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TRANSCRIPT OF
MEETING
OF
STATE LANDS COMMISSION
LOS ANGELES, CALIFORNIA
OCTOBER 26, 1961

PARTICIPANTS:

THE COMMISSION:

Hon. Glenn M. Anderson, Lieutenant Governor, Chairman
Hon. Alan Cranston, Controller
Hon. Hale Champion, Director of Finance
Mr. F. J. Hortig, Executive Officer

OFFICE OF THE ATTORNEY GENERAL

Mr. Jay L. Shavelson, Deputy Attorney General
Miss Ariel Hilton, Deputy Attorney General

APPEARANCES:

(In the order of their appearance)

Mr. William E. Woodroof, Attorney for
Richfield Oil Corporation

Mr. John Tyler, Vice Chairman, Nature
Conservancy of Southern California

Senator Edwin J. Regan

Mr. James D. Stokes, Regional Manager,
Department of Fish and Game, Redding

Mr. John Reginato, General Manager
Shasta-Cascade Wonderland Association

Mr. James Smith, President California State
Fish and Game Commission and Chairman of the
Wildlife Conservation Board

-continued-

APPEARANCES (continued)

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Mr. Robert Vile, Vice President, California
Wildlife Federation, Redondo Beach

Mr. Stanley Tomlinson, City Attorney
City of Santa Barbara

Mr. Joe Hodges, Jr., City Attorney
City of Oxnard

Assemblyman Charles Edward Chapel

Mr. Joseph A. Spray, representing Ritsch
and Christofferson

Mr. Howard P. Ritsch

Mr. C. Edward Christofferson

Mr. Harry Pecorelli, Diver, representing
skin diving group (Manager, Dive 'n Surf, Inc.)

Mr. Robert J. Rosevear, Chairman, Planning
and Parks Commission, Palms Verdes Estates

Mr. Clyde Robinson, Vice President
Ocean Fish Protective Association

Mr. J. A. Beasley, Councilman
City of Torrance

Mr. Robert K. Dower, Assistant City Attorney,
City of Torrance

Mr. North Jones, Redondo Sport Fishing Company

Mrs. Patricia Gazin, Mayor
Hermosa Beach

I N D E X

(In accordance with calendar summary)

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<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
1 Confirmation of minutes meeting July 28, 1961			1
2 PERMITS, EASEMENTS, RIGHTS-OF-WAY, NO FEE			
(a) American Smelting & Refining Company	4	1	}
(b) Division of Highways	13	2	
(c) Humboldt Bay Munic. Wat. Dis.	33	3	
(d) County of Riverside	39	4	
(e) United States of America	7	7	
(f) United States of America	40	8	
MOTION ON CLASSIFICATION 2			2
3 PERMITS, EASEMENTS, RIGHTS-OF-WAY, LEASES -- FEE			
(a) Ebbie H. Davis-D.L. Dawson	14	9	}
(b) Diaz Brothers	11	10	
(c) Bill Foley	8	11	
(d) John Raven	37	12	
(e) Calif. Water & Teleph. Co.	30	13	
(f) Pacific Gas & Elec. Co.	17	14	
	18	15	
	19	16	
	20	17	
	21	18	
(g) Pacific Gas & Elec. Co.	29	19	}
(h) Pacific Gas & Elec. Co.	27	20	
(i) Honolulu Oil Corporation	24	21	

continued

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(In accordance with calendar summary)

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<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
3 PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY -- FEE continued			
(j) Edward C & Donald Orkfritz	26	26	3
(k) Nellie T. Zacharias, et al	25	27	3
MOTION ON CLASSIFICATION 3			3
4 CITY OF LONG BEACH			
(a) Pier G, Berths 212-215, Wharf	22	28	4
(b) Intersection Mitchell Ave. and First Street	22	28	4
(c) Extension lease agreement City of Long Beach, Royalty Service, Long Beach Amuse- ment, et al	23	31	4
MOTION ON (a) (b) (c) of CLASSIFICATION 4			5
(d) Agreement supplementing contract City Long Beach and Richfield Oil	46	33	4-5
(ITM DEFERRED)			
5 LAND SALES, SELECTIONS, WITH- DRAWALS, ETC.			
(a) Sales of Vacant School Lands			
(1) John D. Layman	10	35	6
(2) William J. Swallow, Jr.	6	36	7
(b) Selection and Sale of Vacant Federal Lands			
(1) Stanley S. Stonier	5	37	7

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(In accordance with calendar summary)

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<u>ITEM CLASSIFICATION</u>	<u>ITEM ON</u>	<u>PAGE OF</u>	<u>PAGE OF</u>
	<u>CALENDAR</u>	<u>CALENDAR</u>	<u>TRANSCRIPT</u>

5 LAND SALES, SELECTIONS,
WITHDRAWALS, ETC. continued

(c) Selection Vacant Federal
Lands on behalf of State

(1) 640 ac. San Bernardino	1	38	7
(2) 315.05 " "	3	39	7
(3) 240 ac. Kern	2	40	7

MOTION ON (a) (b) (c) of CLASSIFICATION 5 -- 7

(d) Rejections and Withdrawals

(1) Gilman Development and Atomic Investments	42	41	7
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MOTION ON (1) of (d) of CLASSIFICATION 5 -- 9

(2) Extension of withdrawal
on behalf of Dept of
Water Resources and Yolo
County, Lake County

9	43	9
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MOTION ON (2) of (d) of CLASSIFICATION 5 -- 10

(e) Appeal to adverse decision U.S.
Bureau Land Management on
State Exch. Application 74

43	44	10
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MOTION on (e) of CLASSIFICATION 5 ----- 15,16, 24

6 Preferential mineral extraction leases
California Minerals Corporation:

(a) Prospecting Permit PR# 2488.2			
(b) " " " 2489.2			
(c) " " " 2490.2			
	16	50	24

7 Sublease Crescent City Harbor Dist.
and Ray Beall (cancellation) and
new lease with Tidewater Oil

36	52	25
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(In accordance with calendar summary)

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<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
8 PROPOSED ANNEXATIONS			
(a) Santa Barbara Airport	44	53	25
MOTION on (a) of CLASSIFICATION 8	-----		34, 35
(b) City of Oxnard	45	57	36
MOTION ON (b) of CLASSIFICATION 8	-----		41
9 Huntington Harbour Corp. Land, Exchange	51	48	
	THIS ITEM OMITTED FROM CALENDAR		
10 Approval of map and authori- zation to enter agreement with Waldo and Louise Giacomini - Lagunitas Creek	34	74	80
11 Approval of boundary line and agreement - Jack Hunt West Jr. Novato Creek	26	79	81
12 Approval of proposed budget State Lands Division, 1962-63	15	84	81
13 Confirmation of transactions consummated by Exec. Officer:	38		82
Calif. Dept Public Works		88	
Peterson, Harry M & Dorothy		88	
Phillips Petroleum		89	
Shell Oil Company		89	
14 INFORMATIVE			
(a) Proposed Oil & Gas Lease, Santa Barbara, Parcel 4			see supplemental
(b) Report on Ritsch and Christofferson applications, Santa Monica Bay			see supplemental
15 INFORMATIVE			
Report of Status of litigation	32	93	83

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I N D E X

(In Accordance with Calendar Summary)

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<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
15 Time and place of next meeting			85
<u>SUPPLEMENTAL CALENDAR</u>			
1 Proposed Oil and Gas Lease, Santa Barbara County - Parcel 4	47	100	82
2 Applications for prospecting permits Santa Monica Bay - Ritsch and Christofferson	48	95	42
			49, 60, 80
3 Assignment of interest - Newmont Oil-Texaco	49	102	84

1 GOV. ANDERSON: The meeting of the State Lands
2 Commission will come to order. The first item is the confirma-
3 tion of the minutes of the meeting of July 28th.

4 MR. CRANSTON: I move approval.

5 MR. CHAMPION: Second.

6 GOV. ANDERSON: Moved and seconded, no objection
7 so ordered.

8 Item 2 is permits, easements, and rights-of-way to
9 be granted to public and other agencies at no fee, pursuant
10 to statute. First applicant, American Smelting and Refining
11 Company -- a permit to dredge approximately 7,000 cubic yards
12 of material from tide and submerged lands in Carquinez Strait,
13 Contra Costa County, adjacent to applicant's wharf; item (b)
14 State of California, Division of Highways -- amendment of
15 existing dredging permit, Point Knox Shoal and Presidio Shoal,
16 San Francisco and Marin Counties; item (c) Humboldt Bay Muni-
17 cipal Water District -- life-of-structure permit for construc-
18 tion, maintenance and use of a water transmission line across
19 0.31 acre of tide and submerged lands in Mad River Slough,
20 Humboldt County; item (d) County of Riverside -- life-of-
21 structure permit for small boat marina on two parcels of sub-
22 merged lands, totaling 42.59 acres of the Colorado River,
23 Riverside County; item (e) The United States of America --
24 extension of existing right-of-entry permits to September 30,
25 1962 in the interest of national defense, to conduct explora-
26 tory work in connection with underground communication cable

1 crossing the Feather River, Sutter and Yuba Counties; item (f) --
 2 United States of America -- right-of-entry permit covering
 3 submerged lands of Mono Lake, Mono County, for a six-month
 4 period for purpose of conducting underwater explosion tests
 5 in the interest of national defense.

6 MR. CRANSTON: I move approval of those items.

7 MR. CHAMPION: Second.

8 GOV. ANDERSON: It has been moved and seconded; no
 9 objection, so ordered.

10 Item 3 -- Permits, easements, leases, and rights-of-
 11 way issued pursuant to statutes and established rental policies
 12 of the Commission.

13 First applicant -- Ebbie H. Davis and D. L. Dawson,
 14 five-year grazing lease, 1920 acres of school lands in San
 15 Bernardino County; annual rental \$19.20; item (b) Diaz Brothers,
 16 one-year grazing lease, 2,240 acres school lands in Lassen
 17 County, annual rental \$112; item (c) Bill Foley, five-year
 18 grazing lease, 520 acres school lands in Shasta County, annual
 19 rental \$18.20; item (d) John Raven, five-year minor structure
 20 recreational permit, 0.02 acre tide and submerged lands in the
 21 Gulf of Santa Catalina, Orange County, total rental \$25; item
 22 (e) California Water and Telephone Company, 49-year easement
 23 across 1.06 tide and submerged lands of San Diego Bay between
 24 San Diego and Coronado, San Diego County for 18-inch water line
 25 to augment City of Coronado's water supply -- total rental
 26 \$2,509.50; item (f) Pacific Gas and Electric Company, five

1 49-year right-of-way easements across tide and submerged lands
 2 for operation and maintenance of existing transmission lines.
 3 The first one is for 1.97 acres at Honker Bay, Solano and
 4 Contra Costa counties, total rental \$4,570.23; item (2) is
 5 0.084 acre of Roaring River Slough, Solano County, total
 6 rental \$195.02; item (3) 0.027 acre of Grizzly Slough, Solano
 7 County, total rental \$100; item (4) 0.128 acre of Montezuma Slough
 8 Solano County, total rental \$296.94; item (5) 0.280 acre of
 9 Nurse Slough, Solano County, total rental \$649.74.

10 Item (g) is Pacific Gas and Electric Company --
 11 49-year right-of-way easement over 0.25 acre of Mokelumne River,
 12 San Joaquin County for overhead wire crossing, total rental
 13 \$464.03; item (h) -- Pacific Gas and Electric Company, accept-
 14 ance from lessee of notice of cancellation and termination of
 15 lease P.R.C. 819.1, Sacramento County; item (i) Assignment
 16 Honolulu Oil Corporation to Tidewater Oil Company of its
 17 interests in State Oil and Gas Lease P.R.C. 429.1, Ventura
 18 County; item (j) Edward C. and Donald E. Orkfritz -- assignment
 19 from Mary and Harley Austin of Lease P.R.C. 2177.1 covering
 20 0.183 acre tide and submerged lands in Sacramento River near
 21 Oak Hall Bend, Yolo County; item (k) Nellie T. Zacharias, et
 22 al -- approval of sublease to James T. Greene, under Lease
 23 P.R.C. 2671.1, 0.689 acre tide and submerged lands of Sacra-
 24 mento River, Sacramento County, for operating of boating
 25 facility.

26 MR. CRANSTON: I move approval of those items.

1 MR. CHAMPION: Second.

2 GOV. ANDERSON: If there are no further comments,
3 approved.

4 Item 4 -- City of Long Beach approvals required
5 pursuant to Chapter 29/56, First Extraordinary Session. The
6 first is Project (a) -- Pier G, Berths 212 to 215, Wharf --
7 estimated subproject expenditure from 10/26/61 to termination
8 \$1,950,000, with \$175,582 estimated as subsidence costs. Do
9 you want to comment on any of these as we go along?

10 MR. HORTIG: I will, sir, on item (d).

11 GOV. ANDERSON: Item (b) -- Revision of intersection
12 at Mitchell Avenue and First Streets, estimated subproject
13 expenditures from 10/26/61 to termination of \$3100, with
14 \$1953 or 63% estimated as subsidence costs; item (c) --
15 Authorization for Executive Officer to certify approval of the
16 extension of lease agreement between City of Long Beach and its
17 Board of Harbor Commissioners, as first parties; Royalty Service
18 Corporation and others as second parties, and Long Beach Amuse-
19 ment Company, etc., as third parties. Item (d)

20 MR. HORTIG: At that moment, on item (d), in view of
21 a conference with the Office of the Attorney General late
22 yesterday afternoon and finally consummated this morning, and
23 with the word having also been given to the applicants in
24 connection with item (d) (the City of Long Beach and Richfield
25 Oil Corporation), in view of serious legal questions which it
26 is felt by the Office of the Attorney General should be refined

1 in the format of the resolution to be presented to the State
2 Lands Commission, to assure that there shall be no future oper-
3 ating difficulties, it is recommended that consideration of
4 item (d) be deferred.

5 MR. CRANSTON: I move approval of items (a), (b),
6 and (c).

7 MR. CHAMPION: Second.

8 GOV. ANDERSON: You have heard the motion on (a),
9 (b) and (c) under Item 4. If there is no objection, it is
10 carried unanimously; and if there is no objection item (d)
11 under classification 4 will be deferred until next meeting
12 or?

13 MR. HORTIG: As soon as staff engineering, economic
14 and legal studies can be completed.

15 MR. WOODROOF: May I be heard on item (d)?

16 GOV. ANDERSON: We are going to defer it until a
17 further meeting.

18 MR. WOODROOF: I appreciate that. I would like to
19 be heard on the deferment. My name is William E. Woodroof,
20 attorney for Richfield Oil Corporation. We do not know and
21 have not been advised what the legal objections to this are.
22 However, I think the board, the Commission, should be advised
23 that this matter has been pending a great length of time and
24 if any deferment is made we would like it to be definitely
25 understood - - we would not object to the deferment, but it
26 should be definitely on the calendar at the next meeting.

