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MEETING
STATE LANDS COMMISSION
STATE OF CALIFORNIA

ROOM 447
STATE CAPITOL
SACRAMENTO, CALIFORNIA

THURSDAY, JULY 12, 1984
10:05 A.M.

ORIGINAL

Cathlee Slocum, C.S.R.
License No. 2822

MEMBERS PRESENT

1 Lisabeth Rasmussen, Acting Chairperson,
2 representing Kenneth Cory, State Controller

3 Clifford Allenby, representing Jesse R. Huff,
4 Director of Finance

5 Laura Schlichtmann, representing Leo T. McCarthy,
6 Lieutenant Governor

STAFF PRESENT

7
8 Claire Dedrick, Executive Officer

9 James Trout, Assistant Executive Officer

10 Lance Kiley

11 Blake Stevenson

12 Robert Hight

13 Jene Smith, Secretary

ALSO PRESENT

14
15
16 Richard Frank, Deputy Attorney General

17 Joseph C. Rusconi, Deputy Attorney General

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P R O C E E D I N G S

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ACTING CHAIRPERSON RASMUSSEN: Good morning;

This meeting of the State Lands Commission is called to order.

I think we need to start out with the confirmation of the minutes of June 21st. Are there any questions or corrections, deletions? None. I approve the minutes.

Report of the Executive Officer.

EXECUTIVE OFFICER DEDRICK: Yes, Madam Chairman, I granted a letter of permission to the Santa Clara Valley Water District in advance of a routine permit so that they could proceed timely with the project which has to be carried out while weather conditions are favorable. The District has applied for a permit which we are currently processing. Staff assures me that the District has all its clearances from other jurisdictions and there are no environmental concerns with the project.

The second item which is not included in the written copy of the Executive Officer's Report is a letter to you, Commissioners, asking permission to hold a submerged lands conference October 8th through 12th in San Diego. You have a letter before you which is exceedingly stuffy and I signed it under protest, but I didn't have time to rewrite it.

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COMMISSIONER SCHLICHTMANN: Mine isn't signed.

EXECUTIVE OFFICER DEDRICK: Yours isn't signed?

Well, maybe I did it right.

ACTING CHAIRPERSON RASMUSSEN: Okay. Any questions, comments? Anything else, Claire?

Okay.

We'll move to the --

EXECUTIVE OFFICER DEDRICK: Well, there are some items off calendar, Commissioner. Would you like me to run through those?

ACTING CHAIRPERSON RASMUSSEN: Yes.

EXECUTIVE OFFICER DEDRICK: Okay. Item C1(B) is off calendar. Item C4 should be moved to the regular calendar. Item 16 is off calendar, although I think there are people here who may want to speak to the Commission on that subject. Item 22 is off calendar. That is the Paramount Oil Company item, and I'd like to know if anyone from Paramount is in the audience? No, I think that can be just taken off. As to Item 16, it depends. It's entirely up to you what you'd like to do about that.

ACTING CHAIRPERSON RASMUSSEN: Okay. On Item C4 that's now been moved to the regular calendar, I think it might be easier if we heard that at the end of the agenda. Is there any problem with that rather than --

MR. HIGHT: No.

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1 ACTING CHAIRPERSON RASMUSSEN: The remainder
2 of the Consent Calendar, are there any questions or
3 comments?

4 MR. HIGHT: Madam Chairman, I'd like to make a
5 statement for the record, please. The Lieutenant Governor's
6 representative, Laura Schlichtmann, will be sitting in a
7 non-voting capacity on the items up to C-4.

8 ACTING CHAIRPERSON RASMUSSEN: All right. Thank
9 you.

10 Any questions on the Consent?

11 MR. HIGHT: You want a motion?

12 ACTING CHAIRPERSON RASMUSSEN: No, I think we
13 can approve it by consensus.

14 Okay. We'll move on to the regular calendar,
15 Item 14.

16 EXECUTIVE OFFICER DEDRICK: Item 14 is a rescission
17 of a prior authorization and approval of a 15-year General
18 Lease - Commercial Use in Turner Cut, which is located in
19 San Joaquin County.

20 ACTING CHAIRPERSON RASMUSSEN: I have a request
21 to speak from E. R. Williams. Mr. Williams, would you like
22 to take a seat and state your name and who you're represent-
23 ing?

24 MR. WILLIAMS: My name is E. R. Williams. I'm
25 appearing here on behalf of George Shore and myself.

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1 We are objecting to the Commission's action, the
 2 requested action, to rescind the previous authorization
 3 for the execution of the lease and the granting of the
 4 present lease. I have a letter here which I would like to
 5 submit to the Commission which I think sets forth --

6 MR. TROUT: Do you have another copy?

7 MR. WILLIAMS: Yes.

8 ACTING CHAIRPERSON RASMUSSEN: Thank you. Okay.
 9 Proceed.

10 MR. WILLIAMS: I think this sets forth the basic
 11 background of the situation. The Commission previously
 12 authorized the execution of a lease to George Shore I think
 13 in 1978, and the matter drug along until the date of this
 14 letter, 1980, when the only thing remaining to be done was
 15 to put up the bond. Then George Shore indicates he thought
 16 he did put up the bond, but apparently the State never got
 17 it. So it drug on for another six months or so and I
 18 came up here with him and talked to one of the agents and
 19 they indicated to me at that time that they no longer had
 20 the approval of the upland owner, there had been a change
 21 in ownership and we no longer had the approval of the
 22 upland owner. Rather than try to force the lease through,
 23 the old lease, that we try to get the permission of the
 24 upland owner and we've been trying to do that now for some
 25 time. There's been a long delay in that. They are the

1 present applicants for this facility. Now, it's our
2 position -- and incidentally, we have paid rent on this
3 for six years. The rent was paid from the time of its
4 inception I think in '77 until July the 1st of '83.
5 In other words, the rent was not paid for last year.
6 I'll submit to the Commission that our request is that
7 George Shore signed the lease and that we be permitted to
8 execute the old lease. The delay hasn't hurt anybody.
9 Had the old lease been executed, the upland owner now
10 would be in no different position than he was before. He's
11 the new owner, and I submit to you ladies and gentlemen
12 it's grossly unfair to kick us off of there now after we've
13 been out there for six years and paid rent for six years.
14 I'd be glad to answer any questions you may have.

