

TRANSCRIPT OF
MEETING OF
STATE LANDS COMMISSION
APRIL 8, 1957 -- 10:00 AM

PRESENT:

THE COMMISSION:

Messrs: John M. Peirce, Chairman
Harold J. Powers
Robert C. Kirkwood

STATE LANDS DIVISION:

Messrs: Rufus W. Putnam, Executive Officer
F. J. Hortig, Asst. Ex. Officer
Kenneth C. Smith
Mrs. Elsie Latta

OFFICE OF THE ATTORNEY GENERAL:

Mr. J. Shavelson, Deputy Attorney General

APPEARANCES:

LONG BEACH: Mr. Harold A. Lingle (Did not speak)

ORANGE COUNTY: Mr. Joel E. Ogle

SANTA BARBARA: (In order of appearance)

Assemblyman James L. Holmes

Messrs: Vern Thomas, District Attorney
Oren Sexton (Hope Ranch)
Garrett Van Horne (Goleta)
Milton Duncan (Summerland)
Harrison Ryan (Montecito)

Mayor John T. Rickard

Senator John G. Hollister, Jr.

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MONDAY, APRIL 8, 1957 -- 10:00 A.M.

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MR. PEIRCE: The meeting will come to order. First item is the confirmation of the minutes of the meeting which took place on March 11, 1957. Copies have been mailed to members of the Commission. Any objections? Any corrections?

MR. PUTNAM: No corrections.

MR. POWERS: Move that we approve.

MR. KIRKWOOD: Seconded.

MR. PEIRCE: Moved and seconded that the minutes be approved and so will be the order. Now, the matter of setting the next Commission meeting.

MR. PUTNAM: Should be before the 15th of May.

MR. PEIRCE: Before the 15th of May. We can work that out later on.

MR. PUTNAM: Yes.

MR. PEIRCE: Now, Colonel, shall we proceed with the agenda in order?

MR. PUTNAM: We will start with No. 1. We have no appearances. Item 13 on Page 1. Ken, will you take over?

MR. SMITH: Yes. That's a sale of vacant school land. An application has been received for the purchase of 322.80 acres in Kern County, minimum of \$2 per acre or total of \$645.60. The land was appraised at a value of \$2,582.40 and advertised on that basis. Due to noncompliance by the Mojave Desert News with publication instructions, the paper

1 published the first notice of offer of sale on February 21,
2 1957 instead of February 25, 1957 as ordered. Under these
3 circumstances the bid closing date became 4 p.m. March 23,
4 1957. Several bids were submitted on the basis of informa-
5 tion conveyed to the bidders that the date of first publica-
6 tion occurred on February 25, 1957. On this basis the
7 bidding period would have closed 4 p.m. March 27, 1957.
8 The rules and regulations of the Commission provide for
9 submission of bids by 4 p.m. of the 30th day following the
10 date of first publication. Therefore, it is apparent that
11 the bidders submitted their bids in good faith and in due
12 time but based on two different sets of bid information
13 furnished. Applications and bids received are tabulated
14 on the following page.

15 In view of the confusion created by the error in pub-
16 lication, the equitable recourse appears to be a recommenda-
17 tion for rejection of all bids and for authorization for re-
18 publication. It is recommended that the Commission reject
19 all bids and applications received for the 322.80 acres in
20 Kern County set forth in the attached tabulation, direct the
21 return of all bids and applications received, with no release
22 of information with respect to the bid prices, and authorize
23 republication for receipt of new bids.

24 MR. PUTNAM: May I add, Mr. Chairman, that when this
25 was received in my office I conferred with Mr. Shavelson,
26 our deputy down here, and also Mr. Hassler, another deputy

of the attorney general, and they found that we had no

1 proper recourse other than rejecting all bids in view of
2 the confusion.

3 MR. PEIRCE: Any discussion? Objections?

4 MR. POWERS: No, I have no objections.

5 MR. KIRKWOOD: Move for recommendation.

6 MR. PEIRCE: All right, the recommendation is approved.

7 MR. PUTNAM: Now we have appearances from Long Beach
8 and that will be Item 15 on Page 18. Will you take that over,
9 please, Frank.

10 MR. HORTIG: On March 11, 1957 the Commission approved
11 the costs proposed to be expended by the City of Long Beach,
12 including subsidence remedial work, during that month and
13 estimated expenditures during the first portion of this
14 month for payrolls and similar items. The same items of
15 subsidence costs which are to be paid during April account-
16 able under subsidence costs not included in projects approved
17 heretofore by the Commission if credit is to be received by
18 the City of Long Beach for such costs under the provisions of
19 Section 5(a) Chapter 29, Statutes of 1956, and the estimated
20 amount of \$40,000, to be expended by the city during the
21 month of May for payroll force account and voucher payment
22 other than construction, will require approval by the Commis-
23 sion if credit is to be received by the city according to
24 the statutes. The detailed accounts for which the amount
25 will be expended are indicated on the tabulation on Page 19.
26 These have been reviewed by the State Lands Division and are

1 conformable to similar applications made by the city for
2 prior months, heretofore approved by the Commission; and,
3 therefore, it is recommended that the Commission approve
4 the costs proposed to be expended by the City of Long Beach
5 including subsidence remedial work, as shown on Exhibit A
6 hereof, and the estimated expenditures in the month of May
7 1957 in the amount of \$40,000 to cover force accounts and
8 vouchers other than construction, subject to the

9 MR. KIRKWOOD: These are the usual conditions. I'd
10 move the recommendation.

11 MR. POWERS: I second.

12 MR. PEIRCE: Moved and seconded that the recommendation
13 is approved.

14 MR. PUTNAM: Next item -- We have an appearance --
15 Page 17, Item 14 has to do with the Orange County controversy
16 and we have the District Attorney, the County Counsel from
17 Orange County present, Mr. Ogle, who I believe wants to be
18 heard after I make this presentation.

19 MR. PEIRCE: All right.

20 MR. PUTNAM:

21 As a review of what has happened to date -- Early in
22 1956 the State Lands Division received advice that a contract
23 had been consummated between the County of Orange and the American
24 Marine Exploration Company for the production of oil and gas
25 from all tide and submerged lands lying within Orange County
26 except from those lands granted by the Legislature to the
City of Newport Beach. The State Lands Commission was advised

1 of this situation at its meeting of February 9, 1956. At
2 that meeting the Commission took the following action:

3 "UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT
4 WAS RESOLVED AS FOLLOWS: THE EXECUTIVE OFFICER IS
5 AUTHORIZED, WITH THE ASSISTANCE OF THE ATTORNEY GENERAL,
6 TO OPPOSE THE ISSUANCE OF ANY LEASES OR CONTRACTS
7 BY THE BOARD OF SUPERVISORS OF ORANGE COUNTY FOR THE
8 PRODUCTION OF OIL AND GAS IN TIDE AND SUBMERGED LAND
9 AREAS AND TO TAKE SUCH ACTION AS MAY BE ADVISABLE
10 UNDER THE CIRCUMSTANCES."

11 On December 4, 1956 a Complaint for Declaratory Relief
12 was filed by Orange County in the Superior Court for that
13 county. The State Lands Commission was advised to that effect
14 at its meeting on December 5, 1956.

15 On March 22, 1957 a letter was received by the Execu-
16 tive Officer from the County Counsel of Orange County request-
17 ing that a conference be held before extensive litigation
18 was entered into to see whether or not there is a middle
19 ground for discussion. This conference was held in the
20 office of the State Lands Division on March 27, 1957, and
21 was attended by representatives of the office of the
22 Attorney General, and of the State Lands Division, and by
23 Mr. Joel D. Ogle, the County Counsel.