1 MR. CRANSTON: Is there any problem in having it on
2 the calendar?

3 MR. HORTIG: There can be. It cannot be forecast
4 with certainty when the conclusions, reviews, and necessary
5 studies can be completed; and with reference to the fact that
6 this matter has been pending for a long time, I believe the
7 record will show that the original application for this
8 particular consideration was submitted to the staff of the
9 State Lands Commission in the latter part of August of this
10 year and it is a complex project.

11 MR. WOODROOF: I do desire the Commission to know
12 that Richfield has a very, very substantial amount of money
13 in these repressurization operations and ought to take notice
14 of those facts; and we do think we should not be unduly delayed
15 in this matter.

16 MR. CRANSTON: I am sure we all agree we will do all
17 we can to process this at the earliest possible moment.

18 MR. WOODROOF: Thank you.

19 GOV. ANDERSON: Item 5 is the item classification
20 on land items -- selections, sales, withdrawals, etcetera.
21 All land sale items here presented have been reviewed by all
22 State agencies having a land acquisition program, and no
23 interest has been reported by those agencies in any of the
24 lands proposed for sale.

25 First is the sale of vacant State school lands:
26 First applicant, (1) John D. Layman, bid \$5,759.12; item (2),

1 William J. Swallow, Jr., bid \$12,500; and then (b) is the
 2 selection and sale of vacant Federal lands: First one is
 3 Stanley S. Stonier; the bid was \$3,417.90; (c) is the selec-
 4 tion of vacant Federal lands on behalf of the State: The
 5 applicants do not desire to proceed with acquisition of the
 6 lands, and the first one is 540 acres in San Bernardino County
 7 pursuant to application of George McCarthy; the second one is
 8 315.05 acres of land in San Bernardino County pursuant to the
 9 application of George McCarthy; and (3) is 240 acres in Kern
 10 County pursuant to application of Edith Ann Mitchell. I think
 11 we probably ought to clear those off before we get into the
 12 next one.

13 MR. HORTIG: Yes.

14 MR. CRANSTON: Under item (c) does the State proceed
 15 to acquire?

16 MR. HORTIG: That is right, and it is recommended
 17 the State do proceed to acquire and thereby decrease the
 18 deficiencies in the State school land grant heretofore, and
 19 augment the list of school lands on the list of the State
 20 Lands Commission.

21 MR. CRANSTON: I move approval of items (a), (b),
 22 and (c).

23 MR. CHAMPION: Second.

24 GOV. ANDERSON: Moved and seconded. If there is no
 25 objection, so ordered.

26 Item (d) will be rejections and withdrawals: (1) is

1 rejection of bids of Gildred Development Company and of
2 Atomic Investments, Inc., and authorization for refund of all
3 deposits to said bidders; withdrawal from public sale of Sec-
4 tion 16, Township 17 South, Range 8 East, S.B.M., San Diego
5 County until over-all land disposition and management program
6 can be determined.

7 MR. HORTIG: Mr. Chairman, you have before you a
8 note of desire of someone in the audience to make a presenta-
9 tion. Whether this presentation is still applicable in view
10 of the recommendation to reject, I do not know; but you may
11 wish to call upon that individual.

12 The proposed rejection at this time with respect to
13 the subject applications is based on a request of the Depart-
14 ment of Fish and Game for consideration that the lands which
15 have been offered for private sale be, in fact, retained in
16 public ownership in order that they can be studied for inte-
17 gration with a series of Federal national wildlife management
18 area programs -- the concept of which, and the initiation of
19 those programs, having been developed by the Federal Government
20 after the original application for private purchase had been
21 received by the State Lands Commission.

22 As stated in the calendar item on pages 41 and 42,
23 it is felt that it would be desirable that the determination
24 of these requirements can be integrated effectively into a
25 full program only at the time of establishment of a full land
26 disposition and management program by the Commission; and that

1 such determination would be preferable to piecemeal determina-
 2 tion, parcel by parcel, at this time. Therefore, without any
 3 commitment as to any other agency, it is nevertheless felt
 4 that it would be desirable for the program of the Lands Com-
 5 mission to withhold from private sale the piece of land
 6 described in the application of the Gildred Development Company.

7 GOV. ANDERSON: Any further comments? I believe
 8 there is a Mrs. T. L. Edmiston who wished to be represented
 9 on this matter. Mrs. Edmiston? (No response) Apparently
 10 they are satisfied.

11 MR. TYLER: Mr. Chairman, in the absence of Mrs.
 12 Edmiston, she is in approval.

13 GOV. ANDERSON: Would you identify yourself?

14 MR. TYLER: I am John Tyler, Vice Chairman, Nature
 15 Conservancy of Southern California. Mrs. Edmiston is Chairman
 16 of that organization, so we approve the withdrawal-- there is
 17 no objection to this withholding of the land and retaining in
 18 public ownership. We are in favor of what we have here.

19 GOV. ANDERSON: Thank you. Any further comments?
 20 (No response)

21 MR. CHAMPION: I move we approve the recommendation
 22 of the staff to reject.

23 MR. CRANSTON: Second the motion.

24 GOV. ANDERSON: It has been moved and seconded,
 25 carried unanimously.

26 Item (2) is extension to December 31, 1963 of the

1 withdrawal from sale, on behalf of the Department of Water
2 Resources and the County of Yolo, of 709.37 acres school lands
3 in Lake County. Any comment on that?

4 MR. HORTIG: As to further detail on the specific
5 lands on which extension of withdrawal is desired, the lands
6 were, in fact, withdrawn in the first instance at the request
7 of the Department of Water Resources on July 2, 1956 in order
8 to permit the Department of Water Resources to evaluate the
9 desirability of these lands for inclusion or noninclusion in
10 the Cache Creek Wilson Valley Conservation Project. These
11 studies have not, in fact, been completed; and for this reason
12 the Department has requested an additional extension of with-
13 drawal to December 31, 1963 in order to make these determina-
14 tions as to desirable public usage of the lands, and this
15 withdrawal extension is recommended.

16 MR. CRANSTON: I move approval.

17 MR. CHAMPION: Second.

18 GOV. ANDERSON: Moved and seconded -- no objection,
19 so ordered.

20 Item (e) is consideration of appeal to adverse deci-
21 sion of the United States Bureau of Land Management rejecting
22 State Exchange Application No. 74. Mr. Hortig.

23 MR. HORTIG: Mr. Chairman, members of the Commission,
24 you gentlemen of the Commission will recall the discussions on
25 September 14, 1961 relative to the status of the rejection of
26 the application of the State of California to select a piece

1 of vacant Federal land in Trinity County. At the time of that
2 consideration, the Commission deferred action pending further
3 staff review, a report on specific issues to be submitted by
4 the Department of Fish and Game, and consideration of any
5 other data which might be furnished by the proponents and
6 opponents to the proposal that the State of California acquire
7 the particular lands. Numerous general letter statements of
8 opposition to the acquisition of the subject land and convey-
9 ance into private ownership have been received. However, also
10 there has been received in the office of the State Lands Divi-
11 sion a letter from the Board of Supervisors of the County of
12 Trinity, which I feel should be read for the record:

13 "Gentlemen:

14 The Board of Supervisors of the County of
15 Trinity, State of California, does hereby request
16 the State Lands Commission of the State of Cali-
17 fornia to take favorable action on behalf of
18 Warren M. Gilzean in the matter of his application
19 for land exchange as above noted. Seventy-six
20 percent of the County of Trinity is owned by the
21 Federal Government and the economy of this county
22 requires additional lands to be placed on the
23 tax rolls, making their contribution to the cost
24 of local government. This Board of Supervisors
25 again wishes to go on record, requesting that the
26 Federal lands be offered for bid, as these tracts

"would be of great value to Trinity County.

Yours very truly,

Marion Keesling
County Clerk
Ex-Officio Clerk of the
Board of Supervisors
County of Trinity "

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Additionally, you gentlemen of the Commission will recall questions which were raised in the prior discussion as to possible adverse effects or the nature of the effects that might be established a precedent if the Lands Commission were to authorize the filing of an appeal from the rejection of the selection by the Bureau of Land Management. Pursuant to those questions having been raised, I requested a report from the Deputy Attorney General who had discussed the questions with you gentlemen at the last meeting -- a written report answering these specific questions with respect to the establishment of the precedent; and as indicated on page 44 of your agenda, a summary of the questions raised and answers to these questions is as follows:

In answer to the question "What would be the effect on future policy of Commission approval of the subject appeal in the light of the present relevant provisions of the statutes and rules and regulations?" the reply is:

Future policy of the Commission would not be affected by a decision to prosecute an appeal either (1) as to the subject application, since final approval must be given by the Commission after the land is conveyed to the State by the

1 United States, at which time public interest must be consid-
2 ered, or (2) with respect to other purchase applications, since
3 each application must be considered on its merits and what was
4 done on some other application does not necessarily establish
5 a precedent.

6 The second question was: "Would legal rights be
7 affected in favor of the State applicant if the Commission
8 appeals?" and the answer to this question is:

9 If the State appeals and the appeal is successful,
10 the applicant does not have a firm right to obtain the land
11 from the State since the Commission's determination to initiate
12 and prosecute the appeal is not an approval of the application
13 by the Commission.

14 It has also been suggested that a contrary argument
15 might be made that by appealing the Commission is determining
16 that the public interest in holding the land for public recrea-
17 tional purposes is subsidiary to the claims of the applicant
18 and the purposes for which he wishes to obtain the land.
19 Therefore, it is the staff's suggestion that to preclude the
20 necessity of a piecemeal land policy determination, again,
21 that the record reflect clearly (a) that any conclusion by the
22 Commission to pursue an appeal is restricted to the establish-
23 ment of a full and clear record for the State, which is the
24 applicant to the United States Bureau of Land Management; and
25 (b) that any public interest policy determination in connection
26 with proposed disposition of the land will be considered by

1 the Commission only in the event the appeal is successful and
2 the land is conveyed to the State by the United States.

3 I would wish to add at that point again -- in con-
4 sidering the timing of this situation, if an appeal is filed
5 and the land should be allowed to the State, the probabilities
6 are that the Commission will have, prior to that allowance,
7 determined a policy embracing all land disposition and manage-
8 ment problems and, therefore, if this land is allowed to the
9 State its position can be determined by the policy determina-
10 tions made to cover all lands in a uniform manner, rather than
11 necessarily making a piecemeal one-time determination at this
12 time.

13 Under these circumstances, it is recommended that
14 the Commission authorize the Executive Officer to proceed with
15 the filing of an appeal with the Director of the United States
16 Bureau of Land Management on the rejection of State Exchange
17 Application Number 74, Trinity County; and (2) direct the
18 Executive Officer to include in the minute record of the sub-
19 ject action taken the conclusion that by authorization of the
20 appeal (a) the Commission is in no manner determining the
21 public interest in holding the land for public recreation
22 purposes (that is, at this time); and (b) any public interest
23 in holding the land for public recreational purposes will be
24 evaluated by the Commission in the light of Commission land
25 management and disposition policy as and when the subject land
26 is, in fact, conveyed to the State by the United States.

1 MR. CRANSTON: Mr. Chairman, I move approval of the
2 staff recommendation and I want it clearly understood in the
3 minutes, in doing so, that the advice to us now makes clear to
4 us something that was very unclear when we last met -- and
5 that is, by taking this action of approval we are not adopting
6 any policy position in relation to this item or any other item
7 that may come before us. We are simply allowing the applicant
8 to embark upon the long time course he started a long time ago
9 to achieve his purpose. If our application is approved through
10 Washington, we will then at that time have an opportunity to
11 signify approval.

12 MR. CHAMPION: I'd like to second this, but I would
13 like to make a short statement -- that is, the record here is
14 now clear; but I want to be sure that insofar as this appeal
15 or whatever part the State Lands Commission takes in that
16 appeal, nothing done in that appeal will prejudice us more
17 than what action we take today. In other words, I don't know
18 what role the State takes in this thing, but obviously the
19 arguments made on this previously will be made again and I
20 don't want those arguments made in the proceeding before the
21 Federal Government.

22 MR. HORTIG: Mr. Chairman, in response to Director
23 Champion's question, it would be the intent of the staff to
24 forward an appeal in the prescribed and standardized format
25 as prepared by our legal counsel, the Office of the Attorney
26 General, and to clearly reflect the position of the Commission

1 to include a copy of the minute record of the action taken by
2 the Commission which authorized the filing of this appeal --
3 which then by this direction, if this staff recommendation is
4 adopted, will clear the record.

5 MR. CHAMPION: Second.

6 GOV. ANDERSON: At the last meeting of the Commission,
7 the representative of the Attorney General at that time implied
8 that the future policy of the Commission would be affected and
9 I would like to understand - - This has been changed now, and
10 I would like to have the representative of the Attorney Gen-
11 eral's Office clarify that for us. (To Mr. Shavelson) You
12 weren't the one at the meeting?

13 MR. SHAVELSON: No, Mr. Paul Joseph, of our Sacra-
14 mento office. Mr. Joseph's present opinion is that the appeal
15 may be prosecuted without making a final determination as to
16 whether the lands should be conveyed to the private applicant
17 rather than be kept in public ownership, because of the Com-
18 mission's power to reject the application.

19 MR. CHAMPION: That wasn't the question before Mr.
20 Joseph. The question wasn't whether it would be a final
21 determination as to the disposition but whether it would set
22 a precedent and there would be prejudice involved.

23 MR. HORTIG: Mr. Chairman, Mr. Joseph's written
24 report as of October 4, 1961 follows page 45 of your agenda.

25 MR. CHAMPION: I have read in there words such as
26 "firm" and "determination" and so on, and there shouldn't be

1 any prejudice involved in the thing.

2 MR. HORTIG: This was the reason for citing the
3 answers in the item, which I believe now constitute a firm
4 declaration that the question of establishing a precedent and
5 as to committing the Commission and as to affecting the rights
6 of the applicant have all been resolved -- so there should be
7 no further question. This is the basis, at least, on which Mr.
8 Joseph would defend legally if any further questions in this
9 area were raised.

10 GOV. ANDERSON: Anything further?

11 MR. CRANSTON: No.

12 GOV. ANDERSON: Senator Regan, do you wish to
13 address the Commission at this time?

14 SENATOR REGAN: Mr. Chairman, members of the Commis-
15 sion, as you know I am counsel for the applicant. In summary
16 of course, it has been argued very fully at the last meeting,
17 but in summary I would say that I am fully in accord with the
18 opinion of the Attorney General that there is no policy fixed
19 on the part of the State here. This merely gives the applicant
20 his right to make his appeal to Washington -- that's the effect
21 of it; and what you do later on, assuming the appeal is suc-
22 cessful in Washington, it is right back in your lap. You may
23 reject it or you may approve it. As a matter of fact, if you
24 want some further information, I have gathered considerable
25 information since then.

