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TRANSCRIPT OF
MEETING
of
STATE LANDS COMMISSION

SACRAMENTO, CALIFORNIA

JULY 2, 1965

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PARTICIPANTS:

THE STATE LANDS 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. Paul M. Joseph, Deputy Attorney General

APPEARANCES:

(In the order of their appearance)

Mr. F. M. McLaughlin
Legislative representative, County of Los Angeles

Mr. Thomas J. Reilly of Musick, Peeler & Garrett,
Special counsel for the City of Santa Monica

Mr. Robert G. Cockins
City Attorney, City of Santa Monica

Mr. John W. Ross, Jr.
Attorney representing Fair Oaks property owners

I N D E X

(In accordance with Calendar Summary)

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>TRANSCRIPT</u>
1 Call to order			
2 PERMITS, EASEMENTS, RIGHTS- OF-WAY, NO FEE:			
(a) County of Contra Costa	41	1	1
(b) Dept. Parks & Recreation, Div. of Beaches & Parks	33	2	2
(c) Dept. of Public Works, Div. of Highways	28	3	1
(d) Pacific Tel. & Tel. Co.	24	5	2
(e) Public Utilities Comm. City & County of S. F.	39	6	2
(f) County of San Bernardino	40	7	2
(g) U.S. Army Corps of Eng.	27	9	2
3 PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE:			
(a) Hastings Farms	7	10	4
(b) Lindsey H. Spight, dba Diablo Communications			
(1) J & S Electronics	3	11	4
(2) C & C Equipment Co.	4	12	4
(3) Eureka Fed. Sav. & Loan	5	13	4
(4) West Transportation	6	14	4
(c) Bela Thury	36	15	6
(d) Continental Oil Company	11	16	6
(e) Continental Oil Company	13	17	7
(f) Pan Petroleum Company Inc	31	18	7
(g) Standard Oil Co. of Calif. Western Operations, Inc.	12	19	7

continued

I N D E X
(In accordance with Calendar Summary)

<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			
(h) Phillips Petroleum	14	20	8
(i) Shell Oil Company and Standard Oil Co. of Calif	15	22	8
(j) Signal Oil & Gas Co. et al	38	23	8
(k) Granite Rock Company	17	25	8
(l) Guy L. Weatherly	20	26	9
(m) Mary B. Kent	1	27	9
(n) Union Oil Co. of Calif.	25	28	9
4 CITY OF LONG BEACH:			
(a) (1) Belmont Pier	9	29	9
(2) Parking lot, Bixby Pk.	29	30	10
(3) Entrance channel bridge	30	33	10
(b) Subsidence maintenance	21	40	10
(c) Subsidence studies	22	43	10
5 MINERAL LEASES:			
(a) Parcel 25 to Shell Oil Co.	35	46	11
(b) Rescind Parcel 26 offer	32	48	11
6 ADMINISTRATION:			
(a) Independent appraiser U.S. Navy exchange Anaheim Bay, Orange County	26	49	11
(b) Supplementary rental agreements, Internat'l Bus. Mach & Control Data	2	50	11

continued

I N D E X
(In accordance with Calendar Summary)

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
6 ADMINISTRATION (continued)			
(c) Agreement Metropolitan Blueprint Company	18	51	12
(d) Agreement Control Data Corp.	19	52	12
(e) Amend forms of State leases to include non- discrimination clause	10	53	13
7 APPROVAL OF MAPS & BOUNDARY AGREEMENTS:			
(a) Map of Grant to U.S.Navy vicinity Mare Island Chapter 1452/63	16	54	13
(b) Maps of Mean High Tide Line vicinity of Car- pinteria, S.Barbara County	23	55	13
(c) Agreement Bahia Prop.Corp.	8	56	13
8 PROPOSED ANNEXATION			
(a) City of Mill Valley	34	61	14
9 INFORMATIVE - Re Litigation	42	62	14
10 NEXT MEETING			60
<u>SUPPLEMENTAL CALENDAR</u>			
11 INFORMATIVE - Legislation	43	65	15, 45
12 Extension of agreement for consultants' services re Long Beach tidelands opera- tions (DeGolyer & MacNaughton)	44	79	48
13 Modification of plan of development and operation of undeveloped Long Beach tide- lands per approval by Comm. on 4/8/65	45	80	49

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I N D E X
(In accordance with Calendar Summary)

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
14 Application for right-of way entry permit - Natomas Company	46	32	49

I N D E X
(In accordance with calendar item)

	ITEM ON CALENDAR	PAGE OF CALENDAR	PAGE OF TRANSCRIPT	ITEM ON CALENDAR	PAGE OF CALENDAR	PAGE OF TRANSCRIPT
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2	2	50	11	25	28	9
3	3	11	4	26	49	11
4	4	12	4	27	9	2
5	5	13	4	28	3	1
6	6	14	4	29	30	10
7	7	10	4	30	33	10
8	8	56	13	31	18	7
9	9	29	9	32	48	11
10	10	53	13	33	2	1
11	11	16	6	34	61	14
12	12	19	7	35	46	11
13	13	17	7	36	15	6
14	14	20	8	37	not on calendar	
15	15	22	8	38	23	8
16	16	54	13	39	6	2
17	17	25	8	40	7	2
18	18	51	12	41	1	1
19	19	52	12	42	62	14
20	20	26	9	<u>SUPPLEMENTAL</u>		
21	21	40	10	43	65	15,45
22	22	43	10	44	79	48
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24	23	55	13	46	82	49
25				NEXT MEETING		60

1 JULY 2, 1965 - 2:12 P.M.

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GOV. ANDERSON: The meeting of the State Lands Commission will come to order.

The second item is permits, easements, and rights-of-way to be granted to public and other agencies at no fee, pursuant to statutes. Consideration is the public benefit.

Applicant (a) is County of Contra Costa -- Issuance of permit to dredge material, without payment of royalty, from sovereign lands in San Francisco Bay, San Pablo Bay, Carquinez Strait, Suisun Bay, Sacramento River, New York Slough, San Joaquin River, False River, and adjoining waters in Contra Costa County (in connection with construction of proposed Deep Water Channel Improvement Project from the San Francisco Bar near the Golden Gate to the Port of Stockton, pursuant to Federal Authorization Act,) Contra Costa County.

(b) is Department of Parks and Recreation, Division of Beaches and Parks -- Five-year minor structure permit for placement of marker buoys to delineate a public swimming area, 2.41 acres tide and submerged lands of the Sacramento River, Colusa County.

(c) is Department of Public Works, Division of Highways -- Three-month right-of-entry permit in bed of the Eel River near Rio Dell, Humboldt County (for purpose of removing debris within that area resulting from winter floods.)

1 (d) is Pacific Telephone and Telegraph Company --
 2 Approval of location of submerged communications cable
 3 across Gualala River at Gualala, Sonoma and Mendocino coun-
 4 ties, 50 feet wide and approximately 536 feet long.

5 (e) is Public Utilities Commission of the City and
 6 County of San Francisco -- 49-year life-of-structure permit,
 7 10.101 acres tidelands in San Francisco Bay, San Mateo
 8 County (for placement of two airport approach-light trestles.)

9 (f) is County of San Bernardino -- 49-year permit
 10 to use sovereign land in the old bed of the Colorado River
 11 near Park Moabi Marina, San Bernardino County. (To maintain
 12 access, view and water supply.)

13 (g) is U. S. Army, Corps of Engineers -- Six-month
 14 permit beginning September 1, 1965, to deposit approximately
 15 690,000 cubic yards of beach fill on tide and submerged lands
 16 of Doheny Beach State Park, Orange County (to replenish the
 17 beach area with sand fill for use of the public).

18 MR. CRANSTON: I move approval.

19 MR. CHAMPION: I am prepared to second, but I just
 20 want to ask one question on item (g).

21 In the summary it says that some of the fill will
 22 be deposited on uplands, and we have had some problems about
 23 this before. Are there any problem areas involved in this
 24 upland fill? Is there any private enhancement at all, or is
 25 this totally public enhancement?

26 MR. HORTIG: It is both, but there are no problems,

1 Mr. Champion, in that the public interest benefits of having
2 this major Federal project carried forward

3 MR. CHAMPION: I understand that.

4 MR. HORTIG: ... far exceed any private enhancement.

5 MR. CHAMPION: I understand that, but we have had
6 that problem before. Even though there was substantial pub-
7 lic benefit involved, where the use of land or fill came up
8 as a side issue in this thing, we still exacted a fee in the
9 past. Is there private enhancement in this at all?

10 MR. HORTIG: There is private enhancement but in
11 this instance, instead of this being initiated for private
12 enhancement, the private enhancement is a minor part of the
13 value which has to be guaranteed in this instance by the
14 County of Contra Costa, and subsequently the other counties
15 in the dredging project.

16 MR. CHAMPION: And there is no way of getting rid
17 of the dredged material than some enhancement of private
18 property?

19 MR. HORTIG: This is the only economic way for the
20 Federal Government to carry on this project.

21 MR. CHAMPION: So, incidentally, there is profit
22 to them and incidentally to the private parties.

23 MR. HORTIG: That's right.

24 MR. CHAMPION: I'll second it.

25 GOV. ANDERSON: Moved and seconded -- carried
26 unanimously.

1 Item Classification 3 -- Permits, easements,
2 leases, and rights-of-way issued pursuant to statutes and
3 established rental policies of the Commission.

4 Applicant (a) is Hastings Farms -- 15-year lease,
5 1.37 acres tide and submerged land in Lindsey Slough, Solano
6 County (for bridge joining Hastings Island Tract and Egbert
7 Tract). Annual rental, \$72.82.