15 ACTING CHAIRPERSON RASMUSSEN: Does the staff
16 have any response?

17 EXECUTIVE OFFICER DEDRICK: Lance.

18 MR. KILEY: We met with Mr. Williams, staff met
19 with Mr. Williams and tried to resolve this. One of the
20 major problems is that during the period that this lease
21 has remained unsigned and unexecuted, the access -- they
22 had access at the time the original thing was negotiated.
23 The general Commission policy has been not to lease to
24 people who do not have upland access and to attempt to
25 reach some kind of accommodation with the person who has the

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1 upland access. During the six years that they paid rent,
2 of course, they did have use of the facility. So it's
3 not like they didn't get something for their money. This
4 rescission deals only with approval of a further lease,
5 continuation of the use. Since they don't have access,
6 staff recommends that the thing be terminated.

7 ACTING CHAIRPERSON RASMUSSEN: Any of the
8 Commissioners have any questions?

9 EXECUTIVE OFFICER DEDRICK: Commissioner, I'd
10 like to recommend that we hold this item for today and
11 go back into discussion with the applicant.

12 ACTING CHAIRPERSON RASMUSSEN: All right.
13 Is there any objections from the Commissioners?

14 MR. WILLIAMS: That means we're going to drop it
15 and we should try to work with them again? Is that
16 what you're telling me? I'm agreeable to it.

17 EXECUTIVE OFFICER DEDRICK: I haven't had a
18 chance to review this personally, sir, and I'd like to be
19 able to take a good look at it myself.

20 MR. WILLIAMS: As far as I'm concerned on the
21 calendar today that means off calendar?

22 ACTING CHAIRPERSON RASMUSSEN: Right.

23 EXECUTIVE OFFICER DEDRICK: That's what I'm
24 proposing.

25 ACTING CHAIRPERSON RASMUSSEN: We're proposing to

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1 pull it off calendar and hear it at a later date, if
2 necessary.

3 MR. WILLIAMS: In the meantime we'll have further
4 discussions on it, is that the idea?

5 MR. KILEY: That's correct. We'll have further
6 discussions.

7 MR. WILLIAMS: That's agreeable with me. I have
8 no argument with that.

9 ACTING CHAIRPERSON RASMUSSEN: Is that
10 satisfactory to staff and everyone then?

11 MR. KILEY: That will be satisfactory.

12 ACTING CHAIRPERSON RASMUSSEN: Thank you,
13 Mr. Williams.

14 Item 15.

15 MR. TROUT: Madam Chairman, this is an item
16 involving the Memorandum of Understanding we have with
17 the Bureau of Land Management regarding the satisfaction
18 of our indemnity entitlement and this would, our remaining
19 entitlement of federal lands under the School Land Grant.
20 This would add about 50,000 acres of entitlement, and we
21 would be selecting some land available in the Bureau of
22 Land Management primarily in the Ukiah area.

23 ACTING CHAIRPERSON RASMUSSEN: Sounds like
24 progress has been made, huh?

25 MR. TROUT: Excuse me?

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1 ACTING CHAIRPERSON RASMUSSEN: Is there anyone
2 to speak on this item? No, there isn't.

3 Any questions from the Commissioners?

4 All right. Item 15 is approved.

5 16 is off. I'll move to Item 17.

6 MR. COOK: The City of Eureka does have two
7 witnesses. We'd like to address the Commission this
8 morning. We came down from Eureka understanding this would
9 be a calendar item. We are prepared to make a presentation
10 to you as it is an item of extreme concern to the City.

11 As trustee of the State Lands, we want to make the
12 property available for a business. It has suffered the
13 calamity of an entire destruction of its existing plant
14 because of a fire and they intend to rebuild at this site.

15 ACTING CHAIRPERSON RASMUSSEN: What is your
16 name, sir?

17 MR. COOK: John L. Cook, City Attorney for
18 Eureka.

19 ACTING CHAIRPERSON RASMUSSEN: Thank you,
20 Mr. Cook.

21 The item that you refer to on our calendar was
22 which item? What number is that? 16?

23 EXECUTIVE OFFICER DEDRICK: 16.

24 ACTING CHAIRPERSON RASMUSSEN: That was our
25 request to authorize the staff to enter into an exchange

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1 agreement. I understand that no agreement has been reached.
2 I think the Commission would be happy to hear your comments
3 since you have come such a long way. If you wouldn't
4 mind, I would like to wait until the end of the calendar,
5 the rest of the calendar.

6 MR. COOK: Thank you.

7 ACTING CHAIRPERSON RASMUSSEN: Thank you.

8 EXECUTIVE OFFICER DEDRICK: Item 17 is approval
9 and acceptance of easement deeds to relocate a 60-foot
10 wide right of way to a State Lands parcel near Alviso in
11 Santa Clara County.

12 ACTING CHAIRPERSON RASMUSSEN: Any questions
13 from Commissioners? Item 17 is approved.

14 Item 18.

15 MR. TROUT: Item 18 is Commission approval of
16 a refinancing agreement for some subleased lands that
17 would allow the lending company to take over and operate
18 the facility in case of a default and we recommend approval.

19 ACTING CHAIRPERSON RASMUSSEN: There's no one
20 signed up to speak on this item either. Any questions from
21 Commissioners?

22 Item 18 is approved.

23 Number 19.

24 MR. HIGHT: 19, Madam Chairman, is an authorization
25 for the staff to sue an individual on the Sacramento River.

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1 who has thus far refused to comply with our leasing
2 requirements.

3 ACTING CHAIRPERSON RASMUSSEN: All right.

4 I have no signups on this item either. Any questions from
5 Commissioners?

6 Item 19 is approved.

7 20.

8 MR. HIGHT: 20, Madam Chairman, is the same
9 problem at Lake Tahoe.

10 ACTING CHAIRPERSON RASMUSSEN: All right. I have
11 no requests to speak. Any questions?

12 20 is approved.

13 21.

14 EXECUTIVE OFFICER DEDRICK: Item 21 is approval
15 of a 25-year General Lease - Right-of-Way permit for the
16 Phillips Petroleum Company to locate a pipeline bundle for
17 Molina Gas Plant Number 7 in Tajiguas. Is that an
18 adequate description?

19 ACTING CHAIRPERSON RASMUSSEN: Sounds good to
20 me. I have two requests to speak on this item from Jerome
21 Lind from Phillips Petroleum and from Gary Kuse also from
22 Phillips Petroleum. Do you want to --

23 MR. KUSE: Just in response.

24 ACTING CHAIRPERSON RASMUSSEN: You're here just
25 to answer questions if necessary?

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1 MR. KUSE: That's correct.