26 GOV. ANDERSON: It is not necessary. Does anyone

1 wish to make further comment on the item?

2 MR. STOKES: Stokes, Department of Fish and Game.
3 Do you wish to have the information that we gathered presented?

4 GOV. ANDERSON: You can submit it to the staff. We
5 don't need it for the public record. Just give it to Mr.
6 Hortig.

7 MR. CRANSTON: If and when this matter returns to us
8 from Washington, we will be very interested in your informa-
9 tion, but not at this time as far as our action is concerned.

10 GOV. ANDERSON: Any further comment? Will you state
11 your name?

12 MR. REGINATO: John Reginato representing the Shasta-
13 Cascade Wonderland Association. I am here at the request of
14 my president. I certainly feel this Commission should allow
15 the Department of Fish and Game to make available, for public
16 information, the information that they have gathered together
17 to present to this Commission. I know that there are people
18 who are interested greatly in the entire survey that the Depart-
19 ment of Fish and Game has developed.

20 I also feel that Mr. Jimmie Smith, who is here repre-
21 senting the Fish and Game Commission and also the Wildlife
22 Conservation Board, should be heard.

23 On behalf of myself and the Association, I want to
24 say this very explicitly -- that we are greatly concerned about
25 the availability for the hunter and fisherman of utilization
26 of our natural resources in California. We may say that these

1 fifty-eight acres involved are just a minute part, or just a
2 little bit of our public lands. I would like to present a
3 simile in regards to that. The Sacramento and San Joaquin
4 rivers fifty years ago had 3,000 miles of spawning area; today
5 we have less than 250 miles of spawning area. Also on the
6 Sacramento River, which is one of the finest anadromous streams,
7 which supports not only sport fishing but the commercial fish-
8 erman, the individual fisherman (and I am speaking basically
9 of Shasta and Tehama County) does not have the opportunity to
10 fish from the shoreline.

11 The Trinity River, as a result of an expenditure of
12 \$250,000,000 by the Federal Government, is going to become one
13 of the favorite and one of the finest steelhead and salmon
14 streams in the State of California. Now, these fifty-eight
15 acres involved seem very insignificant, but I am quite certain
16 that the information gathered together by the Department of
17 Fish and Game will point out that one of the important con-
18 siderations is that public access to these streams is not
19 available, either because no roads go into the area or because
20 there is conflict with private access. The land in question,
21 which is six acres of flat land, is being currently used by a
22 lot of people from southern California for camping and trailers.
23 This fifty-eight acres is very important to the people of the
24 State of California.

25 I can quite concur with the Trinity Board of Super-
26 visors and Senator Regan, who is counsel for our association

1 and for Mr. Gilzean, that it is important that the tax base be
2 strengthened in Trinity County. However, we have to consider
3 what is in the best interests for all the people in the State
4 of California. Trinity County will get its share from tourists
5 and travel. However, we should insist that the average citizen
6 of the State of California, with our exploding population, is
7 given an opportunity to enjoy the outdoor resources.

8 I certainly would insist that this Commission would
9 allow the Department of Fish and Game to make a public pre-
10 sentation of the information they have gathered -- that other
11 State agencies have had an opportunity to be heard.

12 MR. CHAMPION: The problem here is one that this is
13 not a matter that is before us. There is nothing to keep any
14 State agency from taking a public position and telling how it
15 feels on this matter, but we are not sitting on the matter this
16 morning. It doesn't seem to me it is the proper forum. There
17 is no reason why the Department of Fish and Game cannot make
18 public its information, but since we are not sitting on the
19 case I don't think it is appropriate for us to discuss the
20 matter.

21 MR. CRANSTON: If and when the matter comes back
22 from Washington and we are acting on the merits, then we would
23 wish to hear from every agency and private individual.

24 MR. REGINATO: I understand, Mr. Commissioner, this
25 meeting here this morning is basically to determine policy.

26 MR. CRANSTON: No. The meeting is to transmit,

1 without any determination of policy, to the applicant who has
 2 applied the legal opportunity to move his application forward,
 3 but if it goes through here this morning and goes to Washing-
 4 ton and is approved, it comes back here and at that time we
 5 determine whether it is in the public interest. At that time
 6 we would like to hear from you, Fish and Game, Senator Regan,
 7 and everyone who is interested -- and would allow full time
 8 for that purpose.

9 GOV. ANDERSON: The question we are discussing here
 10 today is that our approving this today does not affect our
 11 policy when it gets back.

12 MR. CHAMPION: It is possible that we will never
 13 act on this if the Federal Government rejects this appeal.

14 MR. REGINATO: Gentlemen, I think the discussion
 15 will be in the last analysis whether this is recreational land.
 16 It is my understanding that the Bureau of Land Management,
 17 which is in the process of classifying all public lands in
 18 their jurisdiction, have classified this particular parcel as
 19 recreational land -- which is in the public interest. Cer-
 20 tainly, would anything be gained, other than proving to the
 21 Commission whether the appeal would be accepted? We in turn
 22 will have to come back and re-do this whole situation again.
 23 In other words, the Bureau of Land Management to my understand-
 24 ing has classified this as recreational land.

25 MR. CRANSTON: It is the feeling of the Commission --
 26 our feeling is based upon advice from our staff and the

1 Attorney General -- that we should make such a determination
2 that we are required to keep it as a matter of public interest
3 in public hands when it comes back; and I think when it comes
4 back, if it does, we will have the meeting in Sacramento so
5 you people won't have to come down here.

6 MR. CHAMPION: Its present posture is the Federal
7 Government has recommended against selling this to Mr. Gilzean.
8 If they are upheld in Washington, this matter never appears
9 before this body -- it is rejected.

10 MR. REGINATO: Well, gentlemen, it has cost us a
11 considerable amount of money to come from Redding to Los
12 Angeles and certainly I feel it would have been prudent for
13 your staff to have advised our office particularly if this
14 matter was not going to be fully discussed, that the matter
15 was going to be sent to Washington for appeal. We should have
16 been advised. I have no further remarks. I appreciate the
17 opportunity of being heard. Thank you.

18 GOV. ANDERSON: Any further comments on the item?
19 State your name and who you represent.

20 MR. SMITH: Honorable members of the State Lands
21 Commission and ladies and gentlemen, I am Jimmie Smith. I am
22 President of the California State Fish and Game Commission;
23 I am Chairman of the Wildlife Conservation Board. I had in-
24 tended to speak with regard to retaining this land in question
25 in public management this morning. Owing to the fact that my
26 name was mentioned by a previous man who addressed you, I am

1 up at this mike to oppose any comment regarding this until it
 2 comes out, as Mr. Cranston indicated it would, when it comes
 3 to a showdown meeting as to whether this land remains in public
 4 ownership or should go to an individual. Thank you for your
 5 courtesy.

6 MR. VILE: Mr. Chairman, members of the Commission,
 7 my name is Robert Vile. I am Vice President of the California
 8 Wildlife Federation. In our convention which was held on
 9 July 1st and 2nd, we passed a resolution in opposition to this
 10 appeal you intend to make to the Federal Government. I had
 11 the belief at this time, with them, that the appeal would make
 12 the decision of whether or not this man was going to take from
 13 public ownership to private use, and the intent of the resolu-
 14 tion was to attempt to stop this move under this appeal.
 15 From what I have heard here today, I don't believe any further
 16 testimony is necessary as far as our organization is concerned
 17 in regards to why this should remain in public ownership.
 18 However, we would like to be on record in stating we are defin-
 19 itely opposed to removing this from public uses and turning it
 20 over to private enterprise. Thank you very much.

21 GOV. ANDERSON: Any further comment?

22 SENATOR REGAN: Mr. Chairman, just for the record
 23 I'd like to say this: I don't intend to discuss the merits
 24 of it because there is only a legal problem involved that will
 25 eventually come back for discussion; but in case anybody gets
 26 the idea that my client and his counsel is not interested in

1 wildlife -- you heard Mr. Reginato state I am the attorney for
2 his organization. I am just as interested in conservation of
3 wildlife as John and anybody else. They don't know the facts
4 in this case -- they are getting ahead of themselves -- so
5 let's get the appeal back on this and then a policy determina-
6 tion can be made.

7 MR. REGINATO: May I make one further comment? With
8 all due respect to Senator Regan, who is our counsel, Mr. Regan
9 has a letter from the president of the Association, carbon
10 copy, which states that in view of the fact he was representing
11 a client which was not in interest with the Association that
12 in this particular instance Senator Regan, who has devoted his
13 legal counsel to our Association without any fee, will not act
14 in our behalf in this particular instance.

15 SENATOR REGAN: Well, that's understood.

16 GOV. ANDERSON: If there is no further comment, it
17 has been moved and seconded the staff recommendation be
18 approved. If there is no objection, it is carried unanimously.

19 Going on with the calendar, Item Classification 6:
20 Authorization for Executive Officer to execute preferential
21 mineral extraction leases to California Minerals Corporation
22 for initial term of 20 years, with preferential right to renew
23 for additional term not to exceed 10 years, each lease to be
24 subject to a royalty payable in accordance with rate specified
25 in the prospecting permit and to an advance annual rental of
26 \$1.00 per acre, covering following areas: (a) Prospecting

1 Permit P.R.C. 2488.2 -- 120 acres in Fresno and San Benito
 2 counties; (b) Prospecting Permit P.R.C. 2489.2 -- 100 acres in
 3 Fresno and San Benito counties; (c) Prospecting Permit P.R.C.
 4 2490.2 -- 100 acres in Fresno County.

5 MR. CRANSTON: I move approval.

6 GOV. ANDERSON: It has been moved

7 MR. CHAMPION: Second.

8 GOV. ANDERSON: ... and seconded -- no objections,
 9 carried unanimously.

10 Item 7 is authorization for Executive Officer to
 11 approve cancellation of sublease between Crescent City Harbor
 12 District and Ray Beall, and to approve issuance of new sublease
 13 by Crescent City Harbor District to Tidewater Oil Company for
 14 a 10-year period.

15 MR. CRANSTON: Move approval.

16 MR. CHAMPION: Second.

17 GOV. ANDERSON: Moved and seconded -- no objections,
 18 carried unanimously.

19 Item 8 -- Proposed annexations: (a) is the Santa
 20 Barbara Airport Annexation -- authorization for Executive
 21 Officer to notify Council of City of Santa Barbara that present
 22 value of tide and submerged lands proposed to be annexed is
 23 \$328,000. Mr. Hortig.

24 MR. HORTIG: Mr. Chairman, in amplification, the
 25 Commission will recall that at the meeting of September 14, 1961
 26 the Commission authorized the Executive Officer to inform the

26
1 Council of the City of Santa Barbara that the Commission pro-
2 tests the proposed annexation of the tide and submerged lands
3 unless the proposed annexation is modified to include only the
4 surface of the land of the ocean floor instead of 500 feet
5 below the surface of the ocean floor, and the staff was also
6 advised to take whatever legal action necessary, if any, to
7 protect the interests of the State.

8 Pursuant to these directions, these questions were
9 referred to the Office of the Attorney General and in conjunc-
10 tion with the Office of the Attorney General the Executive
11 Officer did appear and present to the City Council of Santa
12 Barbara the recommendations of the Commission, which resulted
13 in adoption by the City Council of Santa Barbara of an ordin-
14 ance agreeing to amend the description of the annexed terri-
15 tory for purposes of the annexation ordinance to exclude from
16 the territory to be annexed all property beneath the surface
17 of the land of the ocean floor within the tide and submerged
18 lands of the State of California.

19 Also, as a staff matter, the staff appraisal has been
20 completed and fixed the value of the surface of the State tide
21 and submerged lands proposed to be annexed at \$328,000.

22 In view of the cooperation by the City Council of
23 the City of Santa Barbara and compliance with the request to
24 obtain a resolution in accordance with the recommendations of
25 the Lands Commission, it is recommended that the State Lands
26 Commission authorize the Executive Officer to notify the

1 Council of the City of Santa Barbara that pursuant to the
 2 provisions of Section 35313.1 of the Government Code the
 3 State Lands Commission has determined the present value of
 4 the surface of the tide and submerged lands proposed to be
 5 annexed is \$328,000.

6 Additionally, as to the legal questions referred to
 7 the Office of the Attorney General, Deputy Attorney General
 8 Hilton is here this morning to report to the Commission on
 9 those; and, as I am sure you are already aware, the City
 10 Attorney, the Honorable Stanley Tomlinson, is here represent-
 11 ing the City of Santa Barbara in connection with this item.

12 GOV. ANDERSON: Any further comment?

13 MISS HILTON: The Attorney General has provided the
 14 staff with a report on the legal aspects of this problem. We
 15 are concerned with the annexation of an ocean strip. Annexa-
 16 tion by strip is well recognized in California. This will be
 17 the first time that has been a strip of ocean. It will not
 18 be the first time that there has been a strip annexation by
 19 tidelands. That has been done in San Diego.

20 The second matter that was of concern to us was the
 21 fact that this was an annexation of 300 feet only on the
 22 surface, 500 feet down beneath the ocean floor of the Santa
 23 Barbara airport. The original annexation had that description
 24 for the tidelands area. Now that the present resolution of
 25 the City of Santa Barbara is revised, the description taking
 26 only the surface area, that will take care of the problems

1 that the State Lands Commission anticipated and it does make
2 a change.

3 Our advice is this: This is unique, an extension;
4 it is unknown in the field of law. There is nothing which
5 permits it; there is nothing which prohibits it. We cannot
6 say, foretell, what a court of law would do to it if it were
7 questioned in a court of law. As far as the Attorney General
8 that is our statement and we feel it is a matter which has to
9 be determined by the State Lands Commission as a matter of
10 policy by the members of that Commission.

11 GOV. ANDERSON: Now, at the last meeting I under-
12 stood the representative of the Attorney General to say it was
13 not our jurisdiction -- that the annexation problem question,
14 determining whether it is proper to go out in the ocean, was a
15 problem to be decided by the Board of Supervisors and this
16 was not our problem to decide. Are you changing this position?

17 MISS HILTON: No, it is always the Board of Super-
18 visors which determines where they will go in an annexation.
19 It is a policy decision for the State Lands Commission to
20 determine whether or not it wishes to protest and question
21 the legality of this annexation.

22 GOV. ANDERSON: You mean to question the method by
23 going out in the ocean?

24 MISS HILTON: Yes, if you wish to question the
25 method of going out in the ocean or if you wish to question
26 the fact that this is an annexation which just goes to the

1 surface of the land. Usually, in annexation procedures, where
 2 there has been an annexation they take the entire territory,
 3 presumably to the center of the earth; and the jurisdiction
 4 changes and the entire area is taken over by the city. At
 5 this point, the city would be just taking the surface. The
 6 county would still have the jurisdiction beneath the surface.
 7 It is purely jurisdictional, not a legal matter.