8 Applicant (b) Lindsey H. Spight, d.b.a. Diablo
9 Communications Center -- Approval of four subleases under
10 State Lease P.R.C. 2364.2, school lands Contra Costa County,
11 for installation, maintenance and operation of mobile re-
12 peaters, as follows: (1) To J and S Electronics; (2) to
13 C and C Equipment Company; (3) to Eureka Federal Savings and
14 Loan Association; (4) to West Transportation, Inc.

15 Will you explain that a little bit, Frank?

16 MR. HORTIG: Yes, sir. The State Lands Commission
17 has under its jurisdiction approximately eighty acres of
18 vacant State school land near the summit of Mount Diablo,
19 which the State Department of Parks and Recreation did not
20 consider as a desirable adjunct to the park parcel. So the
21 State Lands Commission has had various types of leases on
22 this land for many years -- the last of them being the exist-
23 ing P.R.C. 2364, which was granted for utilizing the site as
24 a commercial base for installing commercial radio and tele-
25 phone equipment to service the Bay area district,

26 This lease was entered into after approval by the

1 Division of Communications, the Department of Finance. The
2 lessee provided road access, built a building, had a power
3 line installed, and rents space in a transmitting building
4 and on his tower -- which he financed for installation of
5 additional antennae equipment by the sublessees.

6 However, the standard form of lease by the State
7 Lands Commission requires that there be no subleasing except
8 with the approval of the State Lands Commission; and this is
9 double approval, in that each one of these subleases is re-
10 viewed by the Division of Communications of the Department of
11 Finance, to assure in advance there will be no adverse
12 effects to the established communication facilities, includ-
13 ing the State facilities which are located on the Diablo Park
14 area adjoining this.

15 MR. CHAMPION: I think I can expand on this. The
16 Communications Division is in the Department of Finance, so
17 I will take that responsibility.

18 The problem here is -- we have very great need for
19 sites and we encourage the use of sites by as many people as
20 possible.

21 GOV. ANDERSON: I was questioning a little bit the
22 return. We are getting \$1,098 and that is going to be for...

23 MR. HORTIG: ... fifteen years, starting in 1959.

24 GOV. ANDERSON: And then with two ten-year renewals
25 on top of that.

26 MR. HORTIG: That is correct -- but subject to

1 modification of terms and conditions at the time of exercise
2 of any option to renew.

3 GOV. ANDERSON: It is my understanding that their
4 return is many times what they are paying for this. Is that
5 because of improvements they put on here, that you mentioned,
6 the access roads and so forth?

7 MR. HORTIG: That is correct; and the construction
8 of the building, the installation of all the utilities, and
9 furnishing of these to the sublessees.

10 The Commission can be assured that at the time of
11 first renewal a complete reappraisal of rental rates will be
12 made.

13 GOV. ANDERSON: In other words, we are not at this
14 time establishing a rental price anyway. This is turning it
15 over -- allowing them to turn it over to new tenants?

16 MR. HORTIG: To add tenants to the existing lease.

17 GOV. ANDERSON: When will this come up for re-
18 negotiation?

19 MR. HORTIG: In nine years.

20 GOV. ANDERSON: Applicant (c) is Bela Thury --
21 Five-year noncommercial minor-structure permit, 0.018 acre
22 sovereign land in the bed of Clear Lake, Lake County, total
23 fee \$25.

24 (d) is Continental Oil Company -- Six-month sub-
25 marine geophysical exploration permit, tide and submerged
26 lands in the area lying between a line drawn due west from

1 Point Conception, Santa Barbara County, and the southern
2 boundary of California, except: (1) lands included in Sec.
3 6871.2(b) Public Resources Code; and (2) lands lying adja-
4 cent to the mainland between a line forming the northwesterly
5 boundary of the City of Newport Beach, Orange County, and
6 the seaward extension thereof, and a line forming the south-
7 easterly boundary of Orange County and the seaward extension
8 thereof.

9 (e) is Continental Oil Company -- Six-month geo-
10 logical survey permit, covering tide and submerged lands
11 under the jurisdiction of the State Lands Commission in the
12 area lying south of a seaward extension of the northerly
13 boundary line of San Luis Obispo County and north of a sea-
14 ward extension of the California-Mexico boundary line.

15 (f) is Pan Petroleum Company, Inc. -- Six-month
16 submarine geophysical exploration permit, tide and submerged
17 lands in the area lying between a line drawn due west from
18 Point Conception, Santa Barbara County, and the southern
19 boundary of California, with exceptions as noted in (d)
20 above.

21 (g) is Standard Oil Company of California, Western
22 Operations, Inc. -- Six-month submarine geophysical explora-
23 tion permit, tide and submerged lands in the area lying be-
24 tween a line drawn due west from Point Conception, Santa
25 Barbara County, and the seaward extension of the northern
26 boundary of Mendocino County, excluding San Francisco Bay

1 and other inland waters draining therein.

2 MR. HORTIG: Mr. Chairman, if I might add, with
3 respect to items (d), (e), (f), and (g) -- all the affected
4 counties and policy-governing boards adjoining these lands
5 were notified of the pendency of these applications. The
6 majority of the counties responded, a few did not; and all
7 that responded stated they had no objection in view of the
8 protective conditions which the State Lands Commission in-
9 cludes in its standard form of permit as issued, as recom-
10 mended herein.

11 GOV. ANDERSON: Applicant (h) Phillips Petroleum
12 Company -- Deferment of drilling requirements under Oil &
13 Gas Lease P.R.C. 2205.1, Santa Barbara County, through
14 January 21, 1966.

15 Applicant (i) Shell Oil Company and Standard Oil
16 Company of California -- Deferment of drilling requirements
17 under Oil & Gas Lease P.R.C. 2920.1, Santa Barbara County,
18 through February 28, 1966.

19 Applicant (j) Signal Oil and Gas Company, et al. --
20 "Amendment and Modification of Exchange Oil and Gas Lease
21 425.1 P.R.C. (Secondary Recovery)", Orange County -- to
22 establish an economically feasible royalty rate, estimated
23 at 17.47%, for all "secondary" production.

24 Applicant (k) is Granite Rock Company -- Assign-
25 ment from Blomquist Oil Service, Inc., of Mineral Extraction
26 Lease P.R.C. 3075.1, San Pablo Bay, Contra Costa County.

1 Applicant (l) is Guy L. Weatherly -- Assignment to
2 Calvin Q. Morrison and Guy L. Weatherly, d.b.a. Morrison and
3 Weatherly Chemical Products, of Mineral Extraction Lease
4 P.R.C. 2967.1, Owens Lake, Inyo County.

5 Applicant (m) Mary B. Kent -- Termination of
6 (Leasing Lease P.R.C. 3027.2, Mendocino County; recommenda-
7 tion that State Board of Control consider refunding unused
8 rentals. (Leased parcel not usable because of inaccessibil-
9 ity resulting from washout of bridges and roadways.)

10 Applicant (n) Union Oil Company of California --
11 Ten-year renewal of Lease P.R.C. 431.1, 0.483 tide and sub-
12 merged land of New York Slough, Contra Costa County, at
13 annual rental of \$680.40.

14 MR. CRANSTON: Move approval.

15 MR. CHAMPION: Second.

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

18 Item Classification 4 -- City of Long Beach
19 approvals required pursuant to Chapter 29/56, First Extra-
20 ordinary Session, and Chapter 138/64 First Extraordinary
21 Session:

22 (a) Determine that the following proposed expendi-
23 tures by the City of Long Beach from its share of tideland
24 oil revenues are in accordance with the provisions of Chap-
25 ter 138/64, First Extraordinary Session --

26 (1) Approximately \$1,294,160 for removal of

1 existing pier and for construction of a new Belmont Pier on
2 Long Beach tidelands.

3 (2) Approximately \$330,000 for construction of a
4 parking lot on and adjacent to Long Beach tidelands south
5 of Bixby Park.

6 (3) Approximately \$17,090,000 for construction of
7 entrance channel bridge within boundaries of the Long Beach
8 Harbor District.

9 MR. HORTIG: Mr. Chairman, on item (3), the approxi-
10 mately \$17,090,000 should be modified to read \$18,720,000
11 for the reason that in the interim of the time for the regu-
12 larly scheduled meeting, for which this agenda item was pre-
13 pared, and today, the City has received bids for the project
14 and we are, therefore, able to put in a more realistic amount
15 rather than the previously estimated amount, and it should
16 be approved on the basis of \$18,720,000.

17 GOV. ANDERSON: That figure in item (3) will be
18 changed to \$18,720,000.

19 (b) is to approve estimated project expenditures
20 from July 1, 1965, to June 30, 1966 for subsidence maintenance,
21 in the total amount of \$80,000, all estimated as subsidence
22 costs.

23 (c) is to approve estimated project expenditures
24 from July 1, 1965 to June 30, 1966, for subsidence studies,
25 in the total amount of \$140,000, all estimated as subsidence
26 costs.

1 MR. CRANSTON: I move approval.

2 MR. CHAMPION: Second.

3 GOV. ANDERSON: Moved and seconded, carried

4 unaniously.

5 Item 5 -- Mineral Leases: (a) Authorize Executive
6 Officer to issue an Oil and Gas Lease to the Shell Oil
7 Company, the highest bidder, for Parcel 25 (W. O. 5500),
8 covering approximately 5,430 acres tide and submerged lands
9 in Ventura County, in consideration of cash-bonus payment
10 of \$3,299,685.

11 (b) Rescind Parcel 26 offer to lease tide and sub-
12 merged lands in Ventura County, for oil and gas; approve
13 publication of Notice of Withdrawal by Executive Officer.

14 MR. CRANSTON: Move approval.

15 MR. CHAMPION: Second.

16 GOV. ANDERSON: Moved and seconded, carried
17 unaniously.

18 Item 6 -- Administration: (a) Authorize Execu-
19 tive Officer to enter into a contract with an independent
20 appraiser in connection with the proposed exchange with the
21 U. S. Navy of lands in Anaheim Bay, Orange County, and to
22 arrange for necessary engineering and feasibility studies,
23 at actual costs but not to exceed \$7500.