24 I think we got your initial wrong.

25 MR. OGLE: Joel E.

26 MR. PUTNAM: Mr. Ogle suggested that the litigation
might be terminated if arrangements were made so that what-
ever royalties accrued would be distributed on some basis
among the State, the county, and the county's lessee, the

1 American Marine Exploration Company. He was not prepared
2 to state what the basis of distribution might be. He
3 further suggested that future leases should be offered by
4 the county in view of his opinion that the county would have
5 greater latitude than the State in their issuance. It was
6 decided by the State's representatives present to take the
7 matter under advisement.

8 A meeting was held in the office of the Attorney
9 General on March 29, 1957. It was the unanimous decision
10 of all those present that the State had a good case, should
11 not compromise in any manner, and it was suggested that the
12 executive officer be authorized to advise the County Counsel
13 of Orange County that no compromise will be effected and
14 that the case should go to trial.

15 MR. PEIRCE: Mr. Ogle, County Counsel of Orange County.

16 MR. OGLE: Mr. Chairman and gentlemen, you have heard
17 an accurate report up to this point. You have heard the
18 recommendations of the staff. As you know, this is under
19 litigation at the present time and you are well aware that
20 in the Long Beach case, moneys in excess of those usable
21 for harbor purposes, which was the trust, could be recover-
22 able by the State. I agree to that but I want to point out
23 that Orange County has never had ~~5%~~ from oil moneys or har-
24 bor purposes which come from off the coast of Orange
25 County. I want to further point out, leaving out Long
26 Beach, that between 80 and 90 percent -- you'll correct me,

1 Mr. Hortig, if I am in error -- between 80 and 90 percent
 2 of the entire State revenue, leaving out Long Beach, comes
 3 from off the coast of Orange County. I merely want to go
 4 on record at this time in indicating where we go from here,
 5 and if you will bear with me for just one moment I would
 6 like to review it.

7 In the year 1919 a grant was made from the State of
 8 California to the County of Orange for all tide and sub-
 9 merged lands bordering upon and under Newport Bay, except
 10 that granted to the City of Newport Beach. Pursuant to
 11 that grant and in reliance upon that grant, the County of
 12 Orange did build into the ocean, in the unincorporated area
 13 I mean, outside the city, on a bond issue voted by the
 14 county of a half million dollars. A half million does not
 15 sound like much today, but I believe the population -- and
 16 I am not sure of that -- was somewhere around 30 to 35,000,
 17 maybe less, in the year 1919. It was a pretty good, sizeable
 18 bond issue, so that I contend in reliance upon that grant
 19 we did do something out there to the limit of our then
 20 ability. I understand no oil was ever under consideration
 21 in 1919, not a thing.

22 The City of Newport Beach was likewise granted in the
 23 year 1919, the same year, title to submerged lands bordering
 24 upon land then owned by the City of Newport Beach, which was
 25 very, very small. The City of Newport Beach, recognizing
 26 that fact, came back into the State Legislation in 1927,

1 got another grant from the State to the tide and submerged
 2 lands in the inner bay not heretofore granted. Then, in
 3 1929, they came back to the State Legislature again and
 4 asked the State Legislature for the submerged lands in the
 5 ocean. That dealt only with the ocean. In that grant, in
 6 1929, they granted to the City of Newport Beach such lands
 7 out in the ocean as were not theretofore granted to the
 8 County of Orange. Again that legislative confirmation.

9 Gentlemen, we are not, we believe, greedy in wanting
 10 to rest upon our grant and have some moneys for the develop-
 11 ment of harbors within our county where they are entitled
 12 to it under the law and we think they are entitled to it
 13 equitably. Our records show that our recreation and harbor
 14 facilities in Orange County are used by -- that is, 90 per-
 15 cent of the use, approximately, comes from people outside
 16 of Orange County. I, therefore, say that we are not selfish
 17 in that respect. It's just too bad that we have one of the
 18 most beautiful coast lines in Southern California -- or, in
 19 fact in California, I don't care which -- and we want to
 20 develop it.

21 Now, I realize the recommendation of your staff; and
 22 if we are forced to that recommendation, gantlemen, we are
 23 not going to give up. We are going forward to the last
 24 court of the land, believe me; and if we do, we will be
 25 compelled to ask the State of California for an accounting for
 26 every barrel of oil or royalty taken by the State since the

1 year 1919 if we are forced to that position. I leave it
2 in your hands, gentlemen.

3 MR. PEIRCE: Thank you, Mr. Ogle. Colonel Putnam?

4 MR. PUTNAM: No further reply, sir.

5 MR. KIRKWOOD: Mr. Chairman, as I understand it, the
6 recommendation made by the staff is concurred in by the
7 Attorney General's office and it is their request also
8 that we pass it. I move the recommendation.

9 MR. POWERS: I'd like to ask the Attorney General's
10 office -- is it your conception that you have a case here
11 that you can definitely win? Is the State in the right on
12 this?

13 MR. SHAVELSON: That's the consensus of opinion in our
14 office.

15 MR. POWERS: The Attorney General feels that the State
16 is absolutely in the right and Newport Beach is in the
17 wrong?

18 MR. SHAVELSON:
Orange County, yes sir.

19 MR. POWERS: Orange County. That's all I have.

20 MR. PEIRCE: Mr. Kirkwood moves ...

21 MR. POWERS: O.K. with me.

22 MR. PEIRCE: And Governor Powers seconds the motion,
23 that the recommendation of the staff with regard to this
24 matter be approved, and so will be the order.

25 MR. POWERS: This was 14, wasn't it?

26 MR. PEIRCE: Page 17, yes.

1 MR. PUTNAM: I think we might go back then. You have
2 no appearances, have you, Frank?

3 MR. HORTIG: No sir.

4 MR. PUTNAM: To Page 4, where we begin -- a number
5 of land sales items which are all standard, advertised,
6 highest bid been taken, and we recommend the authorization
7 for sale of the land as listed in this tabulation.

8 MR. KIRKWOOD: I'd move the recommendation on Page 4.

9 MR. SMITH: That carries through 15.

10 MR. PEIRCE: 4 through 15?

11 MR. PUTNAM: Yes, the details are on the following
12 pages.

13 MR. POWERS: That's a big group of land sales, isn't
14 it? MR. PUTNAM: Doing a land office business.

15 MR. POWERS: This is going to slow down some day,
16 isn't it?

17 MR. PUTNAM: Yes, there won't be any left. If you
18 will recall, a couple of years ago I asked for authority
19 to employ two new appraisers to appraise school lands. I
20 have them busy on current sales.

21 MR. KIRKWOOD: O. K. with me.

22 MR. POWERS: That's O.K. with me. Everything is in order?

23 MR. PEIRCE: It has been moved and seconded that the
24 sales be approved and so will be the order.

25 MR. SMITH: One more item on Page 16. I'll read the
26 recommendation. It is recommended that the Commission deter-
mine it is to the advantage of the State to select 840 acres

1 in Mendocino County; that the Commission find that said
2 Federal land is not suitable for cultivation, and that the
3 Commission approve such selection and authorize the sale
4 to Ray L. Spillers at the appraised cash price of \$8,400
5 subject to all statutory reservations including minerals.