2 ACTING CHAIRPERSON RASMUSSEN: All right.

3 Are there any questions from the Commission?

4 Item 21 is approved.

5 Thank you for coming.

6 Item 22 is off.

7 Number 23.

8 EXECUTIVE OFFICER DEDRICK: Item 23 is an
9 extension of the initial drilling obligation on geothermal
10 lease in Sonoma County of GRI Exploration, Inc. GRI, the
11 Commission has approved an assignment of a number of
12 leases which were originally Aminoil to GRI. The leases
13 are old and there are some negotiations still ongoing.
14 We normally would not come to you to give an extension
15 because in this particular instance in the law it's only
16 when we notify them that they've got a problem that their
17 problem exists. In this instance we are in negotiations
18 with GRI on what the content of the net profits accounting
19 procedure will be. It's a very cooperative effort on the
20 part of my staff, your staff, and the people at GRI and
21 we wanted them to be sure that they were not going to get
22 their lease pulled because they didn't drill on time while
23 we're negotiating.

24 ACTING CHAIRPERSON RASMUSSEN: Okay. I have
25 no requests to speak. Are there any questions?

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1 Item is approved.

2 Item 24.

3 EXECUTIVE OFFICER DEDRICK: Item 24 is a three-
4 month dredging permit for the Golden Gate Bridge District
5 to dredge 90,000 cubic yards at the Larkspur Ferry Terminal
6 in Marin County.

7 ACTING CHAIRPERSON RASMUSSEN: All right. I have
8 no requests to speak on this item either. Are there any
9 questions?

10 Item 24 is approved.

11 25.

12 EXECUTIVE OFFICER DEDRICK: 25 is an application
13 of the Benicia Port District to increase the spoils volume
14 dredged at the Port from 60,000 to 90,000 cubic yards a
15 year and to extend the dredging area another 1400 feet.

16 ACTING CHAIRPERSON RASMUSSEN: All right.
17 I have no requests on this item either.

18 Any questions?

19 25 is approved.

20 26.

21 EXECUTIVE OFFICER DEDRICK: Item 26 is a
22 certification of an EIR which the Commission has done on
23 Cobb Mountain which is a geothermal parcel in The Geysers
24 area at one of the few, if not the only one, where the
25 State also owns the surface as well as the mineral rights.

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1 The EIR is completed and we will ask you today
2 to certify that EIR and authorize us to prepare a
3 competitive bid package and I would like you to require
4 us to return to you in no more than two months with the
5 bid package or you would like to know the reason why.

6 ACTING CHAIRPERSON RASMUSSEN: Done.

7 Any questions from the Commission? That item
8 is approved.

9 27 is off calendar.

10 Number 28.

11 MR. HIGHT: 28, Madam Chairman, is the authoriza-
12 tion to file a disclaimer in a parcel in Mono County which
13 the Commission has no interest in.

14 ACTING CHAIRPERSON RASMUSSEN: Any questions
15 or comments?

16 Item 28 is approved.

17 29.

18 MR. HIGHT: 29 is the authorization to hold a
19 hearing on a proposed Retrocession of Jurisdiction
20 over Mather Air Force Base and we will report back to you
21 on the results of that hearing.

22 ACTING CHAIRPERSON RASMUSSEN: All right. Thank
23 you very much. 29 is approved.

24 All right. Now, we want to return to Item C4.

25 EXECUTIVE OFFICER DEDRICK: Would you like to

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1 hear Mr. Cook from Eureka before you do C4?

2 ACTING CHAIRPERSON RASMUSSEN: All right. That
3 would be -- is there a problem? Do we have a timing
4 problem? All right.

5 Excuse me, Mr. Cook. I think we may have to --
6 all right. If you wouldn't mind, Mr. Cook, Item C4 will
7 not take very long.

8 MR. COOK: Okay. Thank you.

9 ACTING CHAIRPERSON RASMUSSEN: Item C4, does
10 staff have a presentation?

11 MR. HIGHT: Madam Chairman, for the record --

12 ACTING CHAIRPERSON RASMUSSEN: It is now numbered
13 Number 30 on the regular calendar?

14 MR. HIGHT: It is still C4, but it is on the
15 regular calendar and you will now be sitting in a non-
16 voting capacity and Laura Schlichtmann will be in a voting
17 capacity.

18 ACTING CHAIRPERSON RASMUSSEN: All right.
19 Understand that and agreed. Okay.

20 Is there a staff presentation on this item?

21 EXECUTIVE OFFICER DEDRICK: Lance, would you?

22 MR. KILEY: Item C4 is a proposal to develop
23 a marina project along the Sacramento Riverfront just
24 north of Village Marine which I think most of you
25 Commissioners are familiar with. It's a fairly elaborate

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1 project involving development of some restaurants, floating
2 restaurants, boat sales office, harbor master office, and
3 all the related facilities.

4 ACTING CHAIRPERSON RASMUSSEN: All right. I do
5 have one request to speak on this item, Kip Skidmore.

6 EXECUTIVE OFFICER DEDRICK: Before you call the
7 witness, let me add just a little bit to Lance's description.
8 When the applicant originally applied, the project went
9 much further out into the river than the one that is now
10 before you and it was also proposed at that time to have
11 houseboats and live-aboards as part of the project and
12 also to tie some of the berths in the third phase of the
13 project to upland condominium ownership. None of the
14 latter things that I've just discussed are of course
15 usually approved by this Commission. But I want you to
16 understand that the item as it now stands is for 175
17 berths, all of which will be handled on a first come,
18 first served basis. No live-aboards, nothing tied to the
19 upland and the project is within 200 feet of the shore
20 which though still very large is maybe two-thirds of what
21 the original proposal was.

22 ACTING CHAIRPERSON RASMUSSEN: All right.
23 Thank you, Mr. Skidmore.

24 COMMISSIONER ALLENBY: While Mr. Skidmore is
25 on his way up, I'd like to suggest that we consider

1 the following. That we approve the project as presented
2 today with the understanding that the staff of the
3 Commission will take a look at this total area of trying
4 to deal with the kind of development that should be
5 done in the river that's compatible with the river and
6 compatible with the people that live around it. That
7 we further have an understanding that until that study
8 is completed, that we not have further development.
9 We would be willing to work with the staff and probably
10 the other jurisdictions involved because we're not in
11 this by ourselves to finance the funds required to
12 finance the study.

13 EXECUTIVE OFFICER DEDRICK: Thank you,
14 Commissioner. We would very much like to do such a study
15 and I'll undertake to get back to you at the next
16 Commission meeting with a plan for that study and an
17 estimate of cost and sources of funding, potential
18 sources of funding.