24 (b) Authorize Executive Officer to issue supple-
25 mentary rental agreements, to International Business Mach-
26 ines for \$9000, and to Control Data Corporation for \$4320,
for the 1965-66 fiscal year.

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MR. CHAMPION: May I ask a question at that point?

Mr. Hortig, have you ~~considered the~~ ~~possibility~~ that the new service center operation authorized by the Legislature may at some early date be able to handle this kind of problem for you?

MR. HORTIG: Definitely, Mr. Champion, and we are studying and working with the people both in your department and in General Services toward this.

MR. CHAMPION: In other words, you think for '65-'66 you should stay on this basis?

MR. HORTIG: These are existing electronic computer equipment that we have in operation and we had no warranty when we could make the transition.

MR. CHAMPION: This is strictly a one-year extension?

MR. HORTIG: This is strictly a one-year extension.

MR. CHAMPION: All right.

GOV. ANDERSON: (c) is to authorize Executive Officer to execute agreement for reproduction services for the 1965-66 fiscal year with the Metropolitan Blueprint Company, Inc., at costs not to exceed \$7500.

(d) is to authorize Executive Officer to execute amended agreement between Control Data Corporation and State Lands Commission, for continued rental and maintenance of a G-15-D General Purposes Computer and Systems Analysis Service,

1 for period July 1, 1965 through June 30, 1966, at cost not
2 to exceed \$11,940.

3 (e) is to authorize Executive Officer to amend
4 forms of State leases by including a separate clause regard-
5 ing nondiscrimination in employment, as follows: "The
6 Lessee agrees that in its employment practices hereunder it
7 shall not discriminate against any person because of race,
8 color, religion, ancestry, or national origin."

9 MR. CRANSTON: Move approval.

10 MR. CHAMPION: Second.

11 GOV. ANDERSON: Moved and seconded, carried
12 unanimously.

13 Item 7 -- Approval of maps and boundary agreements:

14 (a) Authorize Executive Officer to approve and
15 have recorded Sheet 1 of 1 of map entitled "Map of Grant to
16 United States (Navy), Chapter 1452, Statutes of 1963, Vicin-
17 ity of Mare Island", Solano County, dated May 1965.

18 (b) Authorize Executive Officer to approve and
19 have recorded Sheets 1 through 8 of 8 of maps entitled
20 "Survey of the Mean High Tide Line Along the Shore of Santa
21 Barbara Channel, Vicinity of Carpinteria, Santa Barbara
22 County" dated April 1964.

23 (c) Authorize Executive Officer to execute agree-
24 ment with the Bahia Properties Corporation fixing the
25 Ordinary High Water Mark as the common boundary along the
26 right bank of the Petaluma River, Marin County, as the

1 permanent boundary between State tide and submerged land and
2 subject private lands along the Petaluma River.

3 MR. CRANSTON: Move approval.

4 MR. CHAMPION: Second.

5 GOV. ANDERSON: Moved and seconded, carried
6 unanimously.

7 Item 8 -- Proposed Annexation: (a) Authorize
8 Executive Officer to notify the City Council of the City of
9 Mill Valley that the minimum value of the State's mineral
10 interest in the tide and submerged lands to be annexed under
11 the proposed "High School-Tidelands Annexation" is approxi-
12 mately \$10,000.

13 MR. CRANSTON: Move approval.

14 MR. CHAMPION: Second.

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

17 Item 9 -- Informative only, no Commission action
18 required: Report on status of major litigation.

19 Mr. Hortig?

20 MR. HORTIG: There are no substantive changes,
21 with the possible exception that Deputy Attorney General
22 Joseph might wish to comment on the status of our Morro Bay
23 city and county tide and submerged land litigation.

24 MR. JOSEPH: Yes. The City of Morro Bay has taken
25 over the operation of the harbor at Morro Bay. The suit
26 against the county for declaratory relief as to when they

1 have to take it over is still pending because they have
2 certain counter claims. They are meeting July 15th to try
3 to iron out certain differences between the city and the
4 county. That's it.

5 MR. HORTIG: End of report, as Mr. Joseph says,
6 on litigation.

7 GOV. ANDERSON: Mr. Hortig, I have been receiving
8 some wires here today relative to our stand on A.B. 2050.
9 I thought I had better make these for the record, with the
10 hope that you can answer them for me.

11 All of them were to the effect that we ask the
12 Governor to veto A.B. 2050.

13 The first one is signed by Councilmen Clo Hoover
14 and Corey, urging that we ask the Governor to veto A.B. 2050.

15 The second one is from William J. O'Connor,
16 President, Santa Monica Property Taxpayers Association,
17 representing three thousand members of the Santa Monica
18 Property Taxpayers Association -- also requesting that we
19 ask the Governor to veto A.B. 2050.

20 The third one is from a Doctor Basil Gordon,
21 stating that there are large numbers of people that are
22 opposed to this and requesting us to ask the Governor to
23 veto A.B. 2050 -- including 350,000 surfers in the United
24 State Surfing Association, 75,000 members of the Democratic
25 Council, and a thousand members of the Audubon Society,
26 Nature Conservancy, California; and the Daily Bruin --

1 representing 20,000 U.C.L.A. students, and so on.

2 I think these should all be made part of the
3 record.

4 MR. CHAMPION: Members of the Audubon Society?

5 GOV. ANDERSON: It said one thousand members of
6 the Audubon Society, Nature Conservancy; also by 3,000 mem-
7 bers Santa Monica Taxpayers Association; 350,000 surfers
8 in the area, by United State Surfing Association; Pacific
9 Palisades Homeowners Association, 800 families, and so forth
10 and so on.

11 What is the status of this? Now, we are on record
12 against the bill in its previous unamended form and you ap-
13 peared, if I remember right, representing the Commission at
14 that time. Since then it has been amended and we have not
15 taken a position.

16 Could you clarify that, because I believe one of
17 our members here wishes to make some statements on it, and
18 perhaps all of us will.

19 MR. HORTIG: Mr. Chairman, as reported in the
20 status report, which is in detail on pages 65 to 78 of your
21 agenda, and which includes A.B. 2050 -- which has gone to
22 the Governor for consideration for signature or veto --
23 substantial amendments in conformance with the position of
24 the State Lands Commission, in statements of objection by
25 the State Lands Commission which I carried to the legis-
26 lative committees, were adopted.

1 However, the primary basis for objection by the
2 State Lands Commission was never considered or reflected in
3 any legislative modification to A.B. 2050; and in the report
4 pending to the Governor's office from the State Lands Com-
5 mission it will be reported that the Commission recommended
6 the enactment of a moratorium on the issuance of new grants
7 until such time as the various studies being conducted by
8 executive and legislative branches of State government are
9 completed and appropriate legislative control specifica-
10 tions have been adopted.

11 The Legislature, in passing A.B. 2050, has elected
12 to disregard this recommendation.

13 With further reference to that, at the time the
14 bill was before the committees, before both houses, there
15 was also other legislation in A.B. 3223, Assemblyman Unruh's
16 bill, with respect to proposals for establishing controls,
17 the requirement for master plans, submittals to the Lands
18 Commission for review and approval to the Legislature before
19 any legislative action could be taken with respect to future
20 tideland grants; and, specifically, it was discussed in con-
21 nection with A.B. 2050 that the provisions of A.B. 3223
22 would be applicable and would be effective, and would give
23 the Lands Commission and the administration this additional
24 review responsibility and authority with respect to any of
25 these operations.

26 MR. CHAMPION: Is there another piece of that

1 involving the Lands Commission -- to recover substantial
2 revenues or profits of the operations?

3 MR. HORTIG: One of the phases of A.B. 3223 was
4 to provide for a distribution of revenues on all tidelands.

5 That specific legislation was revised into 2050
6 and all the rest of 3223 was sent to interim study; so we
7 actually did not come out at the end of the session with
8 the complete package, as would have been the case if both
9 pieces of legislation had been passed.

10 Therefore, this report will be coordinated with
11 the report of the Department of Finance, and we have re-
12 ceived a report today that there is a report on the same
13 subject by Controller Cranston, to which I believe you were
14 referring, and which he wishes to discuss further.

15 GOV. ANDERSON: What control, what participation,
16 does the State have in the control and management under the
17 proposed plan? We have had so many bills up here and I am
18 still signing bills until I am blue in the face; and I
19 haven't had a chance to study this, which I should have.

20 However, in reading what I have, and in reading
21 Mr. Cranston's report, it seems to me we are giving away our
22 State lands without control. Am I wrong?

23 MR. HORTIG: If I may summarize -- and this is a
24 simplification and generalization, although I am sure if I
25 oversimplify, the legal counsel for the City of Santa Monica,
26 who are in the audience, will correct me; and we also have

1 a request from the legislative representative of the County
2 of Los Angeles to be heard on this matter -- basically, the
3 City of Santa Monica has a tidelands grant from the State of
4 California, an (if I may use the word) "old fashioned" grant
5 which was for the development of commerce, navigation and
6 fisheries, dating from between 1915 and 1920, 1917 maybe.

7 It was not until many years later that the Legis-
8 lature contemplated recreational and other developmental
9 uses in tideland grants and, therefore, A.B. 2050 would ex-
10 pand the usage to which the City of Santa Monica could
11 devote its tide and submerged lands under the original grant,
12 under which also the minerals were granted to the City of
13 Santa Monica, to provide for recreational developments over
14 and beyond the normal scope of what has been considered as
15 authorized under the trust provisions of commerce, naviga-
16 tion and fisheries.

