise qualified to vote can vote, regardless.

CHAIRMAN ANDERSON: Whether he owns any property or not?

MR. KNOX: Correct.

CHAIRMAN ANDERSON: I see.

MR. CARR: Mr. Chairman, at the present I don't see any conflict of interest between the State and the Imperial Irrigation District.

CHAIRMAN ANDERSON: Does Mr. Hortig feel that it is in the public interest that we sell this at this time?

MR. HORTIG: Yes, in view of the fact that the State
Lands Commission's remaining holdings are in scattered cells
throughout the Sea have raised the administrative problems that
they have in the recent past and therefore this consolidation
for administration in one political subdivision and obtaining
for the school land fund the full market value of the lands
appears to be potentially happy solution for the entire problem.

MR. CRANCTON: Mr. Chairman, I move approval of Items (k), (1) and (m).

MR. CARR: Second it.

CHAIRMAN ANDERSON: You heard the motion. If no objection, it's passed unanimously.

 All right, continuation of Item Classification 6.
Cales of vacantistate coloci lands, applicant (a), San Lernardian
County Wood Control Listrict and Purcell W. Elector and
Max Schlosser.

Mr. Harri: Mr. Chairman and Commissioners, because Mr. Max Schlosser has withdrawn this application for purchase, the recommendation relates to now only rejection from purchase application of Mr. Russell V. Pleases of 191.24 scres of vacant State school lands, and withdrawal from sale pending filing of proper application by San Bernard no County Flood Control District, with Mr. Blease to be permitted to proceed with the purchase of the balance of the lands contained in his application if he so desires; if not, his application is to be cancelled and all deposits refunded.

The problem crose from the fact that during the time that applications to purchase were received, there were also pending, there was also pending an application filed by the Flood Control District for the lease of cartain lands which are necessary for flood control works.

The District has concluded that the preferential and the only practical approach is to purchase the land in fee, and therefore it is recommended that the specific percel required for flood control activities be held for sale to the San Bornardino County Flood Control District with the remaining applicant for the remainder of the land to be given his option as to whether he desires to complete the purchase or withdraw.

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No. 18945 To the second of the staff recommoda-

MR. CARR: Cocyand 1t.

OHATHMAN ANDRESON: How do you errive at the price for San Bernardine County Flood Control District. Is that hid the same as Mr. Blodsoe bid on?

MR. Homfig: Same market price, the minimum which Mr. Bledsoe would have bid for the same land, being the Cull market value. It isn't the competitive bid price but no less than the full market value may be accepted by the Commission and be deposited in the school land fund, which is a permanent trust fund.

CHAIRMAN ANDERSON: Been moved and seconded. If there is no further objection, it's approved unanimously.

Them Classification 7 is selection and/or sale of vacant Federal lands: (a) Selection and sale of 60 acres, Riverside County, to Ivan E. McKinley, at appraised price of \$2,895.00; Item (b), Selection of 640 acres vacant Federal lands in San Bernardino County, and authorization for sale thereof pursuant to the rules and regulations governing the sale of vacant State school land.

MR. HORTIG: Lest there be any lack of full understanding, the staff will consider this last recommendation as also being subject to the policy adopted by the Commission earlier in that these lands when they are received from the Federal Government will be placed on the vacant land list. They will be on that

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MR. CRANSTON: I move it be approved.
MR. CARR: Second the motion.

pending further action by the Commission.

CHAIRMAN ANDREGEN: Moved and seconded it be approved. If no objection, the motion is passed unanimously.

vecent lend list, which has been withdrawn from public sale

Item 8, Annexations. (a) is Authorization for Executive Officer to notify City Council of City of Pinole that determination has been made that present value of state-owned tide and submerged lands of San Pablo Bay proposed to be annexed under Resolution No. 177 is \$927,000.

Mr. Cranston; I move approval.

MR. CARR: Second it.

CHAIRMAN ANDERSON: Mr. Hortig?

MR. HORTIG: Mr. Chairman, for your information there were no objections from any of the upland owners of land within any annexed areas.

CHAIRMAN ANDERSON: Moved and seconded Item 8 be approved. If no objection, it's approved unanimously.

CHAIRMAN ANDERSON: Item Classification 9. Quitclaim Deeds. (a) is Authorization for Executive Officer to accept a quitclaim deed from Dorothy E. Cotton, evidencing termination of lease PRC 2065.1, covering submerged lands in Sacramento River, Sacramento County.

MR. CRANSTON: I move approval.

Mr. Carr; Second it.

CHAIRMAN ANDERSON: It's been moved and seconded. If no comments or objections, it's approved unanimously.

Item Classification 10. Mineral Lease Offers.

(a) is Authorization for Executive Officer to reject both bids submitted in response to published notice of intention to enter into mineral extraction lease covering 40 scres State school lands in Inyo County.

MR. HORTIG: Yes, sir. The application of Cena M.

Austin, et al., was found by the office of the Attorney General to be not responsive to the bid offer of the Commission and offered the Commission; and the financial statement of Mr.

Russell A. Donnelly did not indicate the required fiscal responsibility desired or required by the State Lands Commission for an award of a lease; therefore, it is recommended that both bids be rejected until, and there be no further consideration of offering this area for lease until new qualified applicants are available and also the gold mining business gets better.

This was bid for a gold mine, and the bids being as marginal and as incorrect as they were, obviously it is not in the interest of the Commission to offer this or to award a lease for this land at this time.