6 MR. PEIRCE: Any questions?

7 MR. POWERS: That's O. K. I move.

8 MR. KIRKWOOD: Second.

9 MR. PEIRCE: Moved and seconded. Recommendation is
10 approved.

11 MR. PUTNAM: We covered 17, 18 and 19. We get down
12 to Page 20.

13 MR. HORTIG: To 33.

14 MR. PUTNAM: To 33 inclusive. They are minor trans-
15 actions which were consummated by the executive officer.

16 MR. KIRKWOOD: Those have been reviewed by my office.

17 MR. PEIRCE: I have looked them over and they seem to
18 be in order.

19 MR. KIRKWOOD: Is there a recommendation there?

20 MR. PUTNAM: Yes, it is recommended that the Commission
21 confirm the action of the executive officer.

22 MR. POWERS: That's O.K. MR. KIRKWOOD: I will second.

23 MR. PEIRCE: All right. Moved and seconded and so
24 will be the order.

25 MR. POWERS: The State retains the mineral rights to
26 most of these lands?

1 MR. PUTNAM: Yes. Now, it is left to you for legisla-
2 tion. You've got a final supplement?

3 MR. HORTIG: Between Pages 34 and 65 are a tabulation
4 of those bills that were heretofore suggested for legisla-
5 tive consideration by the staff, with the Commission's
6 approval. These appear on pages 34 and 35

7 MR. POWERS: Mine runs out at 33.

8 MR. HORTIG ... you have a new calendar there, Governor.
9 ... and the following pages cover those bills that are pending
10 which -- starting on Page 37 -- which could affect the
11 administrative cognizance of the Commission. These are a
12 repetition and status report on the bills considered by the
13 Commission at the last meeting, with the exception, as indi-
14 cated on Page 65, that Senate Bills 978 and 2220 and Assem-
15 bly Bills 2400, 3831, 3154 and 3812 were not previously
16 reported and have been included in this tabulation. There-
17 fore, it is recommended that, in conformance with the approval
18 at the last meeting, the Commission authorize the staff to
19 discuss all measures as tabulated hereinbefore with the
20 authors and attend the committee meetings for the purpose of
21 presentation of reports of facts and existing Commission
22 administrative procedure and regulations pertinent thereto.

23 MR. PEIRCE: You have heard the recommendation.

24 MR. POWERS: That's O.K. MR. KIRKWOOD: Second.

25 MR. PEIRCE: All right. Moved and seconded that the
26 recommendation be approved and so will be the order.

1 MR. PEIRCE: Now, Mr. Hortig, are there any highlights
2 of bills pending before the Legislature that should be
3 called to our particular attention?

4 MR. HORTIG: I believe this appears in particular, Mr.
5 Peirce, this morning on the last page of the supplement
6 which we haven't come to yet, which also refers to legisla-
7 tion and on which possible Commission action is required --
8 approval. And interpolating at that point the four bills
9 introduced by Assemblyman Miller, two by Assemblyman Shell
10 and one by Assemblyman Bruce Allen, which relate to the
11 phase of setting royalty rates under the Cunningham-Shell
12 Act and which will be heard by the Assembly Committee of
13 Manufacturing, Oil and Mining Industry on the evening of
14 April 16th. All bills proposing to change those phases of
15 the act are to be heard in a series and this, of course,
16 will be of specific and primary interest to the Commission.

17 MR. PUTNAM: Well, it is proposed, Mr. Chairman, that
18 Mr. Hortig and I attend that session on the evening of the
19 16th and discuss the matter factually, because we haven't
20 Commission approval in any form.

21 MR. KIRKWOOD: Mr. Chairman, I would think that at our
22 next meeting if possible -- that will be subsequent to this
23 first public hearing on these bills and when we know a little
24 more as to what the attitudes are -- that we have an agenda
25 item that would explore the possibility of a recommendation
26 by this Commission on the subject of amendment to the Shell-

1 Cunningham Act. It seems to me that we, as a Commission,
 2 should take a position as to whether the bill or the act
 3 needs amendment and some guidance, at least, as to the type
 4 of amendment we think would be satisfactory. We did go
 5 on record two years ago with the Assembly as supporting and
 6 asking for legislation and I think they are entitled to
 7 know whether we are satisfied with it and, if not, what
 8 changes should be proposed. So I would like to see included
 9 a calendar item. My own thinking is that we can't be satis-
 10 fied with the existing law. My reaction to it has been that
 11 it is too restrictive. I can't see that the classification
 12 between wild cat areas and proven areas -- that isn't the
 13 definition used in the act but that's what they are essen-
 14 tially talking about -- if it has proved helpful, it's a
 15 difficult one for us to administer; and I don't think the
 16 way the act is set up it is of any benefit to the State.
 17 I would think if we are left with the present provision,
 18 the only way to protect the State would be to restrict wild
 19 cat areas to three miles and checkerboard them. I think we
 20 ought to explore that.

21 As far as the royalty setup is concerned, I can't feel
 22 that we have adequate discretion. I'd like to see us have
 23 exactly the same discretion as the Federal government has
 24 and have some leeway here. I think this ought to be explored
 25 and the Legislature and the people of the State of California
 26 should know a little of our thinking as a Commission on these

1 different problems. So I would ask that we do put it on the
2 agenda for the next meeting.

3 MR. POWERS: Well, we can look it over. I don't know,
4 Bob, I don't want to go in and tell the Legislature what
5 to do.

6 MR. KIRKWOOD: I don't think it is a question of
7 telling the Legislature what to do, but I do think that we
8 found in administering the law that there are certain dif-
9 ficulties and I think they are entitled to know what those
10 difficulties are and to know whether with revisions in the
11 law we would feel that we could do a better job on behalf
12 of the State; and that was what they asked us two years ago
13 and at that time we said "we do want this law" and that's
14 why I think we're under some obligation

15 MR. POWERS: I would be willing to look them over. I
16 don't know how far I would be willing to go and tell them;
17 but I would be willing to look them all over.

18 MR. PEIRCE: Well, I have no objection. I believe it
19 would be a good idea for us to review this legislation care-
20 fully and surely, if we are invited to comment thereon, it
21 should be our duty - if we have anything to say - to speak
22 up, so that the Legislature may have the benefit of our views.
23 As I recall, two years ago all three of us appeared before
24 the Senate Committee and expressed our support of the
25 legislation.

26 MR. KIRKWOOD: That's right.

1 MR. PUTNAM: You wish specific reference to those
2 four bills without having to plow through this?

3 MR. KIRKWOOD: That's what I would think.

4 MR. HORTIG: Separate review of what the results are
5 from the hearing, which will take place on the 16th, and
6 suggestions for further consideration by the Commission?

7 MR. KIRKWOOD: That's right.

8 MR. PUTNAM: Can't you put in the record, then, Frank,
9 the numbers of those bills -- the designations of them?

10 MR. HORTIG: Yes, I can.... A. B. 40, 47, 2237 and
11 3869.

12 MR. PEIRCE: Why can't you give us a progress report
13 with respect to this matter as soon as the legislative
14 hearing is completed on April 16th and in advance of the next
15 meeting of the Commission?

16 MR. HORTIG: I can do that, sir.

17 MR. PEIRCE: Any further discussion? All right.

18 MR. PUTNAM: Is the resolution approved? We are
19 authorized to continue

20 MR. PEIRCE: Yes, that was approved.

21 MR. HORTIG: Then, the very last page of the calendar,
22 gentlemen, the typed page ... Assembly Bill 2073, to be
23 heard by the Committee on Governmental Efficiency and
24 Economy on April 16. Would add Section 6109 to the Public
25 Resources Code, to require that all meetings of the State
26 Lands Commission be public; and 6110, to make all records of

1 the Commission open to public inspection. You gentlemen have
2 a copy of the bill before you. While all sessions of the
3 Commission have been held heretofore as public meetings, the
4 necessity for prompt action in a few instances has not per-
5 mitted the giving of substantial advance notice as to such
6 meetings, therefore it is suggested that consideration might
7 be given in the proposed addition of 6109 to the occasional
8 necessity for Commission action without complete public
9 advance notice.