17 Simultaneously, A.B. 2050 would grant to the City
18 of Los Angeles easterly of Santa Monica, and the County of
19 Los Angeles westerly of Santa Monica, the heretofore un-
20 granted tide and submerged lands -- reserving, in those
21 grants, the minerals to the State but authorizing the same
22 broad utilization of the tide and submerged lands by the
23 three governmental entities under a three-party agreement
24 contemplating the placement of offshore fill for utilization
25 for a possible freeway site; for construction of new beach,
26 which would become available for recreational uses; for

1 construction of marinas; and for leasing for residential
2 purposes.

3 This is one of the major amendments pursuant to
4 the report from the State Lands Commission that was under-
5 taken by the Legislature -- because the bill that was intro-
6 duced contemplated that these areas for residential purposes
7 would be sold in fee, the first time it has ever happened
8 and questionable whether it might not have been unconstitu-
9 tional anyway. This was a subject which was not clear but
10 was amended and modified to provide for leasing only, but
11 again no operative control by any agency of the State once
12 the program started rolling.

13 The mechanism that was proposed to be utilized and
14 would be utilized under A.B. 2050 was that the joint parties
15 would submit a proposed master plan for development, which
16 master plan would be reviewed by the State Lands Commission
17 to determine both its economic and engineering feasibility.
18 Within six months after receipt -- which is a woefully short
19 time for something as complex as this issue -- the Lands
20 Commission would then report to the Legislature; the con-
21 sideration being that no operations could take place under
22 this master plan unless authorized by the Legislature by
23 concurrent resolution -- not by statute, but by concurrent
24 resolution -- and with no commitment, no assurance, that the
25 recommendations of the State Lands Commission, which would
26 be purely advisory, would be included or would not be

1 included in the resolution of approval.

2 MR. CHAMPION: In other words, the Lands Commis-
3 sion might say, "We don't like it at all," and it would still
4 be a purely legislative matter, which would not require the
5 signature of the Governor.

6 GOV. ANDERSON: Would the statement I made, that
7 the proposed plan gives away control of State lands to local
8 jurisdiction without providing for participation in the
9 management and control of this project on the part of the
10 State, be correct?

11 MR. HORTIG: This is in the majority correct,
12 Governor. The only limitation on this, and this is a minor
13 one, is that if the plan went forward and the Legislature
14 did authorize development under concurrent resolution, then
15 after ten years the State Lands Commission would have to
16 make a review to determine that the master plan development
17 had been carried out properly, correctly, and within the
18 required scope of the trust grants -- failing in which, the
19 lands would then revert to the State; but, as you can well
20 imagine

21 MR. CHAMPION: What happened if you thought you
22 saw it going wrong in a year?

23 MR. HORTIG: You could only report to anyone you
24 could report to -- no mandato_y control.

25 MR. CHAMPION: Could the Legislature at such a
26 point make a change, or would it be involved in commitments

1 which could not be changed?

2 MR. HORTIG: I am afraid there would be so many
3 outstanding private contracts it would be a serious question
4 whether the contracts could be changed.

5 MR. CRANSTON: There is a further thing. If in
6 ten years the Lands Commission decided it was not handled
7 properly, the people who were holding leases and contracts
8 would continue to hold leases and contracts and we would be
9 bound for ninety-nine years.

10 GOV. ANDERSON: Do you wish to comment?

11 MR. CRANSTON: I would like to comment briefly on
12 this matter. First, I'd like to say that I am reluctant to
13 differ with the sponsor of this matter, Bob Stevens, who I
14 think has tried to do an excellent job on this; I am reluc-
15 tant to differ with Frank McLaughlin, who does a very fine
16 job, and others in Los Angeles and Santa Monica who have
17 devoted a great deal of time and thought to this matter.

18 There are others who are opposed to this project
19 and I do not know where the majority lies by any means.

20 I would like to say that the fundamental control
21 of the executive branch of government and the Lands Commis-
22 sion have been overcome and there are many problems when you
23 sacrifice it; and for that reason I move that the Lands Com-
24 mission recommend to the Governor that he veto the measure.

25 First of all, let me say I think the bill does not
26 allow adequate time to study the far-reaching implications

1 of a proposed major project in Santa Monica Bay.

2 It does not have adequate State administrative
3 controls over the proposed project.

4 It does not protect the State's interest or guaran-
5 tee to the public that it would get an adequate return in
6 exchange for tideland grants.

7 Fourth, it allows unprecedented authority to a
8 local joint powers agency; and

9 It grants tidelands under unprecedented trust
10 terms.

11 Except for the veto power which the Governor still
12 has, the executive branch of government would have no voice
13 in this until after ten years, when the Lands Commission
14 could then call it back and then the State would be bound
15 by these contracts.

16 Although the State would have an eighty-five per-
17 cent interest in the net revenues from franchises or leases,
18 we would have no control over the fiscal policies and the
19 financing measures under the bill are highly questionable
20 and, I think, unconstitutional.

21 The trust terms, I think, are unprecedented and
22 should be studied very, very carefully before this step is
23 taken.

24 The Lands Commission went on record last year
25 opposing any further tideland grants until the Legislature
26 adopts an over-all firm policy on grants. There has been

1 criticism of granting here and granting there, and I think
2 it is time to call a halt.

3 I think there are many matters that have not been
4 considered as to the State and local agencies involved and
5 there are no requirements for State control. I think we can
6 assume we would be protected in Los Angeles and perhaps
7 there should be provisions requiring that there be measures
8 to be sure this protection is extended.

9 Let me say I am not opposed to a causeway or fill
10 design for the public good, but I am not certain that this
11 plan is carefully enough planned to do that.

12 Finally, as a member of the Lands Commission and
13 a citizen, I feel financial responsibility; I feel responsi-
14 bility for the tidelands area. There is a wonderful beach
15 there, enjoyed by perhaps millions of people, which is per-
16 haps threatened by this. We are not certain there would be
17 compensating resources and facilities for recreation once
18 this project is under way.

19 For these reasons, I think we should sustain our
20 present position.

21 MR. CHAMPION: I am not going to act on this motion
22 today. The Department of Finance is doing a complete study
23 of this and is making a recommendation to the Governor and
24 I don't want to bind myself. I must say I am in agreement
25 with many of the statements made, but I am not going to make
26 any motion.

1 GOV. ANDERSON: I will second the motion, and in
2 ding that I must say I agree in the most part with what Mr.
3 Cranston has stated here. Although this concept of a cause-
4 way may have some merit, this bill does not provide adequate
5 protection for the State's interests in the Santa Monica Bay
6 and, as I stated before, I think this gives away control of
7 State lands to local jurisdiction without providing for
8 participation in the management and control of this project
9 on the part of the State. The people of California have
10 entrusted us with the protection of our beaches and recrea-
11 tional areas, and this bill would diminish our power to
12 maintain that trust.

13 With that statement, I will second the motion and
14 we will throw the discussion open to Mac and anyone else.

15 MR. McLAUGHLIN: Thank you, Governor.

16 For the record, my name is F. M. McLaughlin. I am
17 the legislative representative for the Board of Supervisors
18 of the County of Los Angeles.

19 The Board of Supervisors of the County of Los
20 Angeles, as you know, endorses A.B.2050, Mr. Stevens' bill.

21 I think the record should clearly indicate, also,
22 that Assemblyman Stevens cannot be here today because of an
23 engagement that was made some three months ago for him to
24 speak in Los Angeles, and this is the only reason he is not
25 here.

26 A.B. 2050 has had hearing in the Legislature

1 probably in excess of any piece of legislation I have been
2 familiar with in the past twelve years.

3 Now, I think there are a couple fundamental things
4 involved here. A.B. 2050 as it was finally amended -- and
5 was amended by both houses with very minor opposition, if
6 any -- requires that when this master plan is completed,
7 the study as to feasibility and all the other things that
8 have to go with it, this plan must be submitted back to both
9 houses of the Legislature; and the only way the plan can be
10 implemented is by a concurrent resolution of the two houses.

11 Now, if all the dangers are existent that Mr.
12 Cranston, for whom I have a great deal of respect -- I think
13 he has done some tremendous things in the State, protecting
14 not only its fiscal responsibilities but as a member of this
15 Commission -- if these dangers are present, I am very certain
16 the Legislature would not approve a master plan that gave
17 any of these things away or destroyed a beach; nor would my
18 Board of Supervisors want to be a party to a joint powers
19 agreement that in any way did these things.

20 As I recall A.B. 2050, it also states that any
21 master plan must of necessity protect the existent beach and
22 create, to the seaward of the proposed causeway, additional
23 beaches.

24 So I think we are talking about something here now
25 on A.B. 2050, as it rests on the Governor's desk, of what
26 may be a very fundamental question: Do we or don't we trust

1 the wisdom of the State Legislature in approving the master
2 plan that will be presented before anything can really take
3 place?

4 The United States Corps of Engineers also have
5 done a study, which is a matter of public record to be ob-
6 tained by this Commission; and in that study, as I recall,
7 they stated about the proposal to build the causeway that
8 that is the one way that you can probably stabilize the
9 erosion existent in the Santa Monica Bay area. This is some-
10 thing I happen to have a little familiarity with -- one of
11 the few things, probably, to be sure.

12 We would not do nor would we want to be, as a
13 county, a party to anything that would in any way destroy or
14 esthetically affect the beach area.

15 Before you gentlemen were on the Lands Commission,
16 I had the job of proposing (Mr. Hortig will remember) the
17 Cunningham-Shell Act, which prohibits the State from exercis-
18 ing its right to drill oil from Point Vicente (sic) to the
19 Ventura County line.

20 I think the record will indicate we have done our
21 best to protect this beach area and I can't see any reason,
22 in reading 2050, why all of this terrible worry.