8 GOV. ANDERSON: Do you think we have the jurisdiction
 9 of just the land because they are not going to the center of
 10 the earth, or do you think the procedure of going out into the
 11 ocean and annexing this strip -- do you feel we have the right
 12 to consider this?

13 MISS HILTON: We feel the Lands Commission has the
 14 right to consider ocean strip annexation. Whether you consider
 15 the possibility that is so unusual a proposition that you wish
 16 to question it in the courts is a policy determination to be
 17 made by the Commission. Actually, if we were representing
 18 you in the matter.....

19 GOV. ANDERSON: At the last meeting, I raised this
 20 point because I didn't feel we should go on with this kind of
 21 annexation, and I was informed this was not the jurisdiction
 22 of the State Lands Commission; this was a question that had to
 23 be determined by the Board of Supervisors, who were the annex-
 24 ing power; and I thought we should decide whether this should
 25 be annexed or not -- purely, whether we want to be a part of
 26 the City of Santa Barbara or not.

1 MISS HILTON: Actually, I do not mean the Lands
2 Commission is in a position to determine they don't want to be
3 a part of the City of Santa Barbara at this time. If the
4 State Lands Commission should determine that ocean strip
5 annexation was inimical to the State Lands Commission in its
6 jurisdiction over tidelands, presumably then the State Lands
7 Commission would go to the Legislature and ask for special
8 legislation in that regard.

9 GOV. ANDERSON: This was the step they told us about
10 the last time -- that if we didn't like ocean strip annexation
11 we should go to the Legislature, but under the present law we
12 didn't have any right to object on those grounds because that
13 is the law today.

14 MISS HILTON: Well, we presume this is the law.
15 Actually, as I say, we have not had the question of ocean
16 strip annexation tested in the courts. The problem would be
17 this: Usually when a city annexes territory, strip annexation,
18 it is presumed that municipal benefits are going to be given
19 to that strip. What benefits the City of Santa Barbara could
20 give to a 300-foot strip of ocean several miles out is problem-
21 atical; but in California we have never stressed the benefits
22 to be given to the territory. The court has presumed those
23 benefits will be there and will be extended to the area, so we
24 are dealing with rather an unusual situation. If we were
25 taking this matter to court we would state that there were
26 few benefits, but actually we do not feel that what we have is

1 a vital ground of protest. We feel it is a legal point that
2 can be argued, but probably it is better taken care of by the
3 Legislature rather than a court action in regard to this Santa
4 Barbara annexation.

5 MR. CHAMPION: That was my understanding from our
6 previous discussion -- that we acted insofar as we felt was
7 necessary to protect our interests; that we had no further
8 interest as such; and that if there was some point where this
9 was in conflict with the law that that would be a matter for
10 the Attorney General to determine -- if he wanted to contest
11 it, that would be really a finding for him; that we were con-
12 cerned with protecting our own interests and beyond that we
13 played no part in it and that was the basis of our decision.
14 What you state this morning doesn't alter it.

15 GOV. ANDERSON: I thought it did because I am per-
16 sonally opposed to ocean floor annexations, but I didn't think
17 we were taking that position. Now, if we are to determine
18 policy on something like that, I think we ought to look into
19 it a little deeper.

20 MISS HILTON: I would not say, Mr. Anderson, that
21 it is the recommendation of the Attorney General that a pro-
22 test be made to question ocean strip annexation at this time.
23 We say that it is unusual, but there is no feeling that in
24 this particular case, now that the Council has revised its
25 resolution and its description, we do not feel -- the Attorney
26 General is not advising you to file a protest.

1 GOV. ANDERSON: Any other comment, Frank?

2 MR. HORTIG: No sir. Back to the staff recommendation.

3 GOV. ANDERSON: Mr. Tomlinson?

4 MR. TOMLINSON: Mr. Chairman, members of the Commis-
5 sion, I appreciate the opportunity to be here again and discuss
6 this matter. I have made a very careful investigation of the
7 applicable law and I believe that my findings parallel those
8 of the Attorney General's Office, namely that while this is a
9 unique and unusual type of annexation there is nothing prohibi-
10 tory in the law respecting it; and the mere fact that it is
11 unique and unusual is a matter that perhaps in time will be
12 addressed to the Legislature.

13 I do wish to make this clear, however, and very
14 clear, crystal clear -- that the City of Santa Barbara is making
15 this annexation of necessity, absolute necessity, because of
16 the fact, the unusual and unique fact, that some \$800,000 of
17 assessed valuation lies 400 feet below the surface in an area
18 of the territory that can never be susceptible to municipal
19 benefits, municipal control, or other application if you wish;
20 the fact that the three parcels of property being annexed --
21 namely, the tidelands under the jurisdiction of this body; the
22 University of California, I believe a total of eight acres;
23 and 932 acres owned by the City of Santa Barbara of public-
24 owned land; that under the circumstances of there being no
25 substantial private ownership in the airport territory; the
26 fact that this private \$800,000 of assessed valuation lying

1 beneath the surface is determined to protest if the annexation
2 is carried in the usual form to the center of the earth. The
3 nature of that protest means that there can never be in all
4 time an annexation of this municipally-owned airport.

5 The City of Santa Barbara feels very strongly on the
6 necessity, the desirability, of exercising its own municipal
7 control over its own airport in respect to land use and the
8 general exercise of police power over that area.

9 I take it that the factual situation, gentlemen, is
10 as unusual as the legal form of annexation that has been under-
11 taken here. It is quite true that I have made a national search
12 to determine whether anything of this character has ever been
13 done before. My findings have been in the negative, but I can-
14 not help but think and refer this Commission, or any lawyer
15 who sees fit to question the unique and unusual character of
16 such an annexation, that in 1906 here in Los Angeles the city
17 authorities of this city undertook a strip annexation of sixteen
18 miles long, one-half mile wide, to accommodate the annexation
19 of two communities, San Pedro and Wilmington. I am convinced
20 from reading the case in the Supreme Court testing that annexa-
21 tion that the city authorities nor State authorities at that
22 time had any precedent whatsoever for that type of annexation.
23 I say we have a comparable situation now.

24 We have a situation created by modern conditions,
25 perhaps, that couldn't possibly have existed at that time; but
26 I suggest this under these circumstances and the facts that

1 we are talking about here, namely the uniform or the entire
2 public ownership of the territory being annexed, is no more
3 unique, is no more shocking than that situation that existed
4 here in Los Angeles in 1906; and that has never been altered by
5 the court. The findings of the Supreme Court have never been
6 changed in any of the subsequent decisions dealing with freak
7 or unusual or unique annexations.

8 I believe the Lands Commission has fully performed
9 its function here in ascertaining and determining the value
10 which will be considered by the City Council. The City is very
11 happy to cooperate with the Lands Commission and the staff in
12 adoption of the resolution that when the order of annexation
13 is prepared and introduced it will modify the description, the
14 exclusionary portion of the description insofar as the tidelands
15 there are concerned, to the surface of the territory being
16 annexed only and eliminating therefrom and leaving under county
17 jurisdiction all of the territory lying beneath the surface.
18 The City has done that and is willing to do it, and that will
19 be carried forward pursuant to the resolution adopted at the
20 Council meeting about a month ago.

21 Thank you.

22 MR. CRANSTON: Mr. Chairman, the motion before us is
23 a motion which does not take a policy position on the matter
24 of this annexation. We did take a policy position to an extent
25 in our last meeting when we suggested that the City revise the
26 form of their annexation so they would not be dipping beneath

1 the surface of the bottom of the sea. They have done what we
2 suggested and that is before us now -- a motion fixing the
3 valuation of the area we are discussing; and I would move we
4 approve the evaluation.

5 MR. CHAMPION: I would second that with an added
6 observation and that is there should be no implied general
7 approval of ocean floor annexation or strip annexation; that,
8 at least in my mind, in those cases that come before the Lands
9 Commission of this kind because one of these has been granted
10 doesn't mean we approve this. In other words, we approve only
11 in terms of the circumstances in any given case. In this case,
12 there being no other objection, we raise no protests, but where
13 there are objections I don't believe it should be thought we
14 will approve ocean strip annexations because we approved this
15 one. I second it.

16 GOV. ANDERSON: It has been moved and seconded, and
17 under discussion, because there seems to be a little ambiguity
18 in the law -- and this I don't intend to raise in great opposi-
19 tion to this, because I know what we are doing primarily here
20 is establishing the value of the land and because we find there
21 will be no specific detriment that will accrue to our State
22 tidelands -- but I do wish to be recorded as voting "no" on
23 this motion because I feel this ocean strip method of annexa-
24 tion is something that should be looked into and I intend to
25 see that somehow we can get some legislation introduced and
26 possibly study the law; and for that reason I would just as

1 soon not have myself on record as voting for some ocean strip
2 annexation here, because, as the Attorney General here says,
3 they say that we are in a sense developing an established
4 procedure by doing this and we set a precedent, and for that
5 reason I wish to be recorded as voting "no" on this particular
6 motion.

7 So if there isn't any further objection, then, the
8 item will appear with two "aye" votes and one "no."

9 Item (b) -- City of Oxnard annexation -- authoriza-
10 tion for Executive Officer to notify Council of City of Oxnard
11 that the present value of tide and submerged lands proposed to
12 be annexed under Annexation No. 61-102 is \$1,471,800. Mr.
13 Hortig?

14 MR. HORTIG: Mr. Chairman, as outlined on page 57 of
15 your agenda, pursuant to request from the City of Oxnard for
16 evaluation of area of tide and submerged lands proposed to be
17 annexed together with some adjoining upland properties, as
18 shown on the map following page 57 of your agenda, the staff
19 appraisal has been completed; that the lands proposed to be
20 annexed have a present value of \$1,471,800 for the 7,359 acres
21 of tide and submerged lands.

22 This proposed annexation is what has been heretofore
23 the standard format of proposed annexation, to include all the
24 tide and submerged lands to the exterior city limits and down
25 to the center of the earth. The proposed annexation would
26 embrace an existing State oil and gas lease and one which is

1 under present bid offer. The unique feature of that present
2 bid offer is that this is the only one that has ever been
3 offered by the State Lands Commission where the adjoining city
4 joined and recommended that the State Lands Commission actu-
5 ally proceed with the bid offer -- which is the record of the
6 City of Oxnard.

7 Now, patently, this annexation, by including all
8 depths to the center of the earth, might not minimize the
9 Commission's administrative problems there should be as
10 against in the case of the proposed Santa Barbara strip
11 stratified annexation just discussed. Except for that dif-
12 ference in approach, the staff has been unable to determine
13 any basis for protest or objection to the annexation. Also,
14 we have not been informed of any protest on the part of any
15 of the upland owners within the proposed annexation area.

16 There are some representatives of upland areas in
17 the audience today and the Chairman might wish to call for
18 amplification on that subject from them, as well as from the
19 City Attorney of Oxnard, City Attorney Hodges, who is with us
20 here this morning.

21 However, on the basis of the facts presented to and
22 available to the staff, and as it is here outlined, it is
23 recommended that the Commission authorize the Executive Officer
24 to notify the City Council of the City of Oxnard that, pursuant
25 to the provisions of the Government Code, the State Lands Com-
26 mission has determined the present value of tide and submerged

1 lands proposed to be annexed under City of Oxnard Annexation
2 Number 61-10A to be \$1,471,800.

3 MR. CHAMPION: I'd like to ask Mr. Hortig a question
4 here, as a fairly new member of the Lands Commission. What
5 difference in our approach to the problems the State Lands Com-
6 mission will have with anything we want to do with these tide-
7 lands -- what difference in control or in dealings with the
8 City would there be in this annexation? You say "might not
9 be minimized" and that isn't clear.

10 MR. HORTIG: The reason it isn't clear, Mr. Champion,
11 is simply we do not have a clear forecast of the future and
12 the nature of the operation, the degree of the operation, the
13 extent of oil and gas operations and additional ones over and
14 above those that we now have on the books, of course, given
15 the problem of the relationship of city control, city tax
16 assessments.

17 MR. CHAMPION: What legal controls would annexation
18 give the City?

19 MR. HORTIG: Only taxation and nominal police powers.
20 We have had no problems with the exercise of municipal police
21 powers as against State Lands Commission authorized operations
22 on the tide and submerged lands after they have once been
23 authorized, but, as you can see, it is literally impossible to
24 forecast what impact future city taxes might have on a pros-
25 pective lease which is yet to be offered for bid in terms of
26 decreasing the amount of the bid the State of California might

1 get on that lease offer.

2 MR. CHAMPION: That's the prime thing.

3 MR. HORTIG: It is a nebulous area we can't forecast
4 but it can happen. On the other hand, neither do we have any-
5 thing of that nature currently on which to base our protest.

6 MR. CHAMPION: Are most of our leases on submerged
7 lands that have been annexed or most of them unannexed?

8 MR. HORTIG: Those that aren't are rapidly becoming
9 annexed. This is a trend.

10 GOV. ANDERSON: There would have to be legislation
11 passed to allow them to tax our leases, wouldn't there?

12 MR. HORTIG: No sir. As soon as we have a lessee
13 his leasehold interest, his personal property interest, and so
14 forth is all taxable. There is no tax levied against the
15 State of California as such.

16 GOV. ANDERSON: Could there be a tax per barrel,
17 for example? Could they do this now under present law?

18 MR. HORTIG: There is a tax as against the operators.
19 There are county mining taxes levied against all operators.

20 GOV. ANDERSON: Are there any city taxes?

21 MR. HORTIG: City taxes....

22 GOV. ANDERSON: ... against, for example, oil per
23 barrel?

24 MR. HORTIG: Whether the barrel is the measure or the
25 estimated value of the reservoir, there are such taxes, both
26 city, school district, and anything else that the operation

1 finds itself within the exterior confines of.

2 GOV. ANDERSON: So, then, the answer is "yes" --
3 there is a possibility of cutting down ~~the~~ amount of revenue
4 the State will receive.

5 MR. HORTIG: There is this possibility but neither
6 can we assert positively that it will exist in a particular
7 amount.

8 MR. CHAMPION: Let's put it this way -- doesn't
9 Ventura County already have taxes of this nature?

10 MR. HORTIG: Yes, the county mining tax. We do not
11 have any oil operations within the County of Ventura. I do
12 not believe we have any in the County of Ventura within city
13 limits at the present time; we do have in Orange County; we
14 do have within county limits and school district limits in the
15 County of Santa Barbara.