19 ACTING CHAIRPERSON RASMUSSEN: All right.
20 Let's hear from Mr. Skidmore and maybe we can discuss
21 this.

22 MR. SKIDMORE: My name is Kip Skidmore. I'm
23 a partner in the Riverbank Holding Company.

24 As you may or not be aware, this project has
25 been in the planning stages for about three years now,

1 has gone through 35 different agencies for approval.
2 It has had the attention of a variety of different
3 people including the newspapers as some of you have
4 seen.

5 We have struggled to get this project to this
6 point and it really wasn't until yesterday that we were
7 aware that there was a problem. We assumed that it was
8 on the Consent Calendar and it was a routinely approved
9 lease. Yesterday morning we were informed that there
10 was a problem with it and the problem stemmed from the
11 fact that we need to look at the environmental impact
12 of an additional boat marina on the Sacramento River.
13 That has been addressed in some hundred-and-some-fifty
14 pages of report that we did, environmental impact we
15 did three years ago and it's been addressed by the
16 State Rec Board, by the Corps of Engineers, by a variety
17 of other sources. So it's kind of a surprise to us
18 that the Commission has raised this issue.

19 We do, however, have some financial constraints
20 that we feel make our case compelling at this particular
21 point in time and that is financing for marinas isn't
22 easy to come by. We have obtained financing. That
23 financing expires on July 20th. It also has a proviso
24 that we complete the project within one year and those
25 of you familiar with the river realize that we can't work

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1 on the flood plain after November 1st. We have to be
2 off the flood plain. So it puts us under some tremendous
3 time constraints. We don't object to a study at all
4 on the river. We think it's been done. I think that's
5 something your staff has to look at. But in any case,
6 our particular project has approximately a million
7 dollars invested in it at this time of which all is
8 in jeopardy if we're unable to obtain the lease from this
9 Commission as it is a condition of our financing that
10 we obtain this.

11 I'll entertain any questions you might have on
12 the project, but I wanted you to realize the corner
13 we're kind of backed into at the moment particularly
14 with financing.

15 ACTING CHAIRPERSON RASMUSSEN: All right.
16 Thank you.

17 Is there any response from the staff on this?

18 EXECUTIVE OFFICER DEDRICK: No. We'll be very
19 happy to carry out that study and I think that the
20 thrust of the study, as Commissioner Allenby has said,
21 really should be the cumulative impacts of the developments,
22 not just this one, but many other proposed developments
23 along the river and it will certainly take the cooperation
24 of the City and County of Sacramento and probably Yolo
25 County and the Corps of Engineers as well and the

1 Department of Boating and Waterways, Fish and Game, and
2 the other appropriate agencies.

3 MR. WILLIAMS: I would like to add, the
4 Department of Boating and Waterways I think is represented
5 here today which can address some of these issues the
6 Commission may have in terms of the environmental impact
7 that marina will have on this particular stretch of the
8 river. A study to us again is fine, but any study like
9 that, a comprehensive study like that, will probably take
10 six months to a year to complete which would essentially
11 kill the project.

12 COMMISSIONER ALLENBY: We're not suggesting
13 that we kill the project, that we approve the project
14 but serve notice before additional projects are really
15 accepted that we have a better understanding of how
16 everybody interacts.

17 ACTING CHAIRPERSON RASMUSSEN: I know Mr. Cory
18 is very concerned with the environmental affects of
19 development on the river and I think the idea that we're
20 trying to get across here in the Commission is that we
21 appreciate the time and effort that Mr. Skidmore has put
22 into the study for his, the environmental study that he's
23 done for his particular development and I think that
24 what we need to do as a Commission is to look at the
25 river as a whole and do a study that would include all

1 development and that we preclude any further development
2 until this study is completed. I think that Mr. Allenby
3 will do all he can to provide some funding on behalf of
4 the State towards this study and then the staff will be
5 getting back to us as far as how the study will proceed
6 and how it will be funded and whether we can get some
7 sort of funding from local government to move the study
8 along.

9 Are there any questions of Mr. Skidmore or the
10 staff?

11 COMMISSIONER SCHLICHTMANN: Just to clarify,
12 Mr. Skidmore, you have no problem with the study,
13 the particular study that's being proposed?

14 MR. SKIDMORE: No. We don't. It would impact
15 our further development down the road, but I agree with
16 the Commission that you probably should take a look before
17 you approve those kind of leases, but our concern is more
18 of July 20th. Thank you.

19 ACTING CHAIRPERSON RASMUSSEN: I'd entertain
20 a motion.

21 COMMISSIONER ALLENBY: I'll move.

22 ACTING CHAIRPERSON RASMUSSEN: The project
23 is approved with those conditions, that the staff look
24 into the study and the funding of the study and that all
25 future development will be halted until the study results

1 are available.

2 EXECUTIVE OFFICER DEDRICK: Thank you, Madam
3 Chairman.

4 ACTING CHAIRPERSON RASMUSSEN: Thank you,
5 Mr. Skidmore.

6 All right. Now we would like to hear briefly
7 from the City of Eureka.

8 Thank you for your patience, Mr. Cook,

9 MR. COOK: Thank you.

10 I'd like to introduce myself. I'm John Cook,
11 the City Attorney for the City of Eureka, and to my right
12 is Robert Stockwell who is the City Manager for the City
13 of Eureka.

14 What I'd like to do is discuss some of the
15 issues as we see them. We do have a disagreement with
16 your staff as to their methodology and to their view of
17 this item.

18 Mr. Stockwell will address the problem from
19 what it means to the City of Eureka to have its entire
20 industrial base subject to these amorphous and we think
21 unsubstantiated claims. This is where our industrial
22 development is scheduled to take place. This is where
23 the Coastal Plan says they should be.

24 The City of Eureka is the trustee of the State
25 lands in the issue here. We have a land grant dating back

1 to at least 1945. So we are the trustees coming before
2 you. The City of Eureka has been very protective of its
3 tidelands and has engaged where necessary in extensive
4 and very costly litigation to protect those. I refer
5 you particularly to the City of Eureka Waterfront litigation
6 normally known as the Lazio litigation. It went from
7 1967, was not finally settled until 1981 at a cost of
8 in excess of \$1 million to the City. In addition with
9 respect to other tidelands, we have done extensive
10 engineering and other analyses to determine exactly
11 where those tidelands are so that we can assert them where
12 proper, but where we feel those claims are not proper,
13 then to make that determination.