23 To begin with, they are going to have two years be-
24 fore we come back here with the master plan, and I don't
25 think any of the parties to the joint powers agreement are
26 going to act without an awful lot of consultation with the

1 State Lands Commission.

2 This bill was totally rewritten from the time it
3 was introduced until the time it was ultimately passed. It
4 may not be a perfect piece of legislation -- and in twelve
5 years I have yet to see one that was. I guess maybe this is
6 one of the major reasons we have sessions, because every ses-
7 sion we are spending most of our time amending and taking
8 care of the mistakes we made in previous sessions.

9 But on this concurrent resolution when the Legis-
10 lature finally approves, I have total faith that it is going
11 to protect the interests of the people of the State of Cali-
12 fornia; and I can see no reason why we can't get the show on
13 the road.

14 Now, if we wait and you gentlemen are successful
15 in encouraging His Excellency to veto this thing, we are
16 only talking about another two years before the study can
17 begin. In the meanwhile, I don't think the Division of
18 Highways could, or properly should, wait that long to begin
19 to make up their mind where they are going to build a free-
20 way in this area.

21 In December of this year, the Santa Monica freeway
22 will open to Olympic Boulevard and the current existent 101A
23 to create one of the greatest traffic problems the State has
24 ever seen. The Highway Commission has no choice. I think
25 they better take a look soon on where that freeway from
26 then on is going -- whether it is going through the middle

1 of Santa Monica -- which will make it the most expensive
2 freeway in the history of man -- or whether it is going up
3 State-owned beaches along Santa Monica Bay, because all of
4 the beaches in Santa Monica and north are owned by the
5 State of California. If this is the case, you are going to
6 destroy the greatest recreational area that exists in the
7 State of California.

8 For these reasons we would urge against the motion
9 made by Mr. Cranston.

10 I have with me Mr. Thos Reilly of the firm of
11 Musick, Peeler and Garrett, retained by the City of Santa
12 Monica, the gentleman who was the actual draftsman of the
13 legislation; and Mr. Bob Cockins, City Attorney of the City
14 of Santa Monica.

15 MR. CHAMPION: Could I ask Mr. McLaughlin a few
16 questions?

17 GOV. ANDERSON: Go ahead.

18 MR. CHAMPION: There are two things in which I am
19 interested. Why was the legislation, instead of authorizing
20 the kind of study for which I would have a good deal of
21 sympathy in getting this thing started - - why was it drafted
22 in such a way that it would require only a concurrent reso-
23 lution? Why wasn't it left, after a study -- which is normal
24 in the course of the legislative process -- to have further
25 legislation follow in the normal course, that is, by approval
26 of both houses and action by the Governor instead of action

1 only by the Legislature?

2 MR. McLAUGHLIN: I'll yield to the two legal
3 lights on my left.

4 MR. REILLY: I think the answer to that, Mr.
5 Champion, is that there is going to be considerable engi-
6 neering expense incurred during the period of this study
7 and it is anticipated to make application for some of the
8 funds to accomplish this engineering to the Federal Govern-
9 ment under Section 702 of the Housing Act, where it is avail-
10 able for planning local projects. Under the terms of
11 that act, you must show the complete terms of your statutory
12 authorization to proceed with the project. So if we only
13 had the authorization for a study, we would be unable to
14 proceed to obtain planning money.

15 MR. CHAMPION: In other words, you had to have
16 more than a study -- you had to have a commitment to the
17 project; but the limitations to the commitment were the con-
18 current resolution, so the Lands Commission was left without
19 any voice - - I shouldn't say "voice" because the Lands Com-
20 mission is permitted to offer advice on the subject; but,
21 in fact, the Lands Commission has no real part in the final
22 approval, whereas such a thing would be delegated, again in
23 the normal course of things, and there would be participa-
24 tion by the Lands Commission and participation by the Gov-
25 ernor. This is the problem that bothers me. Does the
26 Federal statute make a distinction here?

1 MR. REILLY: No, sir, it doesn't. Let me say
2 there was no intention in the drafting of this bill to omit
3 control by the Governor at this second stage. I think very
4 little thought went into the term "concurrent resolution."
5 It seemed to be the more appropriate vehicle for approval of
6 the plan; but as far as the Governor's approval, I don't
7 think anyone gave it any thought until after the close of
8 the session.

9 MR. CHAMPION: Oh, it has been raised?

10 MR. McLAUGHLIN: May I say one thing? Maybe this
11 answers the question. This bill was before the Assembly
12 Committee on Public Utilities, as I recall, twice; before
13 the Senate Committee on Governmental Efficiency; and, I
14 think, the Senate Committee on Finance; and, if I am not
15 mistaken, the Assembly Committee on Ways and Means.

16 May I ask this question of Mr. Hortig: At any
17 time was this point raised about the concurrent resolution
18 by the Lands Commission representatives who were present at
19 all hearings?

20 MR. HORTIG: The answer is no.

21 MR. CHAMPION: Is the same true on the Lands
22 Commission's ability to act on the master plan, which is one
23 of the points that were raised today?

24 MR. HORTIG: No. The bill as it was finally
25 adopted, provides for a review of the plan.

26 MR. CHAMPION: I am familiar with the language of

1 the bill, Frank. All I want to know is: Were presentations
2 made by the Lands Commission before committees with respect
3 to the inability of the Lands Commission really to do any-
4 thing but offer advice once this was passed?

5 MR. HORTIG: Not specifically, because at the
6 time we also had running concurrently A.B. 3223, under which
7 there would be specific Lands Commission control of the
8 plans and only those that were recommended to the Legisla-
9 ture would have been effective; whereas, with 3223, which
10 was a separate but companion bill, going to interim, then
11 A.B. 2050 came out: "The findings made by the State Lands
12 Commission pursuant to this subdivision shall be solely for
13 the advice of the Legislature to assist it in evaluating the
14 master plan and shall not be construed as a warranty to any
15 person."

16 MR. CHAMPION: You are asking the Legislature to
17 do something here that is very difficult for the Legislature
18 to do and that is to make what is a fundamentally executive
19 decision to be reviewed by the Legislature, rather than
20 offer the Legislature a mass of technical data which would
21 ordinarily go through the legislative function.

22 It is not so much whether the Governor has a veto
23 or not, or to what extent the Lands Commission would control
24 something. It seems to me we are in a really very interest-
25 ing question of what is properly a legislative function and
26 what is properly an administrative function. Setting policy

1 in broad lines is clearly a legislative function; but the
2 question of passing on a master plan or dealing with a set
3 of restrictions solely on legislative terms seems to me a
4 questionable area.

5 That is really the general problem. If this was
6 not adequately presented to the committees, I apologize. I
7 was worried so much about money.

8 MR. HORTIG: I think the essence of the Lands
9 Commission's objections to the measure was opposition to the
10 granting of the title, which this does prior to the time
11 that certain of these questions had been resolved; and,
12 secondly, opposing granting title to any further tidelands
13 until the Legislature has worked out an over-all, coherent
14 policy to see that they are developed along a master plan,
15 and not taking a segment here and a segment there without a
16 policy.

17 MR. McLAUGHLIN: Speaking for the Board of Super-
18 visors of the County of Los Angeles, the County of Los
19 Angeles has no title. I am wondering -- and I apologize for
20 practicing law without a license, but have been doing it a
21 long time - - I am wondering if we can't even enter into
22 this joint powers agreement to do any study unless we had
23 this type of grant, and it is a tideland grant. Well, you
24 reserve the mineral rights, so you are not giving us basically
25 anything.

26 MR. CHAMPION: I understand your problem, Mr.

1 McLaughlin. The difficulty of launching studies without
2 adequate legislation sometimes causes problems; but I want
3 to raise another question here, another line of questioning.

4 Now, this is a problem for the Department of Pub-
5 lic Works. It is a problem for the Division of Highways.
6 Is there a possibility that as one of the alternatives, the
7 Department in its study of highway problems could launch the
8 studies -- in fact, include some of the studies we are here
9 talking about? I am not familiar enough with all of the
10 problems involved to know how far they might go or the way
11 in which they might go, but without being involved in what
12 we think is an over-all commitment, we would get the same
13 kind of work with which you are concerned, and we are too.

14 It that could be approached as a part of the
15 problem of the Department of Public Works -- the whole
16 problem of the Santa Monica

17 MR. COCKINS: Could I say this? I am Bob Cockins,
18 City Attorney, City of Santa Monica. The Department of Pub-
19 lic Works, and rightly so, isn't going to pay the money to
20 build this causeway.

21 MR. CHAMPION: No. On the other hand, to consider
22 it as a possibility that somebody might do it, or it might be
23 done, is a perfectly reasonable thing for them to do.

24 MR. McLAUGHLIN: Mr. Champion, written in this
25 bill, as I recall it, it says if the Department of Public
26 Works does not accept the causeway as the freeway route

1 through the area, there is no causeway.

2 MR. CHAMPION: That is not the question I am rais-
3 ing. I recognize that. That's a single interest in the
4 State, whether or not this is an acceptable causeway. There
5 are many other questions involved, other executive depart-
6 ments. The question I am raising is whether, without this
7 legislation, the things that most need to be done immedi-
8 ately cannot be done.

9 MR. COCKINS: They probably could. I don't be-
10 lieve the Department of Public Works would do it without
11 assurance the district would go through. I don't think they
12 would spend the money.

13 MR. CHAMPION: Well, why should anybody? We have
14 got the question of whether this should go through or not
15 and that has to remain an open question.

16 MR. COCKINS: Right.

17 MR. CHAMPION: And whoever has an interest in hav-
18 ing it go through -- and I would think the Department of
19 Public Works would have a very substantial interest in hav-
20 ing it go through as an end to their problem in that area --
21 it would be an open end investment. This is a possible way
22 we could explore without being over-committed in our view,
23 or I should say in this case the Department's view.

24 There are too many problems here.

25 MR. HORTIG: Mr. Champion, for the record, I might
26 add that a causeway and an offshore route with a possible

1 alternative route for the freeway in the area is one of the
2 alternatives that has been under study in the Department of
3 Public Works.