CHAIRMAN ANDERSON: (b) is the Authorization for Executive Officer to offer for lease, for the extraction of sand at minimum royalty of 4¢ per cubic yard, 132 acres of submerged land at Southampton Shoal, San Francisco Bay, City and County of

can Francisco (purcuent to application of Mre Same Company).

Mr. HOWIG: Mr. Chairman.

OFAIRMAN AND WHO CH: Mr. Horbic.

MR. Morpin: In view of the direnmetances and the time, and the fact that while we have a letter from the Department of Natural Resources that this operation will not interfere with the recommendation and use of lands or adjaining lands offered, we also have a letter, a later letter from the Department of Natural Resources relating to interests of the Small Craft Harbors Commission in potential other utilization of the material proposed to be dredged. Therefore, it is requested that this item be deferred for consideration to the next meeting.

MR. CARB: So move.

Mr. CRANSTON: I second Mr. Carr's motion.

CHAIRMAN ANDERSON: Been moved and seconded that Item (b) be deferred until the next meeting of the Commission.

If no objection, so ordered.

MR. HORTIG: Mr. Chairman.

CHAIRMAN ANDERSON: Mr. Hortig.

MR. HORTIG: For Item (c) If I might state here, the Controller has requested additional information which the staff had not expected to present today. Therefore, it is also recommended that Item (c) be deferred to the next meeting.

MR. CRANSTON: So move.

MR. CARR: Second it.

CHAIRMAN ANDERSON: Mr. Cranston moved that Item (c) be

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deferred until the next meeting. If no objection, approved unanimously.

Then the only one that would take a notion to approve would be (a) under Item Classification 10.

MR. CRANSTON: I move approval.

MR. CARR: Second it.

CHAIRMAN ANDERSON: Feen moved and seconded that Item (a) be approved. If no objection, it's approved unanimously.

Item Classification No. 11 is the Transfer of Jurisdiction. (a) is Authorization for Erecutive Officer to request written approval of Department of Finance and subsequently to execute an agreement transferring to the Department of Natural Resources, Division of Peaches and Farks, control and passession over 755 acres tide and submerged lands of the Pacific Coan adjacent to Point Lobos State Park, Monterey County; . . .

IR. CRANSCON: Move approval.

MR. CARR: Second the motion.

CHAIRMAN ANDERSON: Do you want to comment on that briefly, Mr. Hortig?

MR. HCRTIG: Yes, Mr. Chairman, Well, the Department of Natural Resources desires to have jurisdiction and control so that they can exercise their police authority over tide and submerged lands which adjoin Point Lobes State Park because, among other things, there are certain forms of marine life which

hair primitive and native status

of time as it is necessary to administrate these tide and submerged lands as an adjunct to Point Lobos State Park.

CHAIRMAN ANDERSON: Moved and seconded; if no objection, approved unanimously.

Item 12. Confirmation of transactions consummated by

the Executive Officer, pursuant to authority confirmed by the Commission at its meeting on October 5, 1959.

on the tide and educaced lands and without jurisdiction over

the land Rucches and Parks have found it difficult to police

the transferred to Besches and Parks but only for such pariod

the erea, so therefore it is recommended that such jurisdiction

MR. HORTIC: All standard items, and in accordance with the authorization of the Commission.

MR. CRANSTON: So move.

MR. CARR: Second.

CHAIRMAN ANDERSON: Moved and seconded. If no objection, passed unanimously.

Item 13. Report on Status of Mejor Litigation. Mr. Hortig?

MR. HORTIG: As noted, this is informative only.

There's been no substantial modification in the status of the items of litigation on which or to which the Commission is a party. Our next status report, of course, will include the Long Beach litigation in lieu of Long Feach boundary negotations.

CHAIRMAN ANDERSON: What is the current status of the Crange County situation there?

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its proceedings deferment to mid-June, by which time they will egain be in court to report whether they desire to proceed, drop the litigation or ask for further deferment.

March 1 they acquired a new County Council and the Board of Supervisors asked for a comprehensive review and report and recommendation from the new County Council to guide them in their determination as to what they are ultimately going to do with respect to that litigation.

CHAIRMAN ANDERSON: Item 14 is confirmation of date and time of June meeting of the Commission, which we agreed upon formally would be Thursday, June 23, 1960, at 9:00 a.m. in Room 115 State Building, Los Angeles.

MR. CRANSTON: I move we meet there.

MR. CARR: Second the motion.

MR. CRANSTON: I move we adjourn now.

MR. CARR: Second it.

CHAIRMAN ANDERSON: Moved and seconded; passed unanimously.

(Thereupon adjournment was had at the hour of 10:30 o'clock a.m.)

REPARTER'S CERCIFICATE

qualified Certified Shorthand Reporter, was present at the time and place the foregoing proceedings were had and taken before the State Lands Commission in meeting assembled, in Room 5168 State Capital Annex Building, Scaramento, California, on May 24, 1960, at the hour of 9:15 O'clock a.m., and that as each reporter I did take down said proceedings in Stenetype writing, and that thereafter I transcribed my stenetype writing into longhand typewriting, and that the foregoing pages, beginning at the top of page I to and including line 20 on page 53 hereof, constitute a true, complete, accurate and correct transcription of the aforementioned stenetype writing.

Dated this 27th day of May, 1960.

Certified Shorthand Reporter

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