10 Proposed Section 6110 would open State oil, gas and
11 other mineral lease accounting records to public inspection.
12 Oil, gas and other bid and lease documents have been consid-
13 ered as public records at the State Lands Division. However,
14 the operating records are required by Division 3 of the Pub-
15 lic Resources Code to be filed as confidential information
16 with the Division of Oil and Gas. Such records cannot be
17 obtained from that division even by subpoena. Lease account-
18 ing records have been made public in the form of total activi-
19 ty in a specific oil and gas field, or total activity as
20 to a particular mineral. It is not felt to be of interest
21 to the public (including the State's lessees) to publicize
22 financial data on individual competitive lessees.

23 It is recommended that the Commission authorize the staff
24 to inform Assemblyman Brown of the Assembly Committee on
25 Governmental Efficiency and Economy of the following recom-
26 mendations on 2073: (1) In proposed 6109 Public Resources

1 Code, consideration should be given to the occasional
2 necessity for States Lands Commission action without complete
3 advance public notice; (2) Individual oil, gas and other
4 mineral lease and exploration permit operating and account-
5 ing records should be excluded from the records to be made
6 available for public inspection under Section 6110 Public
7 Resources Code.

8 MR. PEIRCE: Now, on Item No. 1, the bill says all meet-
9 ings of the Commission shall be open and public.

10 MR. HORTIG: Right, sir.

11 MR. PEIRCE: And all persons shall be permitted to
12 attend any meeting of the Commission. Now, we have always
13 followed this rule so far as I know, and the only question
14 is publication of notice or giving of notice with respect
15 to meetings, so that the general public may have some advance
16 notice of such meetings.

17 MR. HORTIG: That's correct.

18 MR. PEIRCE: What if this section remains as is? There
19 is no other requirement in the law that advance notice be
20 given?

21 MR. HORTIG: No sir, the current requirements of the
22 law are simply that the Commission shall meet on due notice
23 to all members thereof, at such times and places in the
24 State for the proper transaction of the business committed
25 to it. Our problem, as we see it, Mr. Peirce, is one not
26 as stated specifically in the law, but simply the practice

1 that has been followed. As you have indicated, current and
2 past Commission action has accomplished exactly what this
3 law says in words. Seemingly, therefore, the addition of
4 this section shouldn't change anything, as you have indi-
5 cated. However, in practice the only objection we have
6 to it is that in some few instances it had been necessary
7 to have prompt Commission action and there had not been
8 full scale broadcasting of advance notice, statewide, that
9 the meeting was to be held. So, therefore, it is felt that
10 simply as a matter of forestalling further objections in the
11 future, if this is now to be spelled out in the law, that
12 possibly that point should be covered. Admittedly, we could
13 proceed with the addition of this feature without apparently
14 a single necessary change in administrative procedure or
15 action by the Commission.

16 MR. POWERS: Mr. Chairman, let me ask this -- this
17 would prohibit us from resolving into an executive session?

18 MR. PUTNAM: I believe that is the intent.

19 MR. POWERS: Personally, I think that is wrong. To go
20 back, every committee of the Legislature has the right on
21 specific occasions to resolve into an executive session.
22 The Legislature itself has that. The Senate has the right
23 to resolve into an executive session. It's usually been
24 very rarely, because the press usually takes care of it to
25 see there are no private meetings. So I don't think there
26 is any violation of anything that's in confidence or that any

1 bad could come from retaining that privilege. I wouldn't
2 want to take it away from the legislative committees or the
3 Legislature itself, and I do not think, speaking personally,
4 I don't think it should be taken away from any duly author-
5 ized committee. There may be occasions, and I have seen it
6 in the Senate, where the Senate has resolved itself into an
7 executive session. So I think you are taking something here
8 that is uncalled for. There has never been an executive
9 session so far, maybe there never will be; but we should
10 always retain that right, in my opinion.

11 MR. PUTNAM: If that were followed, we would change
12 Item 1 in the recommendation so as to oppose this.

13 MR. POWERS: I am just speaking personally. I think
14 the Legislature and every committee and every commission --
15 and I assume that they will -- exercise a great deal of
16 judgment in calling an executive session. I think, as I
17 mentioned a moment ago, I think they have to; as I said, the
18 press has always taken care of that.

19 MR. KIRKWOOD: This is the provision which Brown is taking
20 up with each of the Commissions, isn't it?

21 MR. PUTNAM: That's right.

22 MR. PEIRCE: Seventy of them.

23 MR. POWERS: None of them have been resolved in
24 executive session.

25 MR. HORTIG: I note that with the Committee on Fish
26 and Game, that an agreement was reached according to the

1 press, between the Commission and Assemblyman Brown, to
 2 to accept such exceptions where executive sessions can be
 3 held on special occasions for certain examinations and
 4 personnel hearings.

5 MR. KIRKWOOD: He is not including that kind of an
 6 exception generally?

7 MR. HORTIG: No sir. Each one of the bills has started
 8 out in this general, all-inclusive form, and then being
 9 amended as a result of discussion as to the full operating
 10 problems. It is my feeling that in this instance we have,
 11 unfortunately, so many unique problems that we do not fall
 12 into the general hopper and this should be considered by
 13 the committee - on the basis of Commission approval.

14 MR. PEIRCE: Well, so far as I am concerned, I can't
 15 recall any instance where the State Lands Commission has
 16 found it either desirable or necessary to go into executive
 17 session and I gain certain comfort out of having representa-
 18 tives of the public and other interested groups present, so
 19 that we may have the benefit of their counsel whenever we
 20 consider matters that involve the public interest. While
 21 I am mindful of what Mr. Hortig has pointed out, that if we
 22 are required to give, we will say, two weeks' notice or
 23 thirty days' notice or something of that character, so that
 24 the general public may know of our anticipated meetings, we
 25 may be precluded from taking care of emergency matters
 26 which do arise from time to time. Now the law, or rather the

1 bill as it is written in this record, apparently does not
2 require any public notice or written notice, so that may
3 not be a problem unless it comes about by some inference
4 that is not readily apparent.

5 MR. HORTIG: Certainly there is an inference. How
6 public is a meeting on which there wasn't a certain extensive
7 amount of notice? As long as it isn't defined, it is always
8 subject to attack. On the other hand, we don't have to
9 borrow trouble. We have operated effectively and, as you
10 say, with public meetings up to now. As to that phase -
11 why the bill does not appear to do anything beyond the
12 points as raised by Governor Powers - that it should pre-
13 clude executive sessions if ever there should become a
14 necessity

15 MR. KIRKWOOD: Well, I can't see any occasion when,
16 from the standpoint of the Commission, there would be occa-
17 sion for executive, non-open sessions. The only thing would
18 be where it was from the standpoint of protection of indi-
19 viduals dealing with the Commission, that perhaps there
20 should be confidential relationship.

21 MR. POWERS: Well, Bob, that isn't the theory. I
22 probably would be the last one -- I've always voted for
23 open sessions -- I probably would be the last one to want
24 to go into an executive session, but in cases of hiring
25 personnel and so forth it might be possible. I don't want
26 to sacrifice a right. There probably has never been a

1 violation of this rule. We never had one, so we haven't
2 violated, so why sacrifice it? The Senate in twenty-two
3 years has only gone into executive session once, so I think
4 it is very right that they did do it at that particular
5 time. I don't see any use of sacrificing a right when you
6 haven't violated it. It could be in the hiring of personnel
7 we would go into executive session. It could be to the
8 benefit of everybody concerned.