4 MR. CHAMPION: Thank you very much. Those are the
5 two items I wished to discuss.

6 GOV. ANDERSON: We broke in on you while you were
7 commenting.

8 MR. COCKINS: I was merely going to proceed with
9 what Mr. Champion was discussing. I do feel this, gentle-
10 men -- that you are unduly perturbed. I live in Santa
11 Monica and have all my life. Santa Monica is very concerned
12 about this. It wouldn't for a minute let anything go in
13 there that would interfere with the beaches. I can assure
14 you the people in my town wouldn't stand for it. We have
15 had several elections on the matter.

16 GOV. ANDERSON: We just had a wire from two of your
17 city councilmen there...

18 MR. COCKINS: Yes, I realize that; but we have a
19 little private fight going on, on that.

20 MR. McLAUGHLIN: I think, Governor, the record
21 should show that the City of Santa Monica by resolution has
22 endorsed this. We have this problem a hundred times a day
23 when the final count is taken at the Legislature.

24 GOV. ANDERSON: But there seems to be some concern
25 on the part of officials running the city -- whatever size
26 that group may be. We don't know. We see two of them here.

1 MR. McLAUGHLIN: Governor, I think you were on
2 a city council and in the Legislature. I happen to repre-
3 sent a Board of Supervisors and much of the work I do is
4 predicated on a three to two vote of five members.

5 MR. CHAMPION: What was the vote on this?

6 MR. COCKINS: It was five to two. I might point
7 out the vote was seven and nothing. Mr. Corey has been
8 subsequently elected. There has been no vote. He has just
9 taken an adverse position. Mrs. Hoover, although she has
10 never voted adversely, has sent several telegrams -- the
11 first one when he got up and said "There are six in favor
12 and one opposed."

13 I don't believe there is any true disbelief in the
14 project on the City Council.

15 Now, I have been attorney for that City Council
16 for a long time and I feel I can read it pretty well. This,
17 in my opinion, is strictly a local question of who sits
18 where on the council and, unfortunately, this created this
19 more or less impasse; but, frankly, if we don't have some
20 way of convincing the Department of Public Works to take the
21 causeway as the freeway route, we are going to be in ter-
22 ribly serious shape in Santa Monica -- there is just no
23 question about it.

24 When the freeway ends by approximately our city
25 hall, you are going to have to go under a tunnel to get to
26 the rest of Alternate 101A. There is going to be a crash

1 when they come out of that tunnel, because I know of no
2 way of enlarging it at the moment. The traffic jam is going
3 to be awful and something has to be done; and the only alter-
4 native route, as Mr. McLaughlin said, is to bisect the city
5 or go up the beach. Neither of those alternates is accept-
6 able to my people and I am sure if you lived in Santa Monica,
7 it wouldn't be acceptable to you. We only have eight and a
8 half miles.

9 MR. CHAMPION: What year is this project assigned
10 to?

11 MR. COCKINS: I can't answer that question, but I
12 think it is about five years from now, 1970.

13 MR. McLAUGHLIN: I think the subsequent problems
14 that are going to arise after December - - and I may say
15 the traffic problem now is so bad that the Courty of Los
16 Angeles leases helicopter service to get any victim of a
17 serious accident to a hospital, and we have had to subsidize
18 a small emergency hospital in the Malibu area. If you live
19 in Malibu now, from Friday afternoons until Monday morning
20 don't try to go to town.

21 MR. CHAMPION: If I lived in Malibu, I don't think
22 I would mind.

23 MR. McLAUGHLIN: But you might get sick. Santa
24 Monica happens to be my home town all my life. I don't want
25 the freeway bisecting my town. It would bisect the apart-
26 ment I live in. I can tell you this -- there is no freeway

1 in the world that would be so expensive, other than perhaps
2 to build a freeway through Beverly Hills. Property values
3 in Santa Monica are fantastic. A lot fifty by one hundred
4 fifty is probably worth somewhere in the neighborhood of
5 forty to forty-five thousand dollars. My wife said, "Try
6 to buy a house!"

7 I just think that everybody is worried to death.
8 We are talking about something brand new, something that
9 hasn't been done before; but as a project, it is one of the
10 great things in history. I think the Legislature is not un-
11 mindful of the fact that the gentleman that sits in the
12 corner -- they got a lesson on it the other night -- does
13 have a blue pencil in his pocket.

14 I certainly cannot conceive of the Legislature
15 adopting a concurrent resolution that would not be by far in
16 the best interests of the State. We have thought of a lot of
17 things around here on tidelands. It has been a serious
18 problem, but I don't think you are going to see any Legisla-
19 ture, however a reapportioned one, start giving the State's
20 interests away, nor do I think they should be given away.

21 I don't know how many more State boards we could
22 have written in the deal. Everybody was consulted -- the
23 Lands Commission, time after time; Department of Public
24 Works; Beaches and Parks.

25 I just feel that a lot of these fears are ground-
26 less. I think the ultimate thing is we are going to trust

1 each other. We have to, to a certain degree, or I don't
2 know how we are going to operate. I think this is about
3 two-thirds of the problem we have been having.

4 You were talking about three entities of govern-
5 ment were going to do this study and come up with a plan.
6 A study by Los Angeles has to go through the council. It
7 has to go through a five-man Board of Supervisors, and the
8 city council of Santa Monica. We are not talking about
9 private promoters or embarcadero deals we have had in this
10 state. We are talking about joint powers in this agreement.
11 The bodies are all themselves even more closely responsible
12 than any of you to the electorate. Are we going to have
13 confidence in them, or aren't we? If we don't, let's say
14 we don't have confidence in the members of the Legislature
15 to protect the State's interest.

16 I think maybe it would be better if we required
17 statutory language on the master plan, but I still don't
18 think any of these public agencies are going to be, nor can
19 they afford to be, party to any program that jeopardizes or
20 acts as a give-away of the State of California.

21 I might say I personally would have to respect
22 your right as members of the Lands Commission and I think
23 you should ask the questions you ask and be zealous -- and
24 I don't mean over-zealous -- in your right to protect the
25 State's interests in tidelands.

26 Also, again, I'd like to close with this one

1 remark. My guys have to get elected, and they have to get
2 re-elected at home, where this really counts. Mr. Cockins
3 is the city's counsel -- if there is any problem on this,
4 it will rebound on him.

5 MR. CRANSTON: I'd like to say this: There is
6 absolutely no lack of faith on the part of the members of
7 the Lands Commission. We are seeking to consider this mat-
8 ter intelligently, as any local officials or members of the
9 Legislature would do.

10 I feel there is lack of time under the mandatory
11 schedule to really come to grips and make the wisest pos-
12 sible decisions on the matters before us.

13 On the matter of preserving that beach you spoke
14 of, under this kind of a plan the beach, it seems to me,
15 cannot be preserved in the form that it now is. It is going
16 to be a beach on a still-water bay of some sort, with a
17 luxury real estate development on an island in front of it.
18 There is a provision to try to set up a beach beyond this,
19 beyond the causeway. No assurance can be given at the
20 present time that it is possible to put a beach there.
21 There is no provision for bringing the sand down, which
22 might be a very costly process keeping a beach there.

23 There is also, on the one hand, some very bitter
24 criticism leveled about granting of tidelands without an
25 over-all policy; and then just this year there was a great
26 furore about filling on San Francisco Bay and a bill was

1 passed by the Legislature with almost the same degree this
2 measure went through the Legislature. That bill went
3 through to halt fillings in the Bay until adequate State
4 controls were developed to insure that all the people in
5 that bay had their interests protected -- and this measure
6 goes in the opposite direction.

7 MR. McLAUGHLIN: Alan, can I call your attention to
8 page 4, line 33, describing the bill? It says:

9 "The plan includes provision for a public recrea-
10 tional beach along substantially the entire length of the
11 seaward side of the improvement and there is sufficient
12 evidence that such beach will remain stable."

13 This is a mandatory requirement in the plan and it
14 has to be in addition to the beach you have now. I am
15 totally familiar with this beach.

16 MR. CRANSTON: I don't think anyone will ever be
17 able to give certain guarantees and, of course, you have to
18 take some risk that a beach can be maintained there.

19 MR. McLAUGHLIN: I would think anybody familiar
20 with - - I am not posing as an authority, except I began in
21 this business in 1939 as executive director of Shoreline
22 Planning Association of California, Inc., which came into
23 being because of the erosion problems in the Santa Monica Bay
24 area. Prior to construction of the sewer plant at Playa del
25 Rey or Hyperion, where Santa Monica had to dispose of three
26 and a half million tons of sand, we finally convinced them

1 to pump it on the beaches northward.

2 Every winter in the Santa Monica area, we had the
3 shoreline cut clear back to what you will remember was the
4 ocean front because of the erosion problem created by the
5 construction of the Santa Monica breakwater. The Santa
6 Monica pier acted as a barrier of littoral flow and the
7 sand comes out of the various creeks and replenishes the
8 beach.

9 Then in 1958 we got approximately \$400,000 from
10 the Legislature to pump out so-called Santa Monica harbor.

11 Now, as the Corps of Engineers calls attention in
12 their report on this causeway, it will act as a stabilizing
13 agent on this erosion problem. If you don't have something
14 like this, you are faced about every ten years with expendi-
15 tures to replenish the sand, not as much north but southward
16 of the Santa Monica pier. You are apt to have to do this
17 every ten years or have no beach because of erosion. This
18 is very fundamental and any of your engineers can go out and
19 look over the history of the past. Mr. Cockins and I have
20 both been there.

21 The other thing I'd like to call your attention to --
22 I know it is the law -- nothing can be built seaward that
23 will affect commerce and navigation and the beach area with-
24 out the prior approval of the United States Army Corps of
25 Engineers. So we go all through this and all this master
26 plan and everybody likes it, and the whole thing goes down

1 the tube.