14 We do have a number of maps that we wish to
15 refer to. These are the maps that we use in
16 administering this trust. I would hope that we'd be able
17 to take them back with us so that we could continue to
18 administer this trust in accordance with these historical
19 maps. Is that permitted?

20 ACTING CHAIRPERSON RASMUSSEN: What maps are
21 they you're talking about?

22 MR. COOK: I have a number of maps that I wish
23 to refer to in making my presentation.

24 ACTING CHAIRPERSON RASMUSSEN: I see no problem.
25 with you using the maps. These are the City's maps; right?

1 MR. COOK: Yes, they are.

2 Okay. The area in question has long been held
3 and has been developed for industrial and commercial
4 purposes for many years. I'd like to hand out first,
5 this is a small aerial map that shows the area in question,
6 gives you some idea of the type of development that's
7 there now. What this one has is an overlay of what
8 has originally been known as a tideland survey. It
9 says TLS Number 1, or 2, that kind of numbering system.
10 It will give you an idea of the type of property we're
11 dealing with and I do have a better map which I can also
12 show to you.

13 If I could approach the Commissioners, what you
14 have is a xerox copy of this aerial photograph showing
15 the area in question. The area that we're discussing
16 this morning is located right here by the railroad.

17 ACTING CHAIRPERSON RASMUSSEN: Mr. Stevenson,
18 did you want to see this?

19 MR. COOK: This was a map that was given to me
20 by Les Grimes for the purpose of administering the trust
21 in about 1981. So this gives you an idea that the area
22 has been filled and it is in an area that is far removed
23 from the harbor and has been converted to other types
24 of private uses.

25 ACTING CHAIRPERSON RASMUSSEN: Thank you.

1 Mr. Cook, do you have an estimate of how much
2 time you'd like to use this morning?

3 MR. COOK: I would think about 20 minutes.

4 ACTING CHAIRPERSON RASMUSSEN: Okay. Thank
5 you. We have some other commitments.

6 COMMISSIONER ALLENBY: I'll try to be right back.

7 MR. COOK: This property in question is at
8 an elevation of 12 plus which indicates that it is well
9 above tidal influences. The City acquired this property
10 some time ago. We don't know exactly when. We do know
11 that we have a proposed development of a dog pound on it
12 in 1946, that there was already an existing dog pound
13 at that time. The grant in question affecting this
14 area was given to the City in 1945. It wasn't effective
15 until September.

16 The State granted to the City of Eureka
17 unconfirmed title. It says all interests that the State
18 may have. The State did not first make the determination
19 by studies or by judicial action or otherwise as to
20 where these tidelands were. It was left up to the City
21 of Eureka then to make these determinations in its
22 administration. The grant itself indicates the only
23 use for the property is harbor, docks and facilities to
24 promote those uses. As you can see, that is so removed
25 from the harbor that it is not useful for such a purpose.

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1 It has never been used for such a purpose and has been,
2 as far as we know, used for a dog pound which the Attorney
3 General has said is not a proper trust use if there was
4 such a trust there.

5 We, in trying to administer our trust, we
6 obtained some legislation from the State of California,
7 Chapter 1085 in 1970. This section specifically says
8 that it is found and declared that lands within Humboldt
9 Bay which have heretofore been and are improved, which
10 have been filled and reclaimed, are no longer submerged
11 and below the high tide line are no longer useful for
12 commerce, fisheries, and navigation. So the Legislature
13 determined that filled lands are no longer useful for
14 any trust purpose.

15 In the next subsection they ask that the
16 Commission determine such lands and then execute appropriate
17 documents clearing those lands of the cloud that may be
18 upon them because of alleged trust claims. The City of
19 Eureka is permitted to make an application to the
20 Commission for such a determination. The Commission may
21 do on its own and you may do it upon a petition of any
22 affected property owner. The section goes on to indicate
23 that it's up to the City of Eureka to settle these
24 disputes and that the City shall determine the appropriate
25 compensation with the concurrence of the Commission.

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1 Thus we see the statutes as the trustee and pursuant to
2 the statutes we have the primary obligation to do this.
3 We ask for your concurrence in our settlement proposal.

4 We did propose to your staff in April of this
5 year, we did our analysis and suggested that the trust
6 -- there's a claim to an easement by virtue of the fact
7 that it was originally pursuant to a tidelands patent.
8 We feel that that was erroneous and inconsistent with
9 other settlements and ask that it be relieved with a
10 payment of compensation of \$1,000. This statute also
11 indicates where property has been filled, then you shall
12 give credit to the property owner for the value of the
13 fill. We have here an elevation of plus 12. If this
14 was tidelands, elevation might be around 4 which would
15 indicate around 8 foot of fill. It costs 25 cents a
16 cubic foot. So you can see that to be two dollars/a
17 foot just for the value of the fill. We think the
18 property is probably worth one dollar to two dollars.
19 So the fill is what added its value, but we do not think
20 it was fill in this case. If you look at that first
21 map that I showed you, we have surrounding the area
22 tideland Number 8 which is directly to the north. That
23 was done in 1859 and the property was subsequently
24 patented by the United States Government to the State of
25 California as swamp and overflow and we think that's its

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1 proper characterization of the area in question here.
2 Number 8, surveyed the area between the margin of the bay
3 and U.S. Meander line and the area between was described
4 as a salt marsh.

5 Tidelands Survey Number 1 which is also adjacent
6 came to the State of California as swamp and overflow
7 patent. If you'll look directly south to the survey
8 in question, we have a swamp and overflow that goes
9 directly north and south.

10 Well, let me show you this overlay here. What
11 we'll be talking about is we're in Number 1. I just
12 mentioned 1 and 2. Right here we have swamp and overflow.
13 We think that it not likely that natural conditions would
14 have designated between swamp and overflow land and
15 tidelands at an angle such as this that is so straight.
16 We think rather the swamp and overflow follows all the
17 way up this way. They did this as swamp and overflow
18 below. This appears to be the same land.

19 Also we see bayward of this that in 1872 someone
20 determined that this was tidelands and the boundaries
21 of tidelands is between low water and high water.
22 Therefore, we think this was high water, and, therefore,
23 landward of that was above high water and not subject
24 to trust claims.

25 MR. FUSCONI: Madam Chairman, perhaps I can

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1 shorten the presentation. My name is Joe Rusconi,
2 Deputy Attorney General.

3 The staff, I believe, will concede that there
4 is a dispute here as to title. I think the position
5 of the staff and my office is that that is irrelevant.
6 That the trustee cannot under trust law take a position
7 that is adverse to the trust by claiming that an asset
8 that, if there's any possibility that it is a trust
9 asset, he cannot take a position that it is not one.
10 I think that is really the crux of the problem and
11 perhaps the presentation could be shortened if they were
12 to address that issue and there are other issues of
13 importance to the downtown development of the City.