9 MR. KIRKWOOD: Butch, I just don't see how we can run
10 into trouble by moving along with the spirit of this law.
11 I do think there should be exploration with Brown on the
12 notice of the thing and as to what he has developed as to
13 other commissions. But I can't see anything unique about
14 this commission as far as our meetings are concerned, the
15 subject matter that is brought to our attention at those
16 meetings. I would feel that the same protection should be
17 set up for people appearing here that would be granted in
18 other cases. Now, that might be true in personnel, although
19 personnel records are available to the public.

20 MR. PUTNAM: We have had occasions, gentlemen, the
21 present Commission and the prior one, where an emergency
22 came up about a very important lease of some kind or other
23 and I would contact you gentlemen by phone, you would hold
24 a quickie session and there was no notice given, and action
25 was taken. Now, that's almost equivalent to executive action.
26 But the action thus taken is confirmed at the next open meeting

1 of the Commission. That's happened a few times.

2 MR. KIRKWOOD: Well, the problem of notice of a meet-
3 ing is something different from being open and I think that
4 they do contemplate ... I hadn't heard that they had/not
5 contemplated that you couldn't put supplemental matter on
6 the agenda or things of that sort, or even, if occasion
7 arose, call a meeting. My reaction would be that this
8 No. 1 part of the recommendation is O.K. and that you
9 should explore and adjust. I don't feel we should be
10 treated differently from any other commission and we should
11 be just as fully compatible with the provision that our
12 information should be fully public.

13 MR. PEIRCE: Isn't there a distinction between the three
14 members of this Commission sitting down for lunch to discuss
15 a delicate matter involving personnel, where no action is
16 taken, and a meeting where we are acting as a Commission
17 under the law?

18 MR. PUTNAM: I think there is. You could have a con-
19 ference that wouldn't be an executive session -- that
20 luncheon meeting.

21 MR. PEIRCE: But is it a meeting that --- in other
22 words, if we have lunch together, discuss informally some
23 rather delicate matter concerning the personnel, such as
24 drunk driving, that's not a meeting of the Commission. We
25 merely discuss the facts informally and later on, if it is
26 necessary to take action, the meeting of the Commission is

1 called, the meeting is open to the public, and if the
2 general public is concerned protests can be submitted, and
3 the thing is right out in the open. I don't see any prac-
4 tical difficulty to Section 1; but Section 2 is a very
5 serious matter, with respect to these records which are
6 confidential or semi-confidential, and would upset the
7 entire tideland development program if those records with
8 respect to core drilling and samples and so on would be
9 made public, because the various oil companies are competi-
10 tors and they don't want their information to get into the
11 hands of their competitors, as I understand it.

12 MR. HORTIG: The additional practical difficulty is
13 that there are so many interested percentage holders in
14 various leases, who seize upon any opportunity to acquire
15 records to serve as a basis for litigation, that we would
16 probably need considerable additional office space simply
17 to give them a place to sit while we give the public a
18 place to investigate these records, to no advantage of the
19 State or the general public.

20 MR. PEIRCE: Well, gentlemen, we have before us these
21 two recommendations of the staff, one relative to Section
22 1 of the bill -----

23 MR. KINKWOOD: Is there any bill which removes the
24 confidentiality from these records so far as the Division
25 of Oil and Gas is concerned?

26 MR. HORTIG: No sir.

1 MR. KIRKWOOD: So if the argument for confidentiality
2 there is good, it ought to be in our position, too.

3 MR. HORTIG: It would seem to be an untenable position,
4 to have the same records confidential in Oil and Gas and
5 not confidential with State Lands, yet we need these records
6 too, pursuant to

7 MR. PEIRCE: Well, let us dispose of Section 1 first.
8 What shall be our advice to the staff with regard to
9 Section 1? The recommendation deals with the advance pub-
10 lic notice.

11 MR. POWERS: Well, my objection -- I am just going to
12 retain it, because we have never held an executive session,
13 we probably never will, we haven't violated anything on that;
14 so I oppose a law to prohibit us from doing something we
15 have never done.

16 MR. PEIRCE: You recommend a "no" vote?

17 MR. POWERS: That's my personal opinion. I would
18 retain for every commission, every committee and every
19 commission, the same rights.

20 MR. PEIRCE: Bob?

21 MR. KIRKWOOD: I would recommend as the staff has
22 recommended on No. 1 -- would so move.

23 MR. PEIRCE: All right, I concur in Mr. Kirkwood's
24 recommendation.

25 MR. POWERS: And mine is no.

26 MR. PEIRCE: And Governor Powers is voting no. Now,

1 on Recommendation No. 2, which deals with Section 2 of the
2 bill, which reads: "All records of the Commission shall be
3 open to inspection to the public during regular office
4 hours", recommendation is that the individual oil, gas and
5 other mineral lease and exploration permit operating and
6 accounting records should be excluded from the records to
7 be made available for public inspection under Section 6110
8 Public Resources Code.

9 MR. PUTNAM: May I suggest here, Mr. Peirce, that per-
10 haps there ought to be a line drawn a little more closely.
11 I don't see why there should be public records of our pre-
12 liminary negotiations with a potential lessee for a pier or
13 something of that kind. The burden on the office to dig
14 out those records for any, I'll call them snoopers, and
15 that's what they are, would be terrific.

16 MR. PEIRCE: Do you have much trouble with people
17 coming it?

18 MR. PUTNAM: We have had several who give us plenty of
19 headaches and we have refused to let them see the records.

20 MR. PEIRCE: I can't recall any instance in the Depart-
21 ment of Finance where that is truly a problem; and when any
22 newspaper man or any citizen comes in and asks to see a
23 certain file or certain record, I have found it quite con-
24 venient to make that information available and it has not
25 created any problem. Now, there may be other instances
26 with which I am not familiar...

1 MR. POWERS: Well, does this go beyond the point?
2 We have this confidential information regarding the explora-
3 tion that you have made on certain tidelands that should not
4 be made public; but the other -- I don't see why not make
5 that public to the press or anybody else. In Kirkwood's
6 office the press has the right to go and see all the records.
7 They should have the same with the Land Commission, with the
8 exception of the bidding.

9 MR. KIRKWOOD: This thing gets awfully complicated
10 where you are talking of confidential papers of an individual
11 citizen and something where you are talking about our action.
12 Isn't this the same thing they have been discussing on the
13 superintendent of banks? And I would think the same line
14 of distinction should be observed here? In your discussion
15 with Brown, it would be on that basis -- to the extent that
16 matters are obtainable because of their confidentiality
17 we should be able to reasonably keep in confidence; but
18 anything that is a working paper, in effect, of this agency
19 should be a public record.

20 MR. POWERS: You just have to put up with snoopers.

21 MR. HORTIG: As a practical matter, I think we should
22 present to the Commission that while it has been a burden
23 we have had no real operational difficulty proceeding exactly
24 in the manner that would be accomplished if these recommen-
25 dations were adopted. I think that probably should be as
26 good an argument to Assemblyman Brown why the statutory

1 can't do with, for instance, the Franchise Tax Board,
2 there again we would have something incongruous -- its
3 being unobtainable through the Franchise Tax but obtainable
4 through State Lands as a public record.

5 MR. KIRKWOOD: I would think the staff should explore
6 that with Mr. Brown -- the problems that are raised and
7 what his understanding is as to the records of the Commission
8 as against records that are records actually of the indi-
9 vidual who is dealing with the Commission and which are on
10 file with us for specific purposes and which would not be
11 available if they weren't to be kept confidential; and be
12 sure that there is no misunderstanding on this section.
13 It may be that some definition there should be included.
14 I think that is basically what they are asking us.