2 So, again, this is an additional safeguard that
3 no one has to write in this bill. It is in the law.

4 MR. CRANSTON: When I see what the Army Corps of
5 Engineers did to the Delta, I am not sure they will save
6 your beach.

7 MR. McLAUGHLIN: We have a more sympathetic group.

8 MR. COCKINS: I'd like to call your attention to
9 Section 5 of the bill, page 15:

10 "No reclamation or improvement is authorized to
11 be made pursuant to this act which would not result in the
12 creation of wave protected waterways between the seaward
13 limits of the improvement and the present shoreline at least
14 equal in total area to the total area of reclaimed lands
15 constituting such improvement, exclusive of those portions
16 of such reclaimed lands used as freeway rights-of-way, wet
17 or dry beach, and facilities ancillary to such uses. The
18 present shoreline shall continue to abut on navigable water
19 throughout its entire length in the project area and shall
20 not be altered by filling except in such manner as may be
21 authorized in the approved master plan."

22 I, personally, am no engineer; but I am satisfied
23 that the beach will be stabilized and protected and a wet
24 beach seaward of the causeway is well in accordance with
25 the Corps of Engineers' study, is perfectly practicable,
26 and we definitely feel that we need this bill before we can

1 proceed.

2 MR. CRANSTON: I have nothing more.

3 GOV. ANDERSON: Any questions? (No response)

4 Any further comments?

5 MR. COCKINS: I have none.

6 GOV. ANDERSON: Then the motion that was moved
7 and seconded was that the Commission restate its opposition
8 to the bill and ask the Governor to veto it?

9 MR. CRANSTON: Right.

10 MR. CHAMPION: As I said, I am withholding my vote.

11 GOV. ANDERSON: All in favor?

12 MR. CRANSTON: Aye.

13 GOV. ANDERSON: Aye.

14 MR. HORTIG: Again, for the record, is this the
15 prior stated position of the Commission to be reported to
16 the Governor, or does this position statement involve the
17 supplementary material which was discussed here today and
18 which is included in Controller Cranston's letter?

19 MR. CRANSTON: I should think it is just a re-
20 statement of the position without any of the details --
21 taking cognizance of the fact that the bill was amended,
22 but we still object to it.

23 GOV. ANDERSON: Carried by two -- a quorum; one
24 not voting.

25 Next is item 11 -- Informative only -- Any further
26 status report on legislation?

1 MR. HORTIG: No, sir. The report is for your
2 record information. As of the close of the regular legis-
3 lative session, final report will be made after final action
4 by the Governor.

5 MR. CHAMPION: I'd like to make a report on
6 legislation, briefly, if I may. I have one piece of legis-
7 lation involving the budget.

8 In my judgment, in the budget as approved by the
9 Legislature, we were not granted adequate personnel to
10 guarantee to this Commission the capacity to be sure that
11 the economic interests of the State are protected in the
12 Long Beach field. Similar sentiments were expressed on the
13 floor of the Senate in the discussion of the budget.

14 I hope the problem is not an irreparable one,
15 although we are proceeding in the Long Beach field. I hope
16 that as soon as possible further steps will be taken to
17 give us enough money to adequately protect the State's
18 interest in terms of the percentage we have. We have a
19 potential on the thing of a billion and a half or more.

20 We asked originally, on the recommendation of
21 DeGolyer and MacNaughton, a very reputable firm of consult-
22 ants, for a million dollars. I think it was generally
23 agreed by most who examined it, that that could be reduced;
24 but it was reduced originally to eight people...

25 GOV. ANDERSON: From eighty-eight.

26 MR. CHAMPION: ... and after a long series of

1 legislative conferences and discussions, we resubmitted a
2 request for only thirty-two, as a kind of a rock bottom
3 request; and the final number - - how many finally were
4 granted?

5 MR. HORTIG: Well, actually no specific number
6 were granted. Two hundred fifty thousand in unallocated
7 funds is in the approved budget.

8 It is proposed in the next agenda item here to
9 use \$75,000 for a consulting contract and minimum consult-
10 ing services; and it is doubtful there will be enough left --
11 for people of the competence required -- to provide for more
12 than eight or nine people.

13 MR. CHAMPION: I want to make it very clear why I
14 raise this question.

15 We are by law given the responsibility to make
16 sure that the State's interests are protected and, at least
17 in my judgment, we were not given the capacity to do it.
18 I think we ought to be on notice that we do not feel that
19 we have the full capacity.

20 Now, we are working with other people in that
21 field and we have confidence and faith in their ability to
22 perform, but the fact is that there are differences in
23 interest between the parties in the field. The law was
24 passed with that fully in mind. Everybody understood that
25 this was compromise legislation in which Long Beach had a
26 primary concern about subsidence; but it was guaranteed a

1 fixed amount of money and, therefore, did not have the same
2 kind of economic concern that the State has.

3 While we have nothing but the best of relations
4 with Long Beach, the fact is that the person with the
5 greatest interest should have the capacity to look after
6 that interest; and in my judgment we do not have the capa-
7 city. This is my opinion after consulting with our own
8 staff, with the consultants on the staff, with Long Beach
9 people, with operators in the field, with everybody who has
10 examined the situation; and I simply feel if you don't have
11 the capacity to do the job you feel needs to be done, you
12 ought to say so publicly so people will know you don't feel
13 you can carry out your full responsibility.

14 MR. CRANSTON: I'd like the record to show I
15 share Hale's feelings of responsibility.

16 GOV. ANDERSON: Let the record show that all three
17 of us feel that way.

18 Any further comments? (No response)

19 Item 12 is authorization for Executive Officer to
20 execute an extension of the standard agreement with DeColyer
21 and MacNaughton for the continuation of their services as
22 consultants to the State Lands Commission in connection
23 with the exploration, development, and related operations
24 for the production of oil and gas from the Long Beach tide-
25 lands in an amount not to exceed \$75,000, subject to requis-
26 ite approval by the Director of Finance, and by the Department

1 of General Services.

2 MR. CHAMPION: I might add that in light of these
3 other circumstances I think our relationship with the con-
4 sultants is especially important.

5 MR. CRANSTON: Move.

6 MR. CHAMPION: Second.

7 GOV. ANDERSON: Moved and seconded -- carried
8 unanimously.

9 Item 13 -- Approval of action taken by Executive
10 Officer, consenting to modification of the plan of develop-
11 ment and operation of the undeveloped portion of the Long
12 Beach tidelands, approved by the Commission on April 8, 1965,
13 subject to condition that cooperative agreements are to be
14 executed with lessees of adjoining developed portions of the
15 Wilmington Oil Field prior to commencement of water injec-
16 tion, and that any surface or bottom-hole well location
17 shall not deviate more than 25 feet or 100 feet, respectively,
18 from the approved location.

19 MR. CHAMPION: Move approval.

20 MR. CRANSTON: Second.

21 GOV. ANDERSON: Carried unanimously.

22 Item 14 is application for right-of-entry permit
23 for the construction, maintenance, and use of a haul-road
24 bridge over the American River, Sacramento County; Natomas
25 Company, Natoma, California.

26 MR. CRANSTON: Move approval.

1 MR. HORTIG: Mr. Chairman, we have a request of
2 a Mr. John Ross, who wishes to speak on this matter.

3 GOV. ANDERSON: Mr. Ross, will you identify
4 yourself for the record?

5 MR. ROSS: My name is John Ross, attorney for a
6 group of the Fair Oaks residents in the vicinity where
7 this application is sought.

8 I might state to you gentlemen - - I'll only take
9 a few minutes of your time here -- but some of these objec-
10 tions that we have may or may not be pertinent to this
11 particular application. However, we are in opposition to
12 the granting of this permit.

13 Now, I represent probably twenty-five or thirty
14 people out there that have homes right on the north side of
15 the American River, right where the applicant wishes to
16 cross the river there.

17 The Pacific Cement Aggregates would be the lessee
18 from the Natomas Company of certain lands there, and they
19 have a plant north of the Fair Oaks bridge on the American
20 River; and the place where they desire to take the gravel
21 from is downstream quite some distance.

22 Now, we have no objection to their taking this
23 gravel from the bed of the river from the side of the river,
24 the north side; but we believe that the crossing which they
25 contemplate by their application for permission to cross
26 the river at this point would be obnoxious to the residents

1 of this area. These people have their homes right there on
2 the edge of the river. I have been in two of them myself
3 and they are right there on the river front.

4 It's going to be an obstruction to the view and
5 for esthetic reasons to the residents. It is undoubtedly
6 going to create a nuisance.

7 Some time back - - you will notice here, the
8 application according to the terms of your agenda here
9 provides in their application - - they say -- the Natomas
10 application states: "The County of Sacramento through the
11 Department of Public Works and legal counsel have expressed
12 the opinion that Natomas Company and Pacific Cement and
13 Aggregates have fulfilled all county demands to proceed
14 with the project."

15 Well, that may be so. There was a question and
16 there is a question at the present time as to whether or not
17 a use permit is required by the County of Sacramento for the
18 operation that the Pacific Cement Aggregates proposes to do.

19 The County Counsel's office - - Mr. Heinrich,
20 incidentally is a good friend of mine -- and he through one
21 of his deputies wrote an opinion that a use permit would not
22 be required. Now, that opinion came out about March 14th
23 and I had Mr. Heinrich send me a copy of it; and then on
24 June the first of this year ...

25 GOV. ANDERSON: I don't think this part of it
26 should come before us -- the use permit dealing with the

1 County of Sacramento.

2 MR. ROSS: Only in this way: They state they
3 have fulfilled all of the county demands to proceed with
4 the project.

5 Now, I want to show you what happened. In this
6 letter of June first, Mr. Henrich says to me:

7 "Your opinion in this regard is clearly in con-
8 flict with our opinion expressed on May 14th. I am sure
9 you would agree that it would be inappropriate for the
10 county to attempt to require the company to obtain a use
11 permit in the absence of sound legal authority as to the
12 basis for such action.