14 ACTING CHAIRPERSON RASMUSSEN: Thank you.

15 MR. COOK: Well, this is not a trust asset
16 in our view and, therefore, it becomes very important
17 to get into the basic issues. Our problem has been that
18 the staff of the State Commission has not addressed where
19 the limits of these tidelands are. We feel as a property
20 owner, as a trustee, it's incumbent upon us to make that
21 determination. We did settle litigation that was
22 extremely costly in the last decade. We had hoped in the
23 future to be able to make those determinations upon a
24 reasonable basis based upon historical maps and engineering.
25 So that we are not asserting claims we cannot prove,

1 end up in costly litigation both to the public and to the
 2 private parties and also in delaying development of their
 3 property. So we have embarked upon a program of trying
 4 to figure out where our tidelands are in this area. The
 5 State has not -- we have come up with a line. We have
 6 not disagreed with that line. But all they tell us is
 7 that because we are a trustee, that that determination
 8 is not relevant.

9 MR. STEVENSON: Pardon me for a moment. Blake
 10 Stevenson, I'm Staff Counsel with the Commission.

11 If I may interject, I have done substantial
 12 research on the question of trust obligations. What
 13 the City is speaking of here is acting in two different
 14 disparate and conflicting ways. On the one hand they
 15 held a title, excuse me, on the one hand this property
 16 was sold pursuant to a tidelands patent under an
 17 established 1913 case, California Fish. That means
 18 there's a public trust easement on the property. The
 19 City then acquired a private title in it and today
 20 seeks to assert that private title over its trust
 21 obligation. By law when a trustee acquires an interest
 22 privately in the asset which is subject to the trust,
 23 those titles merge. That protects the beneficiary.
 24 Otherwise the trustee would have an adverse relationship
 25 to the beneficiary and would try to assert private

1 interests just as we're seeing here today.

2 So I think the central issue is a legal one rather
3 than a factual one. As Mr. Cook knows, it is open to
4 factual dispute as to whether this property was tidal or
5 not. It's designated on the topographic charts as being
6 salt marsh. However, we've made every attempt to try
7 to settle this case and we feel that the overriding
8 factor is that where a person is a trustee to certain
9 property and has an obligation, they can't act as a
10 private party would in trying to dispute the ownership
11 which they are given the duty to protect. We have made
12 an offer to them last night. I came in early this
13 morning to try to word an agreement in anticipation of
14 possible settlement of it. The acceptance of our
15 offer was not forthcoming. Therefore, that was to no
16 avail.

17 We have made them an offer which is perfectly
18 consistent with the prior settlement we did there in
19 1980 where we exchanged some land that was similarly
20 situated in this area both legally and factually and
21 transferred the trust to another parcel. That was the
22 offer we put on the table and it was consistent and I've
23 never heard a refusal or an acceptance up till now.

24 MR. COOK: With respect to that, I did discuss
25 it with Lou Allen last night. He called me and at that

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1 time I indicated that the City would not be in a position
2 to accept that offer and I assumed that he would have
3 conferred that with the other State Lands officials.
4 We would like to complete our presentation.

5 ACTING CHAIRPERSON RASMUSSEN: Excuse me,
6 Mr. Cook. I think that the discussion is deteriorating
7 into something rather inappropriate for the Commission
8 to be looking at at this time.

9 I think that your presentation of some
10 information that might be helpful to settling the issues
11 at hand would be perfectly acceptable, but I haven't
12 seen any of that at this time. I think that the
13 only action that we should take as a Commission is to
14 direct staff to proceed with what they're doing with
15 negotiations and do what they think is appropriate.
16 I am concerned with the City's attitude about these
17 lands. I was formerly the grant lands representative
18 to that area. The grant language you refer to earlier
19 I believe reads all rights, title and interests and
20 there is an implied and outwardly stated trustee
21 role that the City is to assume. This includes all
22 responsibilities as a trustee of the people of California
23 and I think that the City would do very well to take this
24 responsibility to heart and negotiate further with the
25 staff.

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1 MR. COOK: We have. You've indicated you
2 haven't heard sufficient testimony. I was just
3 getting to the heart of our presentation.

4 ACTING CHAIRPERSON RASMUSSEN: Do you have
5 some new information that will be helpful? I think it
6 would be more appropriate that it be presented to the
7 staff at this point. I don't want to get into a
8 legal argument --

9 MR. COOK: We're so far apart with the staff
10 that it's not possible to come to a settlement. We're
11 at \$1,000. They want us to give up property that
12 was worth \$119,000 in 1979. It's probably worth in
13 excess of \$200,000 at this time. We think that this
14 disparity is a bit much.

15 ACTING CHAIRPERSON RASMUSSEN: I think what
16 I'm telling you is that your chances are far better with
17 the staff to continue negotiations rather than to talk
18 to us at this point.

19 MR. GRIMES: Madam Chairman may I say something?

20 ACTING CHAIRPERSON RASMUSSEN: Yes.

21 MR. GRIMES: This is the first time that we've
22 had any indication that a trade would be acceptable.
23 It's probably common knowledge that the two lots down
24 by the waterfront are more valuable than the west of
25 Broadway property and we can certainly carve out an

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1 appropriate dollar amount of those parcels and transfer
2 straight across.

3 MR. COOK: Can I finish the presentation?

4 ACTING CHAIRPERSON RASMUSSEN: Well, how much
5 longer?

6 MR. COOK: Well, a couple of major points --

7 ACTING CHAIRPERSON RASMUSSEN: I'll give
8 you five minutes. I know Laura has an appointment.

9 MR. COOK: Thank you very much.

10 We are told in administering this trust that
11 we were to use the 1872 maps. This map was supposed to
12 be the most accurate designation of where these lines
13 were. This is a copy of this map. The area in question
14 is located right near one of, looks like a little
15 fingerling slough is an indication. So, all we know at
16 this time that the edge of vegetation is approximately
17 600 feet bayward of the property in question and we think
18 that's the best evidence of where the mean high tide was.
19 This issue was discussed amongst officials, government
20 officials, in the late 19th Century and the land was then
21 resurveyed as swamp and overflow land and that is the
22 reason we have a federal patent to the State as swamp
23 and overflow. Although this occurred in 1903, your
24 staff still takes the position, without reference to these
25 documents and maps, that it is not swamp and overflow but

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1 rather it is tidelands.