15 MR. POWERS: Let me ask you this -- what records do you
16 have that are strictly confidential besides the data on
17 State lands prior to being leased to an oil company?

18 MR. HORTIG: All the data on actual lease operations
19 during the period that there is development and production
20 of oil and gas. Now, the development records with respect
21 to the individual wells are filed with the Division of Oil
22 and Gas under Division 3 as a confidential record, not even
23 available to subpoena. The same data, naturally, we must
24 have if we review the engineering and give advance approval
25 as a part of lease operations.

26 MR. POWERS: Let me ask you one further question then.

1 What confidential data do we have other than our oil lands?

2 MR. SMITH: I might mention our school land applications,
3 where competitive bidding might occur -- applications prior
4 to advertising. As a general matter and practice, we don't
5 give out that information even though we have requests, as
6 to who the prior applicants are. I do not think it's good
7 practice to give it out because individuals could band to-
8 gether and refuse to bid if they knew who prior applicants
9 were.

10 MR. KIRKWOOD: I don't think there is any intention on
11 the part of this legislation to ...

12 MR. POWERS: I don't think the intent is to get things
13 like that.

14 MR. KIRKWOOD: I don't think that would be considered
15 as a record.

16 MR. POWERS: I don't think it pertains to executive
17 sessions, either.

18 MR. PEIRCE: Well, on this Item No. 2 it would seem
19 that Mr. Hortig or Mr. Putnam should discuss with Assembly-
20 man Brown the practical problems involved so that this won't
21 be enacted as it is and make these records public, which I
22 don't think is the intent.

23 MR. KIRKWOOD: Just looking at this bill, it doesn't
24 look that way to me.

25 MR. HORTIG: This is the sum total of what is proposed
26 to be done to the Public Resources Code as such.

1 MR. PEIRCE: Are you ready to indicate your desires
2 with respect to Recommendation No. 2?

3 MR. KIRKWOOD: It seems to me to come close enough to
4 what we have been talking about.

5 MR. POWERS: O. K.

6 MR. PEIRCE: The second part of the recommendation is,
7 therefore, approved unanimously by the Commission.

8 MR. PUTNAM: That leaves us with Santa Barbara.

9 MR. PEIRCE: Now, the Santa Barbara question was set
10 to be heard at 11:30, which is almost twenty-five minutes
11 from now. Senator Hollister of Santa Barbara desires to be
12 present. There are several people here already. I am
13 reluctant to suggest that we proceed with this hearing in
14 view of the fact that we set 11:30 as the time to hear it,
15 assuming that by that time we would be through with our
16 regular agenda. Colonel, would you suggest a recess?

17 MR. PUTNAM: I would suggest one to 11:30.

18 MR. PEIRCE: Ladies and gentlemen, the State Lands Com-
19 mission will be in recess until 11:30, at which time we are
20 going to consider certain testimony from people from the
21 Santa Barbara area in regard to annexing certain tide and
22 submerged lands along the coast of that vicinity.

23 (RECESS)

24

25

26

1 MONDAY, APRIL 8, 1957 -- 11:30 A.M.

2 *****

3 MR. PEIRCE: All right, the meeting will come to order
4 and, as I indicated previously, this is to discuss a question
5 involving a proposed annexation to the City of Santa Barbara.
6 Several local citizens are present who desire to be heard,
7 in order to give us background information. Colonel Putnam,
8 will you supply us with whatever information you desire.

9 MR. PUTNAM: Yes. We have on Page 66 of the calendar
10 an item entitled PROPOSED ANNEXATIONS BY THE CITY OF SANTA
11 BARBARA. On March 22, 1957, this office -- that is the
12 State Lands office - received advice that the City of Santa
13 Barbara had indicated that it proposed to extend its boun-
14 daries to the east and the west along the coast so as to
15 include all of the tide and submerged lands in the so-called
16 "sanctuary area" as set forth in the Cunningham-Shell Act.
17 Upon consultation with the office of the Attorney General,
18 a telegram was sent on March 23, 1957 by Deputy Attorney
19 General John F. Hassler to the Chairman of the County
20 Boundary Commission, which was to investigate and report
21 as to its recommendations with respect to the change in
22 boundaries.

23 It was learned that the County Boundary Commission
24 had the matter in hand and was expected to render a report
25 to the City Council of Santa Barbara at its meeting April
26 11, 1957 -- to interpose at this point, I understand that the

1 County Boundary Committee has been meeting this morning in
2 connection with this matter ----

3 It was further learned that upon receipt by the City
4 Council of recommendations from the County Boundary Commission
5 the Council would set a date in the future, 40 to 60 days
6 ahead, at which time a hearing would be held by the Council.
7 Following that hearing, the Council would probably take
8 such action as it would deem legal and appropriate.

9 The question of the authority of the State Lands Com-
10 mission in cases of this character is presently under con-
11 sideration by the office of the Attorney General. This
12 office has been the recipient of telegrams and letters from
13 residents of uplands communities such as Summerland and
14 Goleta, protesting the proposed annexation, which covers
15 tide and submerged lands adjoining these communities.
16 It is understood that representatives of these communities
17 are in attendance at this meeting and desire to be heard.

18 On April 1, 1957, the Board of Supervisors of the
19 County of Santa Barbara passed and adopted a resolution
20 opposing the proposed annexation and requesting that the
21 Governor of the State, the members of the State Lands Com-
22 mission and the Attorney General of the State of California
23 protest before the Council of the City of Santa Barbara at
24 such time as the public hearings on this matter may be held,
25 inclusion of any of the tidelands beyond the east and west
26 limits of the boundaries of the City of Santa Barbara. If

1 the Commission agrees, it is proposed to have this resolu-
2 tion incorporated in the transcript of this meeting.

3 MR. PEIRCE: Before we proceed, Senator Hollister and
4 Assemblyman Holmes of Santa Barbara are here. Do either
5 or both of you want to say anything by way of introducing
6 the other people from Santa Barbara? Mr. Holmes.

7 ASSEMBLYMAN HOLMES: Mr. Peirce and members of the
8 Land Commission, I would like to have this opportunity to
9 introduce my friends from Santa Barbara County who are here.
10 I think first I will introduce Mr. Vern Thomas, who is
11 District Attorney of Santa Barbara County, and next to him
12 is Mr. Harrison Ryan, who I understand is the Counsel; Mr.
13 Duncan of Summerland, and, I believe, the Secretary. And
14 next to her is Mayor Rickard of Santa Barbara and Mr.
15 Kleveland, who represents the Santa Barbara News-Press.

16 We have here as an interested visitor too, my County
17 Auditor, Albert Eaves, and Mr. Sexton from Hope Ranch; and
18 my good friend, Mr. Garrett Van Horne from the Goleta area,
19 and, of course, Senator Hollister.

20 VOICE: Russell Williams.

21 ASSEMBLYMAN HOLMES: I am sorry -- Mr. Williams.
22 Have I missed anyone else? I would like to make this
23 statement to the Commission -- that as a representative of
24 Santa Barbara and the Assembly, I am not taking sides pro
25 or con on this because I feel it is a little family fight
26 among those down there, and I am very grateful that you

1 have set up the hearing through the work of Jack (phonetic)
2 so that they can at least present their views; and I am
3 thanking you very much now for the hearing and the fairness
4 I know you will give both sides in this hearing.