16 MR. CHAMPION: On this subject, when the City
17 Attorney from Oxnard speaks I'd like to hear about this.

18 GOV. ANDERSON: Mr. Hodges, the City Attorney of
19 Oxnard.

20 MR. HODGES: Mr. Chairman, members, Joe Hodges, Jr.,
21 City Attorney of Oxnard. I don't know whether you have any
22 questions or not other than those that have been raised. I
23 might point out that the county tax in Ventura County is about
24 eight dollars and a half, and with that total taxation, \$1.75
25 is of the City of Oxnard, so the county is collecting approxi-
26 mately \$6.75 from all county properties. That includes school

1 districts -- and I would assume, although I don't know, all
2 school districts are coterminous with the county boundaries.

3 There has been one question about the fact that we
4 are going to the center of the earth. This has been true in
5 the previous three annexations of tide and submerged lands in
6 the City of Oxnard and I don't think our doing that will create
7 any more problem than annexing just the surface -- because the
8 Lands Commission would have exactly, I should think, the same
9 problems in connection with the development of the tide and
10 submerged lands as they would have if we had annexed to the
11 surface of the earth.

12 MR. CHAMPION: We would have the same development
13 problems but you wouldn't have the same tax problems.

14 MR. HODGES: That's true.

15 MR. CHAMPION: Has the Lands Commission given any
16 thought to recommending that we go to a surface annexation in
17 cases of this kind?

18 MR. HORTIG: In view of the questions that have been
19 raised by the Attorney General as to whether a surface annexa-
20 tion is valid, in fact, under the law, we have hesitated in
21 recommending what could be an invalid series rather than an
22 invalid unique annexation.

23 GOV. ANDERSON: Any further comments or further
24 questions of Mr. Hodges? (No response) Does anyone else wish
25 to comment on this? (No response) Is there a motion?

26 MR. CRANSTON: I move approval.

1 MR. CHAMPION: Second.

2 GOV. ANDERSON: It has been moved and seconded
3 no further objection, carried unanimously.

4 Would there be any objection at this time to going
5 ahead and taking up the supplemental item for these people
6 that are interested in Santa Monica Bay?

7 MR. HORTIG: No sir.

8 GOV. ANDERSON: Well, then, at this time we will
9 proceed ahead, because we have quite a few people in the audience
10 who wish to testify or be recorded on the Santa Monica Bay
11 mining proposal. So at this time we will move ahead to
12 Supplemental Calendar Item Number 2. It was originally
13 calendar item 48. It is the application for prospecting per-
14 mits, Santa Monica Bay, Los Angeles County, by Howard P. Ritsch
15 and C. Edward Christofferson -- W.O. 3827, W.O. 3839. Mr.
16 Hortig?

17 MR. HORTIG: Mr. Chairman, with your approval --
18 both for expedition and for accuracy and in order that everyone
19 interested in this item may be aware of the complete record
20 and the amount of staff effort that has already been expended
21 on the resolution, I would propose to read the calendar item
22 so that all hear it at the same time.

23 Applications were received from Mr. Howard P. Ritsch
24 of Chicago, Illinois and from C. Edward Christofferson of
25 Downey, California, for permits to prospect for all minerals
26 other than oil and gas on an area of tide and submerged lands

1 seaward of the ordinary high water mark, in the vicinity of
2 Flatrock Point, Santa Monica Bay, Los Angeles County, includ-
3 ing approximately 1,853 acres and 1,169 acres respectively.

4 (Parenthetically, these descriptions are reflected
5 on your Exhibits A-1 and A-2 and, in general, would involve
6 tide and submerged lands fronting on the City of Torrance and
7 the northerly limits of the City of Palos Verdes Estates.)

8 Field reconnaissance and review of published reports
9 by the staff have shown that the areas for which applications
10 have been made cannot be classified at this time as known to
11 contain commercially valuable deposits of the minerals sought.

12 (Again parenthetically, under these conditions on
13 State-owned lands, the State may consider the issuance of a
14 prospecting permit.)

15 The applicants propose to dredge mineral-bearing
16 sand from the ocean floor. Any minerals found would be sepa-
17 rated on the dredge. All dredged material, except mineral
18 concentrates, will be redeposited on the ocean floor. Because
19 of the nature of the proposed operation, it would appear to
20 be desirable to have any productive area discovered included
21 in one preferential lease. Section 6895 of the Public Resources
22 Code provides that in the event of the discovery of commer-
23 cially valuable deposits of minerals on tide and submerged
24 lands, the Commission is authorized to divide such lands into
25 such size and number of parcels as the Commission shall deter-
26 mine will not substantially impair the public rights to

1 navigation and fishing, or interfere with the trust upon which
2 such lands are held.

3 The statutory and regulatory fees have been paid for
4 consideration of these applications.

5 In accordance with the provisions of Section 6818 of
6 the Public Resources Code, the applications were referred to
7 the Office of the Attorney General and to the Director of
8 Natural Resources for review. The Office of the Attorney
9 General has advised that the applications comply with the
10 applicable provisions of law and with the rules and regulations
11 of the State Lands Commission. The Director of Natural Re-
12 sources has reported that the proposed operations will not
13 interfere with the recreational use of lands littoral to the
14 area applied for.

15 Consideration of the applications by the Commission
16 was deferred on May 4th at the request of the cities of Palos
17 Verdes Estates, Torrance, and Redondo Beach, in order to pro-
18 vide additional time for a review by the respective city
19 councils of the proposed operations and their effect on the
20 adjacent shoreline.

21 On June 8, 1961 a hearing was held by the Division.
22 Representatives of the interested municipalities and the
23 applicants were present. The proposed method of extraction
24 operations, in the event commercial minerals are discovered,
25 was detailed and possible effects on the shoreline were dis-
26 cussed. Subsequent to this hearing, letters were received

1 from the cities of Palos Verdes Estates and Torrance, and the
2 Ocean Fish Protective Association to the effect that the issue
3 ance of the permit would be opposed.

4 Thereafter, a conference was held with the applicants,
5 the Corps of Engineers, Department of Fish and Game, Department
6 of Water Resources and the Los Angeles County Engineer's office.
7 Proposed operations were reviewed further. The Department of
8 Water Resources, after a review and discussion with the Corps
9 of Engineers, have submitted a statement to the effect that,
10 in their opinion, the shoreline would not be adversely affected
11 by the proposed prospecting, but that any extraction operations
12 should be confined to the area seaward of the 30-foot depth
13 contour, and that provisions should be included in any extrac-
14 tion lease for regular hydrographic surveys by the applicants
15 of the bay bottom in the extraction area, with the survey re-
16 sults made available for review by interested agencies, and
17 that provisions of the lease should provide for extraction
18 operations to be halted if, on the basis of the survey results,
19 or other information it is believed that such operations are
20 adversely affecting the beaches.

21 The Department of Fish and Game reported that, in
22 their opinion, the operations will not be harmful to aquatic
23 life if carried out in the area and in the manner described
24 by the applicants.

25 The Los Angeles County Engineer reported that a
26 critical need for beach building material exists on the beach

1 south of Redondo pier, because the supply of sand from the
2 north has been cut off due to construction of the Redondo
3 Harbor Breakwater, and it appears that to transport material
4 from an operation such as is proposed by the applicants to the
5 beach location would be feasible at considerably less cost than
6 would be the case with material from upland sources. The
7 applicants would agree to make the waste material available to
8 the responsible agency at the barge location with the cost of
9 transporting material to shore to be borne by the using agency.

10 At a later meeting with representatives of the muni-
11 cipalities, the Ocean Fish Protective Association, and the
12 applicants, operations were again discussed and comments sub-
13 mitted by the agencies with responsibility in the offshore
14 area were reviewed. Copies of the reports from the Department
15 of Water Resources, the Department of Fish and Game, and the
16 Los Angeles County Engineer were sent to the interested parties,
17 and after review with their respective city councils, this
18 Division was informed that Torrance has reaffirmed its protest
19 in consideration of possible erosion and pollution of the
20 shoreline, as well as other practical difficulties. It was
21 further stated that under no circumstances will said protest
22 be withdrawn. No reply was received from the cities of
23 Redondo Beach or Palos Verdes Estates, in response to these
particular discussions.

24 On October 19, 1961, the Executive Officer conferred
25 with the administrative officials of the cities of Redondo
26 Beach, Torrance, Hermosa Beach, and Palos Verdes Estates.

1 From this conference, it appears that in summary the
 2 principal concern of all the represented communities, with the
 3 exception of the City of Palos Verdes Estates, which I will
 4 come back to, is that prospecting permits and a subsequent
 5 lease which might be granted without effective protection for
 6 the coastal communities -- I am sorry, we have a scramble in
 7 the printed language. May I correct this? The concern is
 8 over prospecting permits and the possible future granting of
 9 a preferential mineral lease -- which are of concern in the
 10 event that there should be detrimental effects from such off-
 11 shore exploration and extraction contrary to the expectation
 12 of technical studies or from as yet unforeseen circumstances.

13 The attitude of the City of Palos Verdes Estates is
 14 that any industrial process located so that it could be seen
 15 from the shore, and possibly heard, would be unesthetic and
 16 objectionable.

17 As of the time of the preparation of this calendar
 18 item, 149 individual and joint letters of protests to the
 19 proposed operations had been received. The tally as of this
 20 morning is 261 letters of protest received, some of them con-
 21 taining multiple signatures. However, all of the bases for
 22 concern and protest in these letters have been included in the
 23 discussions held with the local municipal administrators.

24 Therefore, in summary, with every governmental agency
 25 having technical or administrative cognizance in the area
 26 where the operations are proposed having reported to the

1 State Lands Commission that the operations can, in fact, be
2 conducted without detriment to any of the other factors and
3 usages of the same lands, it is recommended that the Commis-
4 sion direct the Executive Officer to undertake the development
5 and specification of control and protective prospecting permit
6 conditions which would be mutually satisfactory to the poten-
7 tially affected coastal communities, the applicants, and the
8 staff, with the understanding that similar necessary lease
9 conditions would have to be developed, and would be developed,
10 in the event of future consideration of the issuance of a
11 development lease.

12 As the Chairman has already noted, there are present
13 this morning numerous representatives, both for the proponents
14 and for the opponents to consideration by the Commission of a
15 program for development of a basis on which the Commission
16 might consider to issue the prospecting permits applied for.

17 MR. CHAMPION: Mr. Chairman, before we hear from
18 them I would like to ask Mr. Hortig a question: Your recom-
19 mendation here in effect leaves it in your hands to determine
20 if the parties are satisfied?

21 MR. HORTIG: No sir. The proposal would be that if
22 directed, as suggested in the recommendation, by the Commis-
23 sion to undertake staff work, there would be staff hearings
24 and staff review, and distribution of the information to all
25 interested parties would be attempted to be completed to the
26 point where the staff could return to the Commission with a

1 report, complete with support of all interested parties, indi-
 2 cating on their own part how many are satisfied, how many
 3 remain dissatisfied and for what reasons, and then on that
 4 basis a new staff recommendation to the Commission as to
 5 whether the Commission should consider cancellation of the
 6 applications at that time or consider issuance of the permits.

7 MR. CHAMPION: There are no permits in existence?

8 MR. HORTIG: Applications. Final determination will
 9 be definitely with the Commission. If I may estimate, if the
 10 Commission were to participate in holding hearings on all of
 11 the factors which have already been discussed and reviewed,
 12 which will also be considered by the staff in the future --
 13 if they were all to be presented in their complete detail to
 14 the Lands Commission, you gentlemen would sit in continuous
 15 sessions for not less than three days and well past five days
 16 and it is proposed that alternatively the staff be burdened.

17 MR. CHAMPION: You are just proposing that we direct
 18 you to continue to try to work it out?

19 MR. HORTIG: Exactly.

20 MR. CHAMPION: All right.

21 MR. CRANSTON: Mr. Chairman, I move approval of the
 22 subject recommendation, with the clear understanding that it
 23 does come back to us for final determination after what nego-
 24 tiations you have carried on. This is not meant to foreclose
 25 any discussion here, although I think -- as in the other
 matter we had this morning -- full and final discussion would

1 be better when it comes back to us at a later date. What we
2 have to discuss here is potential minerals that may lay back
3 in the ocean, versus a beautiful shore that is attractive to
4 millions of citizens in the State of California -- not merely
5 to the citizens of Palos Verdes Estates, Torrance and Redondo
6 Beach who have submitted protests. So I think it should be
7 with the clear understanding that it will come back to us for
8 a final determination and I would like to state my own posi-
9 tion at this time. I, for one, would be opposed to granting
10 this permit unless it was possible to grant it without ad-
11 versely affecting the area for the ones who enjoy it and live
12 in this vicinity.

13 MR. CHAMFION: I'll second it.

14 GOV. ANDERSON: Aren't we kind of aggravating things
15 by passing this? Wouldn't it be better to just deny the per-
16 mits? I mean, doesn't this just continue it on? This is an
17 attempt for you to try to work out some sort of arrangements
18 with the various city officials in those cities, to work out
19 some sort of formula whereby these people may make their
20 applications and meet objections -- and I wonder if they can
21 be met.

22 MR. HORTIG: This, of course, is prejudging whether
23 all objections can be met and the staff are certainly not go-
24 ing to forecast categorically that they either can or cannot
25 at this time. It is felt that particularly in view of the
26 discussion with the city administrative officials no earlier

1 than last Thursday that there is a possible area for agreement
2 that can be reached if mechanisms can be developed for assurance.

3 GOV. ANDERSON: . . that they could not be seen or
4 heard? I mean, this is one of your objections written right
5 in here by the City of Palos Verdes.

6 MR. CHAMPION: That is one city.

7 MR. HORTIG: That is only one portion of the area.
8 Whether this would be geographically subdivided out -- which is
9 one possibility -- or whether the objections can be overcome
10 by discussion as and when everyone understands the full factual
11 basis; and as Controller Cranston has just pointed out, whether
12 operations on a multiple use basis can be so prescribed so that
13 they could be conducted without in any way being detrimental
14 to the other uses and not be incompatible with the beach recre-
15 ation, the skin diving, the fishing, and so forth, which the
16 technical agencies who have reviewed this situation have re-
17 ported to the Lands Commission can be done

18 GOV. ANDERSON: Can they do it without barges being
19 out in the bay and dredging equipment? I think you are trying
20 to find a solution that doesn't exist. Either we are going to
21 let the barges go out there or we are not, and I say refuse
22 the permit and close the matter.

23 MR. HORTIG: This, of course, is within the scope of
24 the Commission. From the staff standpoint and the reason for
25 presenting it and being desirous of exploring it to the ulti-
26 mate -- the Commission has the responsibility for the most

1 effective development of all State-owned lands to the public
2 interests of all the people of the State of California if it
3 can be done without detriment.

4 GOV. ANDERSON: Do you consider having a barge out
5 there a detriment or not? Would that be a detriment to you?

6 MR. HORTIG: This depends upon the location of the
7 barge, the amount of noise generated; in fact -- and here we
8 get off in the area of esthetics, for which there are no
9 precise criteria -- even the color of the barges.