2 MR. STEVENSON: Once again I think we're getting
3 to the actual legal merits of the case.

4 MR. COOK: Well, can I finish my presentation?

5 MR. STEVENSON: You may.

6 MR. COOK: I only have five minutes. Thank you.

7 Okay. You indicated with respect to the City
8 of Eureka what it should do in terms of determining its
9 boundaries. We did hire Bill Wright who is a respected
10 engineer in this area and this map shows the mean low
11 water line and it shows --

12 ACTING CHAIRPERSON RASMUSSEN: Your case is
13 falling apart.

14 (Laughter.)

15 MR. COOK: That's not mine.

16 And it does show plotted on here the 1970
17 shoreline. As you can see, it is some 600 feet away
18 from the subject parcel. This is the most accurate
19 map that is available. It was done through computer
20 digitizing, redoing the original maps since we were
21 afraid they were no longer accurate. They'd become
22 folded, they become extended a little bit, so they were
23 readjusted in the most accurate way possible. So I
24 think we have done everything possible as a trustee to
25 make this determination.

1 We believe that your staff in prior settlements
2 has totally agreed with this position. Unfortunately --
3 I would have brought some kind of visual display thing
4 but Lou told me there was nice magnetic clips and things.

5 In about 1980, until about 1980, the State
6 Lands staff for the City of Eureka used these maps here
7 to determine where the boundaries were and effected
8 settlements. Given the instruction to use this, if I
9 can show the two of you here, to line those up
10 perfectly, okay, the subject property is right in there.
11 So we can see this edge of vegetation way bayward.
12 Based on this map, your staff then did a number of
13 settlements of property and relieved the claim. We have
14 mapped these upon this overlay. This is why we think
15 they agree with us. Okay.

16 Over here we have the Lundblade settlement.
17 That's Number 1. That was this property here was cleared,
18 \$4,000. Next you have the Rainbow Mini-Storage. That
19 was cleared for about \$8500. The reason there's a slough,
20 an old slough that runs through here. So there was
21 sovereign claims. The slough continues through here,
22 the Callison clearance, and that was at \$14,100. But they
23 had the slough. Unlike this parcel, you saw no slough
24 here other than a little fingerling. We have here Number 4,
25 the identical kind of property.

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1 ACTING CHAIRPERSON RASMUSSEN: You have
2 about a minute left, Mr. Cook.

3 MR. COOK: That's good.

4 Okay. See, that's identical property to the
5 one the City has got right here. That was relieved of the
6 trust, North Coast Mercantile, for \$1,000 per lot. This
7 one here for Merish, \$1,000 per lot. The same thing.
8 These were negotiated by Les Grimes and approved by your
9 Commission. We think the property that the City of
10 Eureka has here is identical. We think that the claim
11 was worth a thousand dollars here, it's worth a
12 thousand dollars here. It's not worth the value of the
13 property.

14 ACTING CHAIRPERSON RASMUSSEN: Thank you,
15 Mr. Cook.

16 MR. RUSCONI: Madam Chairman, for the record
17 each of those settlements was with a private party and
18 was not with a person in a trust capacity.

19 ACTING CHAIRPERSON RASMUSSEN: Acting as a
20 trustee. All right. I think that will have to conclude
21 your remarks.

22 MR. COOK: Yes, I have. Now, if the City
23 Manager, Mr. Stockwell, could address you briefly.

24 ACTING CHAIRPERSON RASMUSSEN: Did the staff
25 want to make any further brief comments at all?

1 MR. COOK: Were you going to permit the City
2 Manager to testify briefly?

3 ACTING CHAIRPERSON RASMUSSEN: How does the
4 staff counsel feel? Is this appropriate? I don't want
5 to do anything --

6 MR. STEVENSON: We're about to get into the
7 economic situation in Eureka and the necessity of
8 having this particular company operate at this site.
9 I think the case really boils down to a legal issue.
10 The City cannot have it both ways, acting as a trustee
11 and as a private property owner with land that was sold
12 in a tidelands survey. So it really isn't relevant
13 in terms of the other issues, but it really is a
14 Commission decision.

15 ACTING CHAIRPERSON RASMUSSEN: Okay. For your
16 information, we had an Executive Closed Session this
17 morning in which we gave the staff the authority to
18 sue the City if it felt that it was necessary and I'd
19 like to state for the record that I have seen nothing
20 so far to change my opinion on that authorization.

21 MR. STOCKWELL: Could I state for the record
22 that the esteemed State Lands Commission has refused to
23 hear comments from the City Manager of Eureka relative to
24 the project there. I think that's certainly significant
25 to the issue.

1 ACTING CHAIRPERSON RASMUSSEN: What was your
2 name, sir?

3 MR. STOCKWELL: Robert Stockwell, City Manager
4 of Eureka.

5 EXECUTIVE OFFICER DEDRICK: Sir, what is your
6 name for the record, please?

7 MR. STOCKWELL: Robert Stockwell still. I
8 appreciate counsel giving my testimony for me.

9 MR. STEVENSON: I did not give your testimony,
10 sir.

11 MR. STOCKWELL: You allowed that to go into
12 the record.

13 ACTING CHAIRPERSON RASMUSSEN: Mr. Stockwell,
14 if you would like to go ahead and proceed. How long
15 do you think your presentation will take?

16 MR. STOCKWELL: Well, I would hate to
17 interfere with whatever your schedule is. It took us
18 six hours to get here at no small expense to the City of
19 Eureka which I'm sure is insignificant to you also.

20 ACTING CHAIRPERSON RASMUSSEN: I'm trying to
21 be helpful to you, sir, by suggesting that your time
22 and money would be better spent working with the
23 staff on this item. We're in no position to make any
24 sort of a decision today and I think it would behoove
25 you on behalf of the citizens of Eureka and the State of

1 California to work with the staff on this. I'd be
2 happy to take some comments from you and hear what you
3 have to say, but I would appreciate it if you would keep
4 it brief.