13 "I would, therefore, greatly appreciate it if
14 you will provide me with a written statement of the reasons
15 for your opinion..." -- my opinion -- "... including a
16 listing and discussion of the legal authorities therefor.
17 In particular, I would be interested in your comments regard-
18 ing the sections of the California, New Jersey and Illinois
19 cases which are cited in our opinion of May 14, 1965 as the
20 basis for our conclusions."

21 Now, after that letter I called Mr. Heinrich and
22 I talked to Mr. Heinrich. I said, "Well, John, what are
23 you siding in with these people for?" He said, "No, I am
24 not. I am just trying to get something for the Board of
25 Supervisors."

26 Well, I said, "As far as you and the Board of

1 Supervisors, I am willing to cooperate and tell you what my
2 position would be, but I wouldn't want it to be gotten out,
3 because we have notified the Natomas Company and the Pacific
4 Cement and Aggregates that if they start operation an in-
5 junctive suit would be instituted against them."

6 Since that we have had a hearing. We have had a
7 meeting with these people, and we have suggested an alter-
8 nate route, which they asked me to write them a letter on,
9 which I did on May 27th, and I haven't heard anything.

10 GOV. ANDERSON: Could I ask a question of Mr.
11 Hortig? I am a little confused. Where does this bridge
12 take place -- on the point of the arrow on the map?

13 MR. HORTIG: Yes, sir.

14 GOV. ANDERSON: In other words, that bridge, then,
15 the end of it, would come up Pennsylvania Avenue. Is that
16 where they would be bringing up their trucks?

17 MR. ROSS: No, they are asking to cross west of
18 that bridge, the present Fair Oaks bridge. They are asking
19 to cross the bridge - - May I show you these pictures? I
20 think it would give you a little better idea to see these
21 pictures here.

22 Now, this is the location of the old bridge, which
23 you can see there. And that is where they would like to
24 reconstruct. This is another picture -- maybe a better one.
25 They would like to reconstruct that bridge and that is down-
26 stream three or four hundred feet from the present Fair Oaks

1 bridge you now cross.

2 MR. CRANSTON: Three or four hundred feet....

3 MR. ROSS: ... downstream. So they would like to
4 reconstruct this bridge and then make their road right on
5 this side, which would go over by these beaches and by
6 these homes that I represent.

7 Of course, these people -- you can see where their
8 cars are there -- they are going to have trouble with the
9 beaches. People go out there by the thousands in the summer-
10 time, so we are going to have problems.

11 I feel -- of course I disagree with Mr. Heinrich
12 on whether a use permit is necessary, and he didn't write
13 the opinion himself obviously and he thinks maybe my opinion
14 would be worth something. I would offer it to him, but I
15 am not going to give it to the opposing side against whom I
16 am contemplating a law suit.

17 GOV. ANDERSON: (Indicating on map) In other
18 words, their trucks only would be going from here across
19 the river?

20 MR. ROSS: That's right.

21 MR. HORTIG: And to get to the river.

22 GOV. ANDERSON: Where would they get to the river?

23 MR. HORTIG: At this point where the bridge would
24 cross they would have a turn-out.

25 MR. CHAMPION: Isn't our problem here essentially
26 that we take this action; we don't prejudice the legal

1 rights of either side. They are entitled to try to get a
2 court to agree on what their legal rights are, and all we do
3 is to clear the way for a test of those legal rights.

4 I think we ought to do it. If they are prepared
5 to take the matter to court, either way it came out I assume
6 the Commission would go along.

7 MR. ROSS: I had mentioned to the gentleman from
8 the Natomas Company who made the application here and sug-
9 gested an alternate route down fifteen hundred feet; and
10 that would not interfere with anybody. There would be no
11 objection by my people.

12 MR. CHAMPION: If they would agree to that, they
13 would ask for a permit there.

14 MR. ROSS: I have never heard from them.

15 MR. CHAMPION: I would like to move that we ap-
16 prove this, subject to any further legal determination of
17 the rights of the parties, and not enter into the controversy.

18 MR. CRANSTON: I'd like to ask another question.
19 How close to the homes does this go?

20 MR. ROSS: Less than five hundred feet.

21 MR. CRANSTON: To the road or bridge?

22 MR. ROSS: That's to the bridge, and the road
23 would even be closer.

24 I might state I am sure Mr. Heinrich sent a man
25 out there because he and I discussed it one day, and he said,
26 "That's three or four blocks from these homes." And I said,

1 "No, John, that isn't correct. I have been in the homes and
2 I know the distance is less than five hundred feet to the
3 edge of the bridge."

4 GOV. ANDERSON: Frank, what is the possibility of
5 an alternate route?

6 MR. HORTIG: There are, of course, numerous
7 possibilities. This is the one that was selected by the
8 Natomas Company and, indeed, the only action for considera-
9 tion before the Commission today is a right-of-entry permit
10 to conduct such an operation without prejudice to the legal
11 rights of either side, because there is another set of legal
12 problems to be resolved.

13 GOV. ANDERSON: Suppose we give them entry rights
14 but suggest an alternate route, to be settled satisfactorily
15 with these people.

16 MR. HORTIG: Number one, the State Lands Commis-
17 sion would be in those phases of county planning and authori-
18 zation which have already been under discussion with the
19 county as far as upland uses of the property are concerned;
20 and, secondly, the Natomas Company and the State Lands Com-
21 mission are not in agreement as to who even owns the river
22 bed.

23 So this is simply a right to go ahead without
24 prejudice but may ultimately be litigation between the Lands
25 Commission and the Natomas Company; and the Natomas Company
26 might conceivably prove that they own even the river bed.

1 3- This is not a clear cut situation, where the
2 Lands Commission knows definitely it has these lands under
3 its jurisdiction, so it makes it that much more difficult
4 to suggest other routes.

5 GOV. ANDERSON: If we are not the legal owners,
6 we are out of it entirely?

7 MR. HORTIG: That's right.

8 GOV. ANDERSON: And if we are the legal owners, it
9 seems to me we ought to have some part in trying to work out
10 the best alternate route, if there is one.

11 I am just wondering if we can't ask them to work
12 out the best alternate route.

13 MR. HORTIG: There is certainly nothing wrong with
14 that approach, Governor.

15 MR. ROSS: Wouldn't the application indicate - -
16 they may not be saying, "We don't own it," but they have
17 applied to you for a permit to cross the lands. If they owned
18 it, why would they do that?

19 MR. HORTIG: Because it is only with that under-
20 standing -- this is so the legal rights of both the Natomas
21 Company and the State of California are not jeopardized.
22 The Natomas Company definitely claims the lands; so does the
23 State of California.

24 In the meantime, contracts have been let for con-
25 struction and there are contractual commitments to be met by
26 the Natomas Company, who felt that they would not have the

1 intervention of the State and this contention of State
2 ownership as to these lands.

3 MR. ROSS: I have put them on notice two or three
4 months ago that there was a possible law suit involved in
5 this thing.

6 MR. HORTIG: This is correct, sir; but, of course,
7 on a different basis -- the matter of utilization and loca-
8 tion with respect to the adjoining uplands, which are neither
9 claimed by nor under the jurisdiction of the State Lands
10 Commission.

11 GCV. ANDERSON: What would be your view, Frank,
12 to putting this over to the next meeting, with the thought
13 in mind of seeing if an alternate route can be worked out,
14 and have us take a look at it?

15 MR. CRANSTON: Has anybody from Lands looked to
16 see how close it comes to houses?

17 MR. HORTIG: We know the location, but we did not
18 take this factor into account because of the assertion, as
19 stated, that the County of Sacramento through the Department
20 of Public Works have expressed the opinion that all county
21 demands have been fulfilled; and this is the representation
22 of the Natomas Company -- that they have all of the permits
23 and have met all the requirements of the County of Sacra-
24 mento to put this operation into effect.

25 MR. CHAMPION: Don't you think we are injecting
26 ourselves into a local problem? This is a problem of the

1 county, to determine what is the proper use of this area,
2 what can be done. We are injecting ourselves into a local
3 problem. If we can be of any help, fine; but as far as
4 enforcing our will - -

5 GOV. ANDERSON: Do you think another eighteen
6 days to have the staff come back would hurt? I agree with
7 you in a sense this is not our role, but I have a feeling
8 the staff did not know there was opposition to this.

9 MR. HORTIG: No, until Mr. Ross came in today.

10 MR. ROSS: Mr. Hortig, didn't I ask you for
11 information on the 20th, that I be advised and put on the
12 mailing list when this matter came up?

13 MR. HORTIG: Yes, but with no basis for objection.
14 We didn't know whether you were a proponent or opponent,
15 Mr. Ross.

16 MR. CRANSTON: I'd like to have the staff look
17 into it. We haven't injected ourselves into it. It has
18 been injected before us.

19 GOV. ANDERSON: If there is no objection, this
20 item will be put over to the next meeting and we will have
21 the staff advise us....

22 MR. CRANSTON: ... as to what specifically would
23 be the effect on the residents, and whether there would be
24 an alternate route.

25 MR. HORTIG: This, of course, involves consulta-
26 tion with the Natomas group on that phase.

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GOV. ANDERSON: Is there any other item to come before the Commission besides reconfirmation of our next Commission meeting? (No response)

If not, the next meeting of the Commission will be July 20, 1965, Tuesday, two thirty p.m., Sacramento. No objection, so ordered; and the meeting stands adjourned.

ADJOURNED 4:00 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 sixty pages contain a full, true and accurate transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION at Sacramento, California, on July 2, 1965.

Dated: Los Angeles, California, July 22, 1965.

Louise H. Lillico