10 MR. CHAMPION: It seems to me it is possible --
11 I don't know how far out or under what circumstances, but it
12 is possible that it would not be a detriment, or not a detri-
13 ment to the point an operation couldn't go on. I would rather
14 see the staff go forward rather than deny without further ex-
15 ploration.

16 MR. CRANSTON: I am about as skeptical as Glenn, but
17 I think we should permit further exploration.

18 GOV. ANDERSON: Before we have testimony -- I know
19 there are others who want to be heard -- we hope you would
20 make it as brief as possible; we hope you would forward a
21 report on the subject. For example, I have a letter here from
22 Burton Chace, Board of Supervisors, and rather than reading it
23 I am just giving it to the staff; so keep it as brief as
24 possible.

25 ASSEMBLYMAN CHAPEL: Mr. Chairman and members of the
26 Commission, I am not a lawyer, so if I do not use the correct

1 phrases, you will pardon me; but I appear as a friend of the
 2 Commission. So if I say anything -- I do not give innuendos
 3 or insinuations, so if I insult anybody I hold up a sign --
 4 so do not take anything offensive.

5 I will make this quite brief. I will start off by
 6 saying you have excellent legal right to grant this permit.
 7 However, I have a broad thing which you should know about, and
 8 also if you just run around to cities and councilmen and each
 9 one is thinking of their own city, I am thinking of not one but
 10 a great many. At the outset, I will give you a very brief, and
 11 will make it darned brief -- unless the Attorney General wants
 12 to crossexamine me, and I am prepared for that without a lawyer
 13 -- I presently, under the present state of the law, represent
 14 the following coastal cities: Playa Del Ray, part of the City
 15 of Los Angeles, El Segundo, Manhattan Beach, Hermosa Beach,
 16 Redondo Beach -- I represent the coastal points, and I have
 17 a large additional area which is quite satisfactory to me. I
 18 have Palos Verdes, Rolling Hills, Rolling Hills Estates,
 19 Portuguese Bend, City of Caliente (?), which is a Navy base
 20 and do not register to vote. So I represent the same coastal
 21 area, minus a small strip in Venice, which we will now discuss
 22 and what I have to say I think will be very simple.

23 I will start with a very brief layman's presentation.
 24 Before you start negotiating city by city, so you will get the
 25 broad thing, this is what happened here. In the year 1955 --
 26 and at the outset I will repeat again: The law is clear; you

1 can grant the permit. But I want to show you how close you came
 2 to the law that you couldn't grant it. This is important. In
 3 the year 1955 in the General Session there was introduced a
 4 bill, which was known in the parlance of the Legislature as
 5 the Shell-Cunningham Act. It had nothing to do with the Shell
 6 Oil Company; Cunningham has become a judge, Shell was a member
 7 of the Assembly. I did not like the bill, even though Shell is
 8 a friend of mine and the same party and even though Cunningham
 9 was the same party -- but I think sometimes we raise above
 10 parties, I hope. So I put in an amendment. Briefly, this is
 11 what my amendment did. The bill we are talking about was known
 12 as 3402, known as Chapter 1724, Statutes of '55. I have the
 13 citation here and in my brief dissertation which has been
 14 mailed out repeatedly to people, not only in my district but
 15 Dills' and Thomas's and other Democratic Assemblymen, who work
 16 with me most of the time -- I think we have these common
 17 interests

18 Now, I put in an amendment to the Shell-Cunningham
 19 Act and I told Cunningham I'd fire him if they didn't take the
 20 amendment. In my amendment, I said to the public, it prohibits
 21 oil drilling - - actually, the way it reads is "oil and gas
 22 drilling" and I said from a point north of Santa Monica, (I
 23 didn't bother going on, I ran clear up to the County of Ventura
 24 line) but from a point north of Santa Monica to Point Vicente,
 25 but I find when they got to it, it goes down to Point Fermin;
 26 and this prohibits all oil and gas drilling. And you will

1 notice I am giving the truth to you, which is a startling thing
 2 for a man in politics to tell all the truth, it said that the
 3 cities own the right to vote oil drilling and that means tide-
 4 lands and three miles out from the main water mark, and how
 5 you measure it. Incidentally, I admire the legal dispute we
 6 had on that because Redondo Beach has an ancient grant for oil
 7 and gas, Hermosa has an ancient grant, which they have never
 8 used; now Manhattan, I got them a grant, but their grant doesn't
 9 include oil and gas and mineral. Now, Palos Verdes is not pro-
 10 tected because three times the City Council told me they didn't
 11 want any grant, so they didn't want it and didn't get it.

12 Now, here is what happened. This is in the law.
 13 This is where I made a mistake. I never thought anybody would
 14 be harvesting the ocean for minerals and I had the advice of
 15 geologists, engineers, and everybody else. I read Rex Beach's
 16 "The Spoilers" about hydraulic mining up in the Mother Lode --
 17 you drive up in the Mother Lode and see what they did. Now,
 18 there are more than those kind of spoilers.

19 Statutes of California 1955, starts on Section 6871.2
 20 and goes on and includes this exemption against drilling for
 21 oil and gas. Now, I mention this to you because while legis-
 22 lative intent really, as all of you know and I am sure every-
 23 body here knows whether he is a lawyer or not, legislative
 24 intent is merely a persuasive thing, something like an Attorney
 25 General's opinion -- the judge can pay attention to it or for-
 26 get it or something -- you know that. It is persuasive. Now,

1 legislative intent is persuasive. I know the intent and if
 2 you want to know it, I refer you to the statutes and amendment
 3 to the Code, 1955 Regular Session, Volume 2. Now, it starts
 4 at the bottom of page 3172 and it goes on to 3173 and here is
 5 where we exempted it - - I'll get through this in a minute and
 6 I'll tell you how you got the right to do this. When I was
 7 a judge advocate for two years in the U. S. Naval District --
 8 although I am not a lawyer (it merely proves the armed forces
 9 will give you a job whether you are qualified or not) - - when
 10 I went out of the judge advocate's office I always prepared
 11 the brief for the defendant first and then prepared the brief
 12 for the prosecution, the United States, so I was ready for the
 13 lawyer.

14 So, I have looked up, and have had lawyers look it
 15 up, and I will again repeat you do have the right. The only
 16 reason you have it is because I forgot to amend that section
 17 of the Code. Over here on 3173, this is the area we exempt
 18 from drilling for oil and gas, and I left out minerals because
 19 I didn't think anybody would ever go for minerals, and neither
 20 did the geologists or anybody. And this is it, and I'll be
 21 short, and then I'll show you your side, because I am a friend
 22 of the court. I will show you the applicant's side. Now,
 23 here is what it is; this is the exception that I forced into
 24 the Shell-Cunningham Act: Beginning at the point of the
 25 ordinary high water mark from the southerly point of Point
 26 Fermin (that's down in Thomas's district) - - you see, I work

1 for the Democrats most of the time in the public interest and
 2 sometimes they are right and it isn't in the public interest.
 3 I am not talking politics; I am just saying I worked with
 4 Thomas - - "from the southerly point of Point Fermin; thence
 5 in a generally northerly and westerly direction along said
 6 ordinary high water mark to the Ventura County line." I
 7 thought of that later and I went clear to the county line of
 8 Ventura County. "Thence due south three miles" and so forth,
 9 and so on. Then I throw in islands, Catalina and San Clemente,
 10 and they are exempt from all oil and gas drilling; and I
 11 deliberately didn't put minerals in because I never thought
 12 anybody in God's world would ever drill for minerals.

13 So, I merely indicate to you that it was the intent
 14 of the Legislature to protect this part of the coast unless
 15 the city owned the right to drill for oil.

16 Now, why? There was many reasons. One was pollu-
 17 tion; one was fish life, and all the men in the world can tell
 18 you there aren't any fish there, but if there aren't any fish
 19 there, why are the fish seiners there so many hours? They are
 20 not out there for fun and they are catching fish -- some of
 21 them outside of the law.

22 Now, we have another thing -- the geological problem.
 23 You start monkeying with this -- I don't mean you, but the
 24 State -- you will have the same thing as the Los Angeles
 25 County Board of Supervisors when they started moving dirt and
 26 caused the ruination of most of the homes in Portuguese Bend,

1 and they said there was a fault there -- you should have known
2 it. That didn't do a man any good if he had his home there
3 and now Los Angeles County can be sued if they can get the
4 money together and they might collect because the earth move-
5 ment is what started it.

6 Now, in pollution we have the Regional Water Pollu-
7 tion Control Board, we have a State Water Pollution Control
8 Board. Frankly, they are like many boards -- long, narrow,
9 and wooden. I went before them for two years on behalf of my
10 city to make people stop polluting the waters, particularly
11 the ocean waters of Manhattan Beach, because what they were
12 doing, they were dumping untreated sewage or partially treated
13 sewage -- and I am not going to tell you what was floating
14 around, but it wasn't gum drops; and it wasn't only offensive
15 to the scene, but who wants to swallow that kind of gum drop?
16 And they turned me down. The Regional Water Pollution Board,
17 they turned me down; they had a Deputy Attorney General there
18 and turned me down. I went to the State Water Pollution Board
19 and they remanded back to the district board, and they sent
20 me back to the State board. I got the run-around for two years
21 and finally I told the State board: "Gentlemen, I am not
22 threatening you, but I am prophesying that I will take away
23 much of your authority and take it back to the public health
24 authority and let them enforce the laws of pollution." And
25 today over half of the authority of the State Water Pollution
26 Control Board is in the hands of the State Department of Public

1 Health. They came around and thanked me and I said, "Beat it,
2 this is not a personal deal -- this is for the people" and
3 there aren't any gum drops floating in the waters of Manhattan
4 Beach, Hermosa and Redondo.

5 I mention that to you because it shows what the
6 people want, and you can run around and talk to one city at a
7 time but I am talking about nine, ten, eleven cities, and on
8 behalf of the people of the State, and I will face the next
9 election and tell them this is detrimental to the State; and
10 the State is not so hard up, and these cities are not so hard
11 up that they have to get money indirectly, not directly or
12 personally.

13 The lawyers had to tell me I forgot to amend over
14 here. This is the code section on oil, gas and mineral leases,
15 Article 5, and this is the West edition on page 125, starting
16 in on Section 6899. It is very clear you have the right to
17 issue the permit. Now, however, I'll tell you this -- and this
18 is not a threat because I will be in the very much minority of
19 it, I will be lucky if I am allowed to get the Mothers' Day
20 resolution -- but I will point out after I am re-elected I
21 will still represent this coastal area and I will be re-elected
22 and that is conceded. I will have enough Democrats who will be
23 proud to amend this section which says you can grant it and
24 amend my amendment, from which I foolishly left it out. In
25 the meantime, if these people have a contract, then we are in
26 a legal mess. You see the point. That's why I say I am a
friend of the court.

1 MR. CRANSTON: I'd like permission from my second,
2 Hale Champion, to withdraw the motion I made.

3 MR. CHAMPION: You have my permission.

4 MR. CRANSTON: It seems to me that while the law
5 says we are to grant all natural resources to the greatest
6 extent possible, the present state of the shoreline under dis-
7 cussion is a natural resource in itself and we should not
8 allow one natural resource to be developed to the detriment of
9 another natural resource. I gather the dredging might come
10 very close to the shore and might come within thirty feet
11 depth. I do not see how this can be done without adversely
12 affecting the enjoyment of the area by all the people of the
13 county, as well as all the people in the State, and I withdraw
14 my motion.

15 MR. CHAMPION: I am going to vote against it.

16 GOV. ANDERSON: I will second the motion. Before
17 we put it to the motion, are the representatives of the
18 applicant here?

19 MR. SPRAY: Yes, Mr. Chairman, we would like to be
20 heard.

21 ASSEMBLYMAN CHAPEL: May I thank you from the bottom
22 of my heart

23 GOV. ANDERSON: We gave you twenty minutes, Charlie.

24 ASSEMBLYMAN CHAPEL: That's five minutes more than
25 they ever have. I'll remember that

26 MR. SPRAY: Mr. Chairman, my name is Joseph Spray.

1 I represent the applicants. I want to say right now, as a
2 lawyer I don't like to have a layman as an adversary. I wish
3 to state, Mr. Chairman, that it is unfortunate, perhaps, that
4 our assemblyman did not include the provision for minerals in
5 the exemption, but the fact remains that it is the law today
6 that in your discretion a lease can be given for the develop-
7 ment of these public resources. I don't think this problem is
8 any different than one that comes up all the time so far as
9 oil wells are concerned. Everybody objects to the development
10 of oil in the submerged lands and you have objections, I take
11 it, on nearly every one of those.

12 Now, this situation here -- my clients have devoted
13 a great deal of time to this in conformity to the law. They
14 have submitted all technical information that has been requested
15 by all the agencies. The State agencies have investigated this --
16 the Corps of Engineers, the Department of Fish and Game, the
17 Department of Water Resources, and the Los Angeles County
18 engineers -- and they have all stated that this operation,
19 after an investigation, can be carried on without any detriment.

20 The applicants propose to use suction out there and
21 they will not disturb the waters; and, as a matter of fact,
22 I think we have shown everyone concerned in this that they will
23 be able to build up the beaches there rather than cause any
24 detriment to them. They will have ample sand there if the
25 particular communities want that sand, and they can have it
26 delivered and distributed upon the beaches wherever they want

1 it, rather than having your black sand beaches there at the
2 present time.

3 The investigation, the report, shows there will be
4 no pollution. There will be no pollution of the waters; there
5 will be no interference with sea life.

6 Now, I know you are anxious to get on with your
7 other business and get out of here, but I do want to point out
8 one other situation to you that came up here a few years ago,
9 in the case of Boone versus Kingsbury, cited in 206 Cal, which
10 was a mandate for a prospecting permit. In that case it had
11 been denied, and the Supreme Court stated in that case that
12 it is to be presumed that it was the intent of the Legislature,
13 and the Legislature by passing the law fixed the law, and it
14 was to be presumed that they had all these things in mind when
15 they passed that law. The application was denied in that case
16 because they objected to the way derricks look and the like,
17 and the Supreme Court said in that case, gentlemen, that the
18 public resources were for development and the mere fact that
19 a few people objected to the esthetic look there without show-
20 ing any valid reason whereby they would be injured was not
21 sufficient.

22 Now, I appreciate it's in your discretion, but as
23 the court pointed out in that case -- they said it is to be
24 presumed until the contrary is shown that the applicants will
25 carry on their operations in a good, workmanlike manner and
26 without injury to anybody; and, furthermore, the court said

1 that by reason of the restrictions put in and the supervision
2 of the various State agencies, why, if they did any damage
3 whatsoever, of course they could stop them. Mr. Ritsch, would
4 you like to be heard?