5 MR. STOCKWELL: Last April we notified your
6 staff of the situation and proceeded to obtain a grant,
7 a CDBG grant, to assist the developers of this property
8 whose business burned, who 40 employees are now out of
9 work. We're attempting to get this business relocated
10 and operating. In June when we had received approval
11 of a CDBG grant, Redevelopment Agency had parceled
12 a loan and everything was proceeding. Then on the eleventh
13 hour before the Council meeting at which the final
14 decisions were to be made, we were notified that there
15 was some sort of a problem and that's why we're here.
16 The staff indicates to you that they've made exhaustive
17 negotiations, that they've attempted to settle the issue.
18 Exhaustive negotiations occurred yesterday. There has
19 not been an attempt to meet the City on any middle ground
20 on this issue. Otherwise we wouldn't be here. I think it
21 ought to be significant to you that we come all the way
22 to Sacramento at the expense of the City to try to
23 communicate with the Commission because we've been unable
24 to communicate with the staff. We were warned that it would
25 do no good to come and dispute the position of the staff

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1 and apparently it won't. The Commission will not exercise
 2 any influence over the staff. But yet I think you need
 3 to understand that we are being treated differently. We
 4 understand our obligations as a trustee. What we're
 5 telling you and what you're refusing to hear is that this
 6 is not a trust situation. That this is property owned
 7 by the City of Eureka. There are significant properties
 8 surrounding it that is owned by the City of Eureka that
 9 this whole situation now throws a cloud on. It is the
 10 only property in the City of Eureka available for
 11 industrial development. If we are forced to exchange on
 12 a par value every time that we have a project that
 13 needs to be developed on the only property remaining for
 14 industrial development, there isn't sufficient land to
 15 trade. We have in that area land probably worth \$5 million.
 16 There isn't \$5 million worth of other land that could be
 17 used for a legitimate State purpose that you could exchange
 18 it for. So what do we do then? It's an issue that the
 19 Commission is going to have to address. It's an issue
 20 that is going to have to be one of overriding the staff's
 21 opinion because the City of Eureka is blocked into a
 22 corner. On this particular project if we don't leave
 23 here today with a decision, this business will go bankrupt
 24 and leave the City of Eureka. And the employment will
 25 be gone. Forty jobs is meaningless in Sacramento, in

1 Los Angeles, in many areas of the state. In Eureka it's
2 critical and we need a solution. The solution we need
3 is to be treated exactly like Schmidbauer Lumber would
4 be treated, our adjacent property owner there, and that's
5 to be able to purchase the easement and go forward and
6 let the solution to this overriding problem that the staff
7 apparently has rest for another day. If you choose to
8 sue the City of Eureka, that's certainly your privilege.
9 Perhaps the City of Eureka ought to sue the State Lands
10 Commission.

11 ACTING CHAIRPERSON RASMUSSEN: It's our
12 responsibility. It may be our responsibility.

13 MR. STOCKWELL: Well, I appreciate the threat
14 and we certainly will respond to that. I also thought it
15 was illegal to disclose actions taken in a closed session.
16 Maybe you treat the Brown Act differently here. But the
17 point being, the Commission has the ability and we came
18 here to ask for it.

19 Now, my testimony is entirely different than
20 I intended because I assumed that what I was told wasn't
21 going to be true. I'm sorry that it was. We will pack
22 our maps and we will go back and our business will disappear
23 and the State Lands Commission will have won.

24 COMMISSIONER SCHLICHTMANN: I don't think that
25 that's the issue. I'd like to hear from staff of the

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1 A.G.'s office on this.

2 MR. RUSCONI: In response, the only comments
3 I have are that, one, when we were initially told of this
4 in April, we were very clear that there were significant
5 problems with the mechanism that they had chosen to use
6 in trying to clear the title to this land. Two, there
7 would be other options for the City. They choose to
8 give this land away to the developer rather than a lease
9 which would be the proper way of using trust assets
10 or, as we have done before, as Blake Stevenson said,
11 a swap with another piece of land and then perhaps leading
12 to another day a discussion of the greater impacts on
13 the City of the vast amounts of land that may be subject
14 to the trust and in City ownership. This would allow
15 the project to go forward now, not cost the jobs and
16 would then allow the staff and the City to sit down and
17 try and work out a greater solution.

18 COMMISSIONER SCHLICHTMANN: Your advice to the
19 Commission on the proposal put forth by Eureka is that
20 it is not acceptable and would not be consistent with the
21 State Lands responsibilities to the State's --

22 MR. RUSCONI: That's true.

23 MR. COOK: My concluding remark to you is that
24 in discussion with Les Grimes, he informed me that if this
25 was Eureka Lumber Company and it came before you, \$1,000

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1 would be entirely reasonable and would be acceptable.
2 What your staff has said, because it's the City of Eureka,
3 then it has to be the full fee value. That is what we
4 disagree with. We think your Commission needs to take
5 a position on that issue. The value of the claim is the
6 value of the claim and it doesn't vary with who owns
7 the property. It was agreed that it was a thousand dollars
8 for a private party.

9 COMMISSIONER SCHLICHTMANN: I want to make sure
10 I understand that, because legalities are not my strong
11 point. Legally your advice is that for the Commission
12 to accept that position would be to abrogate its
13 responsibilities to the State?

14 MR. RUSCONI: It would be an approval of an
15 abrogation by the City of its responsibilities under the
16 grant.

17 ACTING CHAIRPERSON RASMUSSEN: Under the
18 granting statutes the cities are given the same
19 responsibilities as the State itself.

20 MR. COOK: Well, Item 28 you disclaimed an
21 interest, apparently no problem. I don't know why you
22 can't disclaim it here.

23 MR. HIGHT: We had no interest in Item 28.

24 MR. COOK: Same here.

25 MR. HIGHT: Wrong.

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1 MR. COOK: There's no testimony that there's
2 any interest.

3 ACTING CHAIRPERSON RASMUSSEN: Are there any
4 further comments or response from staff?

5 MR. GRIMES: I'd just like to add that we have
6 negotiated since about April 28th. I've had three
7 extended telephone calls with Mayor Moore, one of which
8 John was in on that lasted most of the afternoon.
9 Blake has had a great deal of interplay with them.

10 ACTING CHAIRPERSON RASMUSSEN: All right.
11 Thank you. Your comments will be a part of the record
12 and I appreciate your coming up.

13 MR. NIGHT: Madam Chairman, for the record, I
14 would like to correct the City of Eureka in regard to the
15 Brown Act. Matters of litigation are appropriate to
16 be addressed after closed session.

17 ACTING CHAIRPERSON RASMUSSEN: Thank you very
18 much. The meeting is adjourned.

19 (Thereupon the meeting of the State
20 Lands Commission was adjourned at
21 11:05 a.m.)

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CERTIFICATE OF SHORTHAND REPORTER

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I, Cathleen Slocum, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing meeting of the State Lands Commission was reported in shorthand by me, Cathleen Slocum, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 31st day of July, 1984.

Cathleen Slocum
CATHLEEN SLOCUM
Certified Shorthand Reporter
State of California
County of Sacramento
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