5 MR. PEIRCE: Thank you, Mr. Holmes. Now, Mr. Thomas,
6 would you care to lead off please?

7 MR. THOMAS: Yes. Members of the Commission, I didn't
8 expect that I would be back before this Commission so soon.
9 As I recall the tidelands matter, the sanctuary, and coop-
10 erative work between the Commission and the City and County
11 of Santa Barbara and the oil industry, there was a full
12 exchange of data and information, so that this Commission
13 had the advantage of knowing the position of the various
14 parties; and consequently, out of that discussion, finally
15 came a law which ~~provided~~ ^{created *} the sanctuary, which represented
16 the joint efforts of everybody to try to solve a rather
17 pressing problem.

18 Similarly, with respect to other areas of the coast
19 line, in which Santa Barbara was interested, you will recall
20 that unincorporated areas of the county were represented
21 before your Commission hearing in an attempt -- and the
22 oil industry -- as an attempt to devise a system of reason-
23 able regulations which would enable this Commission to exploit
24 the tidelands and areas where they should be exploited in the
25 interests of the people of California; and I think that as
26 a result of that cooperation the Commission has set up a

1 system of rules and regulations that are reasonable and
 2 as viewed from the standpoint of the County of Santa Barbara --
 3 I don't know how the city feels about it, because they
 4 didn't have any representative that participated in any
 5 way, shape or form in those regulations -- but as far as
 6 we were concerned, we were satisfied with the powers that
 7 reside in this Commission in order to protect interests on
 8 shore -- protect against ^{pollution *} ~~cellusion~~ and all the multiple
 9 problems that can arise from exploitation of the tidelands.

10 I regret the necessity of appearing here before you
 11 today. Ordinarily, annexation matters involving cities
 12 are purely a local matter in which the county does not
 13 take any active participation. The local communities are
 14 allowed to work out their own problems -- it is self-
 15 determination, it is democracy -- any action under ordinarily
 16 annexation procedure. But this is not a family feud, as it
 17 were, solely and exclusively a family dispute. We sincerely
 18 and honestly believe that the State interests of California
 19 and the powers and duties of this Commission are involved
 20 in this matter.

21 Now, with respect to this proposed annexation at Santa
 22 Barbara -- different from the procedures that I have hereto-
 23 fore mentioned, where there was cooperation, discussion and
 24 understanding and attempting to work out a sensible,
 25 rational program -- along comes out, without this discussion,
 26 without this interchange of information, a sudden attempt to

1 annex certain boundaries, including the entire sanctuary
2 area beyond to the east and to the west of the boundaries
3 of Santa Barbara.

4 Now, certainly, as the county -- officially, I think,
5 I represent the thinking of most of the Board of Supervisors
6 and other officials interested in planning -- we are only
7 too anxious to see that the City of Santa Barbara will in
8 time expand ^{on *} ~~in~~ land and take over certain areas which may
9 be in need of city services. We hope that, for example,
10 by creating a city growth which creates understanding, which
11 creates a public reputation for ability to solve the prob-
12 lems and to handle them efficiently and capably, that there
13 will be an expansion in certain areas of the city limits.
14 I think that it's inevitable in time, but they have got to
15 demonstrate it before unincorporated areas are going to
16 permit annexation of their areas to the City of Santa Barbara.

17 There is not in this proceeding, gentlemen, an over-
18 whelming demand by the unincorporated areas who are directly
19 affected by this annexation. They are not asking for the
20 benefit of these services which some day Santa Barbara might
21 be in a position to give them. They prefer to work out their
22 own destiny and it's for that reason principally that I
23 appear here today.

24 The City of Santa Barbara has suddenly, without an
25 interchange of thought and public dissemination of information,
26 sought to annex all the tidelands involving the sanctuary.

1 They certainly materially contributed to its creation, but
2 this Commission can certainly vouch for the fact that I
3 appeared as the sole representative from Santa Barbara in
4 order to try to do something about this problem. Then
5 later there was regular attendance by the City of Santa
6 Barbara. So it cannot be claimed from the history of this
7 legislation that they should be regarded as the paramount
8 protector of the tidelands area -- the unincorporated area.

9 The County of Santa Barbara as a whole is willing and
10 anxious that this Commission have full discretion with
11 respect to the tidelands and as an administrative body
12 that's where this power resides.

13 Now, why are we concerned? Why is this a matter of
14 State interest? And why are you men directly concerned
15 about this matter? I think the answer is very, very obvious.
16 This annexation, involving some fifteen miles way beyond
17 the easterly and westerly boundaries of the City of Santa
18 Barbara, creates a precedent, creates a practice which
19 could very well set up a chain reaction in this State up
20 and down the coast, where cities would be attempting to
21 take in the tidelands for many purposes. Certainly, as far
22 as the tidelands are concerned, gentlemen, they cannot
23 render the municipal service which is the basic motivating
24 force behind annexation of land -- police protection, fire
25 protection, better water development, and all the numerous
26 advantages that sometimes follow from municipal annexations.

1 But with respect to the tidelands, how can it be remotely
 2 claimed, particularly when the area is to be far removed
 3 from their land area, (at least in this case most of it)
 4 how can it be claimed that there is any reasonable benefit
 5 that the tidelands area involved here would receive from
 6 this annexation? Other cities along the coast could very
 7 well, if an annexation of this kind is permitted to go
 8 through without protest by the State, why wouldn't it be
 9 natural for them and in order to annex tidelands which may
 10 involve possible oil activities in the tidelands. It will
 11 mean a burdensome matter, I am sure, for the oil industry,
 12 considering the fact that if bids are to be secured the
 13 oil industry is certainly going to take cognizance of the
 14 matter as to whether or not the area is within city boun-
 15 daries and whether city taxes will be imposed in the event
 16 they get a particular lease.

17 Isn't the State interest directly affected when, under
 18 that situation, if there is to be exploitation, isn't it
 19 possible that the royalty interests would be affected --
 20 of course depending on what action is taken by the Legis-
 21 lature, what royalty interest would be offered to the State
 22 of California for the exploitation of these resources?
 23 It would seem obvious. The answer I would offer to every
 24 representative that is here is that under those circumstances
 25 the royalty that the State would receive would be less than
 26 if such territory was not in city boundaries. I think that

1 this thing can set up a vicious cycle of competition among
 2 cities along the coastline to be sure and grab tidelands
 3 areas which may offer a possible oil resource in the future
 4 or which can be exploited; and it's a vicious circle. We
 5 will have cities up and down this coast controlling to some
 6 extent every inch of tidelands territory.

7 What is to stop Santa Maria, for example, now that
 8 Santa Barbara is seeking to go fifteen miles, what's to
 9 stop Santa Maria from seeking to immediately go to the coast
 10 and stretch twenty or thirty miles down the coastline?

11 I think this matter is important from the State's
 12 interests. It is not purely a local squabble. It is a
 13 matter where vital State interests are involved and I think
 14 as trustees of this property, charged with the duty of ex-
 15 ploiting the tidelands, that where cities are seeking to go
 16 beyond their easterly and westerly boundaries to an unreason-
 17 able degree and where the particular unincorporated areas
 18 that abut these lands, where they are frankly opposed to
 19 such annexation, that the Commission could very well take
 20 their grievances into consideration and, along with the
 21 paramount interests of the State, protest annexations of
 22 this type.

23 You will recall the difficulty that was created when
 24 the United States claimed paramount interests in the tide-
 25 lands and the resultant long litigation dispute that occurred
 26 as a result of it; and when one city, without interchange of

1 information, seeks to suddenly claim paramount rights as
 2 far as protecting the particular area, it's very doubtful
 3 that they should be accorded that unusual privilege; and I
 4 really think, gentlemen, that if you analyze this thing, if
 5 an annexation of this huge size is going to be permitted
 6 to occur, that you are then going to have vicious competition
 7 among cities to gobble up this entire coastline.