5 MR. RITSCH: Yes, I would.

6 MR. SPRAY: Thank you.

7 MR. RITSCH: Honorable Chairman

8 GOV. ANDERSON: State your name.

9 MR. RITSCH: My name is Howard Ritsch. I am speaking
10 not only as one of the applicants but as the engineer who will
11 have charge of the selection and operation of the equipment.

12 Now, I want to state at the outset that all of these
13 protests of whatever nature are based solely on a misconception
14 of the nature of our operation and of the intent and the re-
15 sults, the effects of such an operation. Now, we are public-
16 spirited enough, and hope good enough business men, as well as
17 engineers, not to invite a situation where we will bring the
18 wrath of the communities down on our head as a result of any
19 operation we might conduct offshore.

20 Our operation will consist simply in this: The
21 sucking up, just as a vacuum cleaner going over a dirty rug
22 sucks up the dirt -- not into the room -- and directs it where
23 it can be trapped. Our equipment will do exactly the same
24 thing. The water that is returned to the ocean will have been
25 processed mechanically so that virtually all the solids will
26 have been taken out of it. There will be no silting -- that

1 has been one of the objections raised, that there will be al-
2 ing that would have an effect on marine life. These things
3 have all been considered before we filed an application.

4 The pump we will use will be a pump that has actual-
5 been used and is being used for pumping live fish up over dam
6 so if a stray fish or lobster, anything else, would happen to
7 get into the suction, he would come out on the screen and pro-
8 vision would be made at that point to get him back into the
9 water, into the ocean, or thrown gently in a tank, after accu-
10 mulations of an hour or so. All of these things have been
11 thought through.

12 We are not interested, certainly do not want to
13 interfere with the fishing industry, whether it is a commeroi-
14 industry or sporting industry.

15 Now, as to the effect on the shoreline, these com-
16 munities, it seems to me, could very well share alarm of the
17 county engineers as to the very serious erosion that has
18 occurred over the years on this strip of shoreline. There is
19 only one way to correct that, and that is by the deposition
20 of additional material. There are two ways that that materia-
21 can be procured: One is by putting a dredge out there especi-
22 ally for the purpose of sucking up sand off the ocean bottom
23 and depositing it on the beach; the other way, of course,
24 would be to haul sand in from onshore locations, which cer-
25 tainly would not be desirable for a beach. The sand up off
26 the bottom of the ocean would be finer than the sand now on

1 the beach. This has all been gone over with three independent
2 ocean officers with the U. S. Army Engineers and other engi-
3 neers who are even better qualified than myself to decide
4 these matters.

5 Now, the fact that the minerals we are seeking run
6 into the fine grain sizes, those are the ones that will be
7 extracted; those are the ones that we want. Everything else
8 will go back. On a contract with the municipalities, that sand
9 that is redeposited will be a larger, medium grain diameter
10 than the sand we pump up for the simple reason we are taking
11 the finer material out. Even the silt, the silt would not be
12 returned, so the ocean bed and the beaches will be more silt-
13 free than they are today. The material deposited on the beach
14 will make for a stable beach. We can build the beach up 100
15 yards, 200 yards, whatever is deemed desirable by the communi-
16 ties and the counties who operate and conduct the beach.

17 The marine life will not be disturbed. The area
18 that we are interested in -- which is not the area close in
19 shore, we will move from where vegetation exists -- is largely
20 barren of marine growth. I don't say fish, but marine growth.
21 No interference whatsoever will be created with the aquatic
22 life.

23 Now, I'd be willing to predict that two years from
24 now, if this operation is put into motion, that all of the pro-
25 testants will wonder what in the world they ever found to
26 protest about because we intend to conduct this operation in

1 a manner that will cause no nuisance, no pollution, no noise,
2 no smoke, no fumes, no dust, anything that possibly could be
3 objected to by any reasonable individual.

4 Now, we have reassured - - in several sessions we
5 have had with these gentlemen, we have reassured them there
6 will be no noise, for instance. They still bring up the matter
7 of noise. If you were to stand on deck, it would still be a
8 quiet operation; and a half mile from the craft there certainly
9 will be no discernible noise.

10 It will create no fumes. We even use devices used
11 in the same type of engines for underground mining within a
12 few feet of the men operating equipment who are breathing the
13 air. That type of exhaust will be used. There will be no
14 visible or detectible fumes of any kind. And you can go on
15 down the line with any consideration that might have any bear-
16 ing on the rights and welfare of the people of these communi-
17 ties.

18 Now, furthermore, you gentlemen know that ample pro-
19 vision can be written into the permits to provide whatever
20 safeguards are deemed necessary to guard against any undesir-
21 able or deleterious results from our operation. We are out to
22 leave the shoreline in far better shape than it is today.
23 There is actual danger, as expressed in several quarters, of
24 what little beach remains being washed away in this coming
25 winter's storms and being attacked by the surf; and we will
26 reverse that trend of the last fifteen or twenty years so that

1 actually we will end up with more beach, better beach, cleaner
2 sand, and a stable beach compared with what we have today.

3 Now, I am hoping and planning to be in one of these
4 communities myself and I am just as appreciative of a seascape
5 as anybody. I am taking that into account. It is true we do
6 have to have some type of craft out there but the type we have
7 in mind will not be objectionable to look at. So every con-
8 sideration has been given to the rights and welfare and the
9 esthetic feelings, even, of the citizens of these communities,
10 so with all those considerations we do feel that we are en-
11 titled to these prospecting permits -- which will provide
12 benefit all the way down the line from the State treasury to
13 the physical wellbeing of the communities themselves.

14 Thank you, gentlemen.

15 GOV. ANDERSON: Thank you, Mr. Reich.

16 MR. CHRISTOFFERSON: Honorable Chairman and gentlemen
17 of the Commission, I am Edward Christofferson.

18 GOV. ANDERSON: You are the other applicant, I believe?

19 MR. CHRISTOFFERSON: There has been a repeating of
20 the numbers of protests which have been filed. As I under-
21 stand, or as I have felt, the protests principally are coming
22 from a group of organized sportsmen who represent the sports
23 fishing industry and they have affixed their names to the
24 forms which were published in a newspaper article. This is
25 entirely proper and we respect them and admire their position
26 in this case.

1 One thing I would like to point out is that hundreds
2 of thousands of people use the beaches each day. Those people
3 have not been informed about the matter of building a beach or
4 not building a beach. This is something that should be brought
5 out as well from the standpoint of the numbers of people who
6 will be accommodated in the improvement through the methods of
7 mining and dredging that we propose and offer.

8 Every safeguard is included in the legislative act
9 and every assurance is yours in the form of our submitted
10 evidence of method of approach and our sincere intention to
11 observe every possible preservation for all people and all of
12 their feelings.

13 One thing that has not yet been offered in our dis-
14 cussion is the matter of the development which will result
15 from the program which we offer. Now, these things are all
16 in the problematical stage. We need to prospect to find out
17 if that what we hope exists actually does. If it does, it will
18 mean employment for people. It is conceivable that a minimum
19 operation such as would be necessary for us from an economic
20 feasibility standpoint would provide new jobs for at least
21 fifty people. If there is a greater amount of material than
22 we presently regard as a minimum amount of material, a great
23 many more people could be employed; and this is no small
24 addition to a bursting population, where jobs are becoming
25 scarcer rather than improved. There is more competition for
26 every job today than there was yesterday. We are bringing a

1 new industry with a new opportunity for the people and without
2 any possible way in which the present population could be any-
3 thing but benefited from our operation.

4 I think that examining carefully the engineering data
5 that has been submitted, we have had authority that has spoken
6 in our behalf . We have spoken with the people who represent,
7 shall we call them, opposition groups. We have attempted to
8 reach everyone to tell them the story and our method of opera-
9 tion. Unfortunately, we were not aware that the fishing,
10 sport fishing enthusiasts, were not made a part of every meet-
11 ing that we had. We felt that through a representative, who
12 is present here, that he would carry the story of our method
13 of operation and the assurance that there would be no damage
14 to the fish life -- that we had reached them. Unfortunately,
15 we found late in the past week or early in this week that we
16 had not. We attempted to seek out the people that are inter-
17 ested in the protection of the fish life, in order that we may
18 be able to assure them with authority. We have gone so far
19 to in writing state that included in our organization will be
20 a marine biologist, who will make regular reports to this body
21 and every agency in the State, so there could be no possible
22 way that we could be detrimental or injurious to any marine
23 life or any other population or person which hasn't been
24 stated or isn't made a part of this conversation.

25 Thank you, gentlemen.

26 MR. PECORELLI: May I be heard, Please? I don't

1 believe a meeting this big ever has had the opportunity,
2 possibly, to hear from an actual diver, who has pretty well
3 covered this area each day of the week. My name is Harry
4 Pecorelli. I represent the skin diving group in this area.

5 GOV. ANDERSON: Could you make it very brief?

6 MR. PECORELLI: I will make it as brief as possible.
7 This gentleman referred to employment of possibly fifty people
8 or more. By doing this, I can possibly relate hundreds of
9 people who will be unemployed if anything happens in this area.
10 In this area there are places such as Flat Rock, Haggerty Rock
11 Pile, and so forth -- I can take out a limit in fish --
12 lobster, abalone. I work in that area in a diving shop -- I
13 work every day. I have covered that entire area in Santa Monica
14 Bay every day. I know this area like you know your own home.
15 By removing this dirt, naturally the rock will remain, even if
16 they don't mean to hurt anything, in doing this they are going
17 to kill off anything around the rocks.

18 I just want to point out the engineers, and with all
19 due respect to the Fish and Game, they go out and conduct the
20 surveys but don't get actually to it like the skin divers. I
21 have petitions signed by hundreds of people -- I could get
22 thousands, because they all come into the shop and jump up and
23 down about this whole thing.

24 GOV. ANDERSON: Please keep this brief because we
25 still have a somewhat full calendar we want to complete.

26 MR. ROSEVEAR: Robert J. Rosevear, Chairman of the

1 Planning and Parks Commission, Palos Verdes Estates.

2 You mentioned that you didn't have a letter from the
3 city in protest, in reading your item. We have one here. Our
4 council meeting was held shortly after our previous meeting.
5 I would like to read that letter.

6 ~~GOV.~~ ANDERSON: We would like to have any letters
7 left with the staff.

8 MR. ROSEVEAR: I particularly want you to have this
9 for the minutes. This is addressed to the State Lands Commis-
10 sion:

11 "Gentlemen:

12 At its meeting held October 24, 1961, the City
13 Council of this City adopted and made a part of
14 the official minutes of the meeting, the report
15 from the Planning and Parks Commission dated
16 October 19, 1961, setting forth reasons for pro-
17 testing the proposed offshore dredging project.

18 This Council vigorously protests the granting
19 of permits for the proposed offshore dredging and
20 authorized Mr. Robert J. Rosevear, Chairman of
21 the Planning and Parks Commission of this City,
22 to appear at your meeting of October 26, 1961,
23 on behalf of the City of Palos Verdes Estates to
24 present our protests.

25 H. F. B. Roessler, Mayor"

26 This is in addition to the Council's letter:

"Gentlemen:

I am at this time presenting to the City Council
a final report on our protests to be presented
to the State Lands Commission at the public
hearing to be held October 26, 1961:

1. Offshore dredging within 1,000 feet of
the Palos Verdes Estates shore would create
an industrial operation. The citizens of

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"Palos Verde Estates live here because of the very fact that industries are forbidden to operate on the Peninsula. We pay a much higher tax rate because of this, but are willing to do so in exchange for the privilege of living in an exclusive area. Offshore dredging would change the character and values of our properties.

2. There would be noise in any dredging operation and the proximity of the barges would make the noise very disturbing and create a very undesirable situation.

3. The most valuable properties in the City are those with a shoreline view. To clutter up the view with barges operating off the shore only one to two thousand feet would no doubt create a very bad situation. This would affect the value of the view properties to a great extent.

4. A dredging operation in the location designated by the proposed prospecting permits would disturb the growth of seaweed and vegetation, as well as the small rocks conducive to sea life.

5. An extensive exploration was carried on by five deep sea divers in the identical area of the proposed dredging operations and they found a great abundance of abalone. There was an appreciable amount of sea growth and rocks. There were sand bass, calico bass, opal eye, and some large migratory fish were sighted, although the sea was very rough. They also reported sighting lobsters.

The five divers anchored their boat approximately 750 feet off Malaga Cove and made a complete arc of 400 to 500 feet at a depth of 30 to 40 feet. They then changed locations to approximately 750 feet off Flat Rock Point. They again made a complete 400 to 500 feet arc at about 30 to 40 feet in depth. They were very frank in stating that this was one of the finest, if not the finest, bed of abalone they had ever encountered. To strip these beds through dredging operations would certainly leave this area an ocean desert and completely destroy any future sport fishing and deep sea diving.

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"6. There is no evidence that the rejected material from the dredges would not float shoreward. There would be a constant disturbance of the sea bottom and the silt would be suspended, only to be deposited on the shore, destroying the beaches. There is no evidence to the contrary.

7. While the danger of ground slippage has been minimized by the prospective operators, there have been so many conflicting reports it is evident that a full survey should be made before entertaining the idea of granting a permit for operations.

8. It must be emphasized that in paragraph 14 of the prospecting permit No. PRC from the State Lands Commission the following statement is made: "Upon establishing to the satisfaction of the Commission that the commercially valuable deposits of materials have been discovered within the limits of the prospecting permit, the permittee shall be entitled to a lease to a portion of the land embraced in this prospecting permit." The lease will be for twenty years with an option to renew for an additional ten years.

9. The millions of tons of material removed from the adjacent sea floor would most certainly create a condition that could not be predicated on any previous operation. A coring of the hills above the seashore in this location shows a definite composition comparable to the hills in the Portuguese Hills area. It is admitted that a like operation has never been carried out in an area where these conditions were prevalent.

Under the circumstances set forth in this report I feel that the City Council of Palms Verdes Estates should vigorously oppose the granting of any prospecting permits.

Robert J. Rosevear, Chairman
Planning and Parks Commission"

GOV. ANDERSON: Can you place that in the record?

I think most of this we have all already received.

MR. ROSEVEAR: Yes. In writing you that, I understand,

1 Mr. Chairman, that it was not in your minutes. While it had
2 been received, I don't believe it has been recorded and I'd
3 like to request it now. I also have a petition....

4 MR. CHAMPION: Mr. Chairman -- excuse me a moment.
5 Is not the question before the Commission not whether to deny
6 it but to hold it over for further examination? I think the
7 taking of testimony for denial is unnecessary at this point
8 and not useful to this Commission, if it is to be held over
9 for a subsequent hearing. There is no question of the Com-
10 mission today approving this and it seems to me, both for
11 reasons of time and because it isn't applicable to the question
12 we have before us, that we might end testimony protesting
13 approval.

14 GOV. ANDERSON: The motion that is before this body
15 at this time is a motion to deny the two permits and I would
16 feel that if any of you have any testimony to give on that,
17 unless this motion were voted down it would be wise to just
18 make it a matter of record.

19 MR. ROSEVEAR: Thank you very much.

20 MR. ROBINSON: Mr. Chairman, members of the Commis-
21 sion, my name is Clyde Robinson, Vice President of the Ocean
22 Fish Protective Association, and I would like to do as you
23 suggest, present to the Commission our proposals. I have the
24 feeling that the attitude, the motion, is on the floor for
25 denial. I will present these to your secretary, to be sub-
26 mitted to you.

1 GOV. ANDERSON: Is there anyone further that has
2 anything to say, to present for the record?

3 MR. BEASLEY: Governor, I wish to. I am J. Beasley,
4 City Councilman of Torrance. We had a meeting the other day
5 with Mr. Hortig and I think in his report to you he indicated
6 a misunderstanding that should be clarified.

7 He indicated to you that we might agree upon a com-
8 promise. I know of no such subject which ever came up in the
9 City of Torrance, which has such universal opposition to off-
10 shore mining; and I feel there is no way of any compromise
11 being worked out, and I think he misunderstood because of a
12 question from our city attorney.

13 GOV. ANDERSON: Mr. Hortig, I think, would like to
14 respond to that.

15 MR. HORTIG: In clarifying the record, and being
16 brief as instructed, there was no intent on my part to suggest
17 or have any inference in my report to the State Lands Commis-
18 sion, Mr. Beasley, that there was a basis for compromise. I
19 indicated that I sensed the feeling that if assurance could
20 be given to the municipal administrators that they recognized
21 as valid assurance and valid controls that such an operation
22 could be conducted without detriment to anyone, then under
23 those circumstances these administrators would be reasonable
24 in their evaluation and determination of whether to continue
25 their protest.

26 MR. BEASLEY: Yes, Mr. Hortig, this is something

1 that is easy to do in some cases, but we feel that this beach
2 line with its view and the many people who have invested
3 thousands and thousands of dollars in homes in the area and
4 using the beach for recreational purposes would feel it too
5 desirable to clutter it up with dredges or barges, or take
6 chances on pollution in the water.

7 MR. HORTIG: You summarized it when you said "pollu-
8 tion" and I suspect there is no guaranteeing

9 MR. DOWER: Robert Dower, Assistant City Attorney.
10 We have rather a serious annexation problem here, Mr. Chairman.
11 Some years ago the City of Torrance annexed out to the three-
12 mile mark the submerged tidelands and we wonder if it is pos-
13 sible to get an expression from the Attorney General, assuming
14 that it is persuasive only, but could we get an opinion as to
15 the jurisdiction? In other words, assuming the City has the
16 police power, what do we have in that police power? In a
17 preliminary way, staff counsel has told us we were unable to
18 do anything to the three-mile mark. Could we have an Attorney
19 General's opinion in this area? In writing would be all right.

20 MR. CHAMPION: Any local jurisdiction can ask the
21 Attorney General for an opinion at any time.

22 GOV. ANDERSON: I think you ought to direct a letter
23 to the Attorney General's office along the line of that
24 question.

25 MR. DOWER: I think it would be helpful for your
26 consideration, too, your Honor.

1 MR. JONES: Mr. Chairman, my name is North Jones.
2 I am with the Redondo Sport Fishing Company, Redondo. We have
3 three permanently anchored fishing vessels in this immediate
4 area. I don't mean to bring this out any longer, but think
5 perhaps it can be brought to a head very easily because of a
6 discussion I had with Mr. Ritsch and Mr. Christofferson this
7 week. They both told me there is not any chance of this
8 mineral being available where there is vegetation. They are
9 interested in prospecting in this area because the Department
10 of Fish and Game has advised them there is a vegetal drought in
11 this area. I think your report states this is a virtual marine
12 desert.

13 We can give you proof that any member of any organi-
14 zation, particularly the Fish and Game, that makes such a
15 statement is a desk-locked gentleman, who is either grossly
16 misinformed or a congenital idiot. I say this not to be smart
17 or anything -- I say this because many of the people in this
18 room who fish, who swim and enjoy these waters, know this is
19 for some reason a political misstatement or lie.

20 These gentlemen who are planning on doing this
21 prospecting state that they can't find the mineral in the
22 areas where there is vegetation. We know there is vegetation
23 to a great extent. This is probably one of the finest fishing
24 areas in southern California and my fishing competitors from
25 seven different landings have added their names to a document
26 which states this is true.

1 I think if you will ask these gentlemen if they
2 hope to find their minerals in an area where there is vegeta-
3 tion, which they have told us they are not, we can bring this
4 to a head now by disapproving their application, because we
5 can prove to you in two hours -- we can take you on a boat
6 this afternoon to show you great abundance of marine life and
7 fish in this area.

8 MRS. GAZIN: Mr. Chairman, Patricia Gazin, Mayor of
9 Hermosa Beach. I am grateful for the motion on the floor. I
10 came down with great haste to introduce this Resolution 2390
11 of the City of Hermosa Beach opposing the proposed permit.
12 Thank you very much for the motion on the floor.

13 MR. ROBINSON: In that report you will note the
14 Greater Los Angeles Skin Diving groups and the Ocean Fish
15 Protective Association conducted a survey of this area and we
16 found the marine life, contrary to the statement by Fish and
17 Game and the statement made by Ritsch and Christofferson that
18 this is a barren area. They found the plant life itself very
19 frequently, also the fish life in abundance, and they made the
20 statement they had not seen abalone in as great abundance any-
21 place along our coast other than the offshore operations. I
22 could go into that report....

23 MR. CHAMPION: Assemblyman Chapel would remind you
24 there is an old slogan in the Assembly "If you have the vote
25 sit down."

26 GOV. ANDERSON: If there is no further comment --

1 Does anyone else wish to have anything recorded?

2 MR. RITSCH: Mr. Chairman, I would like to have a
3 couple words here. It is very obvious from the protests
4 stated here that there is, just exactly as I said - - these
5 are for the most part hobgoblins conjured out of open air
6 simply because of a misconception of the effect of our opera-
7 tion. Now, if we have been misinformed as to what is lying
8 on the ocean floor, I'd like to engage the services of this
9 gentleman here, for whom I have a lot of respect. Anybody who
10 can get out with a sled and slide over the ocean bottom! What
11 we want to know is precisely what is out there. We had already
12 arranged to engage an ocean ^{operator} additor, both on the biological,
13 geological and stratigraphic standpoint, so we may know what
14 effects we might cause. This is in conjunction with the pros-
15 pecting phase of our operation, not the dredging; so that if
16 there is any undesirable result to be expected, we will know
17 it within a matter of weeks after we begin our prospecting;
18 and, as I stated at the outset, we are not going to - - we
19 are good enough business men not to set up an enterprise where
20 we are going to have to buck the opposition of several communi-
21 ties.

22 On the other hand, we still feel, in spite of all
23 that has been stated, that adequate safeguards can be provided
24 for our operation -- which, incidentally, will be so far off-
25 shore it will not affect the close-in rocky formations of the
26 coastline. It will be out where the sand is deep and there is

1 practically nothing but sand from what information we have
2 gathered so far.

3 So the thing I want to stress is the fact that these
4 safeguards, whatever safeguards the individual communities
5 feel called upon to insert, inject, into the permits and the
6 lease will be provided -- that's something that can be nego-
7 tiated when we get right down to facts and not these various
8 misconceptions.

9 GOV. ANDERSON: The question is on the motion Mr.
10 Cranston made, and I seconded it, that the applications for
11 prospecting permits in Santa Monica Bay by Howard Ritsch and
12 Edward Christefferson be denied. All in favor signify by
13 saying "aye."

14 MR. CRANSTON: "Aye."

15 MR. CHAMPION: I want to be recorded as voting "no."

16 GOV. ANDERSON: Mr. Cranston and myself voting
17 against the permits and Mr. Champion voting "no."

18 Proceeding now to the original calendar, on the
19 bottom of page 5, Item Number 10 -- authorization for the
20 Executive Officer to approve map showing the proposed boundary
21 line of State submerged lands and the property of Waldo and
22 Louise Giacomini along Lagunitas Creek, Marin County, Call-
23 fornia; authorization for Executive Officer to enter into
24 agreement with Waldo and Louise Giacomini fixing said boundary.
25 Any comment on that, Mr. Hortig?

26 MR. HORTIG: No, nothing further. It has been

1 agreed to and the form has been approved as to form by the
2 Office of the Attorney General.

3 GOV. ANDERSON: Motion to approve?

4 MR. CRANSTON: Yes.

5 MR. CHAMPION: Second.

6 GOV. ANDERSON: Moved and seconded, approved
7 unanimously.

8 Item 11 -- authorization for Executive Officer (1)
9 to approve boundary line along right bank of Novato Creek and
10 (2) to enter into an agreement with the upland owners, Jack
11 Hunt West, Jr., etcetera.

12 MR. HORTIG: This is an identical action to the pre-
13 ceding one, only the geography is different.

14 MR. CRANSTON: I move.

15 MR. CHAMPION: Second.

16 GOV. ANDERSON: Moved, seconded, carried unanimously.

17 Item 12 -- Approval of the proposed budget of the
18 State Lands Division for the fiscal year 1962-63, in the
19 total amount of \$1,070,958. Mr. Hortig.

20 MR. HORTIG: You gentlemen of the Commission have
21 previously received, I think, copies of the entire proposed
22 budget, as submitted to the Department of Finance, and it is
23 recommended that to supplement the report to the Department
24 of Finance the motion of the Commission be recorded.

25 MR. CHAMPION: I will not be recorded on this.

26 MR. CRANSTON: I move approval.

1 GOV. ANDERSON: I will second it, and Mr. Champion
2 wishes to be recorded as not voting.

3 Item 13 -- Confirmation of transactions consummated
4 by the Executive Officer, pursuant to authority confirmed by
5 the Commission at its meeting on October 5, 1959. Mr. Hortig.

6 MR. HORTIG: As the tabulations on pages 88 and 89
7 indicate, these were all routine renewals and extensions pur-
8 suant to delegation of authority to the Executive Officer.
9 Confirmation of these actions is recommended.

10 MR. CRANSTON: Move approval.

11 MR. CHAMPION: Second.

12 GOV. ANDERSON: Moved and seconded, carried unani-
13 mously.

14 Item 14 is for information only: (a) Report on
15 proposed oil and gas lease, tide and submerged land, Santa
16 Barbara County -- Work Order 3880 (Parcel 4).

17 MR. HORTIG: Mr. Chairman -- which is now supple-
18 mented by a full report. Starting on page 90 of your calendars,
19 proposed oil and gas lease, tide and submerged land, Santa
20 Barbara County, is the actual informative item, in which it
21 is reported that the staff recommendation would be presented
22 as a supplemental item -- which now appears starting on page
23 100 of your calendars, being the Supplemental Calendar Item
24 47, under which on review of the bids received with respect
25 to the subject parcel, the Attorney General's Office having
26 reviewed the highest bid has determined that the Commission

1 has complied with the procedural requirements of law and that
2 the bid submitted conforms with the bid requirements specified
3 in the proposal, complies with the optimum provisions of law
4 and the rules and regulations of the Commission. The summary
5 tabulation of the bonus payments which were offered follows
6 on the succeeding page.

7 On staff evaluation as to the adequacy of the bid
8 offer, it is recommended by the staff that this is adequate
9 and, therefore, in accordance with the provisions of the Pub-
10 lic Resources Code it is recommended that the Commission
11 accept the highest qualified bid made by Richfield Oil
12 Corporation, Signal Oil and Gas Company, and Socony Mobil Oil
13 Company, Inc. jointly, and authorize the Executive Officer to
14 issue an oil and gas lease to the aforesaid joint bidders for
15 the designated Parcel 4, as detailed in previously published
16 notice of intention, the cash bonus payment in consideration
17 of issuance of the lease to be \$2,101,875, as offered in the
18 bid.

19 MR. CRANSTON: I move approval.

20 MR. CHAMPION: Second,

21 GOV. ANDERSON: Moved and seconded -- carried
22 unanimously.

23 Item (b) of Item 14 is the one on Ritsch and
24 Christofferson and I imagine we have had enough on that.

25 MR. HORTIG: Yes.

26 GOV. ANDERSON: Item 15 -- informative only, no

1 Commission action required. Report on status of major
2 litigation. Mr. Hortig?

3 MR. HORTIG: Nothing beyond the listed information
4 for the Commissioners, as reported on pages 93 and 94 as to
5 the status of the various litigations.

6 GOV. ANDERSON: The next item and the last item
7 before the determination of the time and place of the next
8 meeting is Item 3 of the Supplemental Calendar, which is
9 Assignment of interest, Oil and Gas Lease P.R.C. 2206.1 of
10 Newmont Oil Company....

11 MR. HORTIG: ... which appears at page 102 of your
12 supplemental agenda and is presented at this time in order
13 that consideration might be given, as recommended by staff
14 review, to proposed sale of an interest in an existing tide
15 and submerged lands oil and gas lease by Newmont Oil Company
16 to Texaco, Inc.

17 As assignee, Texaco Inc., as lessee of the State
18 on other leases, is already fully qualified to accept such
19 assignment. Both the assignor and assignee have filed all
20 the requisite documents and in order to consummate the trans-
21 action, under the provisions of the Public Resources Code,
22 approval of the State Lands Commission is required; and
23 approval of the State Lands Commission is recommended by the
24 staff.

25 MR. CRANSTON: I so move.

26 MR. CHAMPION: Second.

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GOV. ANDERSON: It has been moved and seconded; without comment, carried unanimously.

Then, the last item on the agenda would be the determination of the date, time and place of the next Commission meeting and I am informed the members would like to have it on Wednesday, November 22, 1961 at ten a.m. in Sacramento.

MR. HORTIG: It was set for nine a.m., Governor Anderson, unless the Commission desires to change it. The original time for the November 30th meeting was set for nine a.m.

GOV. ANDERSON: I have no objection. I am in Sacramento.

MESSRS. GRANSTON AND CHAMPION: Nine is all right with me.

GOV. ANDERSON: This is all right for the people that come up there?

MR. HORTIG: It is up to the Commissioners.

GOV. ANDERSON: All right. It will be at nine a.m. November 22nd in Sacramento. It has been moved and seconded and so carried. No further business? (No response) The meeting stands adjourned.

ADJOURNED 12:33 P.M.

CERTIFICATE OF REPORTER

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I, LOUISE H. LILLICO, reporter for the Office of Administrative Procedure, hereby certify that the foregoing eighty-five pages contain a full, true and correct transcript of the shorthand notes taken by me in the meeting of the State Lands Commission held in Los Angeles, California on October 26, 1961.

DATED: Sacramento, California, November 7, 1961.

Louise H. Lillico