8 Now, a few other points that I want to pass upon. I
 9 have tried to explain, as frankly and as candidly as I
 10 could, the reason that we are here. We think the State
 11 interests are involved. Now, are you in a position to
 12 block or protest against this annexation? I want to call
 13 your attention to Section 35313 of the Government Code
 14 which specifically says (these gentlemen are proceeding
 15 under certain sections of the Government Code) -- it
 16 definitely says that "at the time set for hearing protests
 17 or to which the hearing may have been continued, the legis-
 18 lative body (that would be the city body that suddenly
 19 initiated this annexation proceeding) the legislative body
 20 shall pass on protests so made. If protests are made by
 21 owners of one half of the value of the territory as shown
 22 on the last assessment roll, or if protest is made by
 23 public and private owners equal to one half of the value
 24 of the territory proposed to be annexed, further proceedings
 25 shall not be taken."

26 So, on behalf of the County of Santa Barbara, I urge

1 upon the Commission to view this matter. We ask nothing
 2 other than you view this matter from the interests of the
 3 State of California and the people of California. You can
 4 forget for a moment that the unincorporated areas are
 5 opposed to this annexation. Let's consider it solely and
 6 exclusively from the standpoint of State interests, and it
 7 would seem that this vicious cycle of competing cities for
 8 tidelands annexation must be stopped now. If this annexa-
 9 tion involved land only immediately off shore, not their
 10 easterly and westerly boundaries, it would have some sense
 11 to it.

12 Another point I would like to make -- may I show you
 13 this map a moment?

14 MR. PEIRCE: Is this a copy of the map we have before
 15 us, Mr. Thomas? We each of us have a map here.

16 MR. THOMAS: No, this is not the map. This was one
 17 prepared by the Planning Commissioner of the County of
 18 Santa Barbara. Gentlemen, here is outlined in black here
 19 the present boundaries of the City of Santa Barbara. Here
 20 is your Montecito area -- Sumerland -- indicated here, of
 21 course, this is your tidelands. Over here, we have an
 22 area which is not in the City of Santa Barbara, known as the
 23 Las Pasadas (phonetic) tract. Over here, I think we have
 24 indicated Hope Ranch Park --- which I think is one of the
 25 most beautiful subdivisions in the world, at least in my
 26 travels I have not seen anything which represents its

1 equivalent -- beautiful homes all along this shore line --
 2 they have a beach here, a private beach. You can understand
 3 that these people, who have not wanted to have the zoning
 4 ordinance by the County of Santa Barbara -- they never wanted
 5 a zoning ordinance -- the county government sought to
 6 impose upon them a zoning ordinance but they have handled
 7 their own problems and I think they have done a better job
 8 than we could have done. They have done it by deed restric-
 9 tions, they have handled their problem, and they can prob-
 10 ably do it better than government.

11 Then, we have the so-called Goleta area indicated here.
 12 Here is a beach park. Here is the University of California.
 13 The legend here will give you what regulations are in effect
 14 in this area.

15 Now, I have indicated Santa Barbara wishes to go on
 16 down the coastline clear to Montecito, which has for years
 17 refused annexation, desiring to handle their own affairs
 18 and trusting their affairs to the County of Santa Barbara
 19 in any particular problem.

20 Summerland you are all familiar with -- how the repre-
 21 sentatives of that little community worked with the Commission
 22 trying to get regulations that would be suitable and give
 23 them adequate safeguard.

24 Here is our University of California.

25 Now, the city does own an airport, which is indicated
 26 here. That property consists of some several hundred acres.

1 I have forgotten the exact acreage. This annexation by
2 water would connect up this point and take in the so-called
3 city airport.

4 Now, there's one other May I introduce this as
5 Exhibit A of the County of Santa Barbara, Communities of
6 Montecito, Goleta and Summerland?

7 MR. PEIRCE: The exhibit is accepted.

8 MR. THOMAS: There's one other point that I should
9 like to mention and that's the subject of a datum plane.
10 Oddly enough, gentlemen, when you are talking about a
11 boundary along this coastline as a little thing, you have
12 a very fluctuating, uncertain and ambiguous line, as the
13 Attorney General's office well knows as a result of their
14 appearances before the Supreme Court and so forth. The
15 ocean fluctuates every month of the year. Certain seasons
16 of the year, mean sea level is at a certain point. A year
17 from then, why it's at some other point; and there are many
18 boundary disputes that can certainly arise from this annexa-
19 tion, particularly along the shore. Now, oddly enough, the
20 City of Santa Barbara has a datum plane where they compute
21 sea level differently than is commonly construed. Their
22 datum plane is some six feet higher, for example, than the
23 mean sea level in the geodetic survey manner of computing.
24 There is no question about it. They have used it for years.
25 They haven't abandoned it and reverted to the geodetic
26 survey. It is six feet higher, for example, than mean sea

1 as undoubtedly you gentlemen interpret it. Now, is that
 2 going to result in problems? Well, let me show you.
 3 (Illustrating on blackboard) Now, if you will just imagine
 4 that this is, oh, this is a beach; and the U. S. Geodetic
 5 Survey might place a zero at this point. Now, I have said
 6 the datum plane of the City of Santa Barbara is six feet
 7 higher than this plane. Now, that doesn't mean that this
 8 point is only going to be six feet away. This point in
 9 given situations could be 150' away, so consequently your
 10 City of Santa Barbara mean sea level line could be up here
 11 and when you get to high water mark and so forth there are
 12 going to be many litigation problems arise in view of the
 13 datum plane that they used in this connection; and particu-
 14 larly where you have obstructions in Santa Barbara water
 15 which are on pilings, for example. There are numerous
 16 jurisdictional problems that can apply with regard to zoning,
 17 with regard to building codes. A man is possibly going to
 18 have to go to the County Building Code with respect to one
 19 part of his house and to the city for another part of the
 20 house -- not to mention the assessment problems that can
 21 arise under this rather odd situation.

22 Now, I have mentioned what the county believes orderly
 23 plans of annexation involve -- the county staying out of
 24 the fight, only too anxious to stay out of it where the
 25 local communities want municipal service, are desirous of
 26 having it; but we do not have that situation involved here,

1 and in view of the opposition of these people who, I think
 2 are reasonably justified in their opposition, this jumping
 3 in by water, this is to some extent an encirclement move
 4 and they consider it hostile and unfriendly -- particularly
 5 when there hasn't been this public discussion.

6 Now, the county cooperates with the city and the city
 7 cooperates with the county in numerous things. I can think
 8 of a dozen things right now, where by mentioning our problem
 9 we arrive at a solution -- we arrive at a contract -- we do
 10 something about it; but in this situation the county is taken
 11 by surprise and the unincorporated areas are taken by sur-
 12 prise.

13 Gentlemen, you can forget this is a family feud. It
 14 isn't. We are making appeal strictly and solely on the basis
 15 that State interests are involved in this annexation and you
 16 should protest it.

17 I want to thank you for your very kind attention. I
 18 would like to introduce certain representatives to make a few
 19 remarks to you. I first of all would like to introduce Mr.
 20 Oren Sexton, who has lived in Santa Barbara some thirty years.
 21 He is a bowling companion of mine, has been playing some ten
 22 years. I told him I wish he had brought up his bowling ^{ball} ~~pin~~ *
 23 today and if you gentlemen were bowling ^{pin} ~~friends~~ * I would have
 24 no problem.

25 MR. PEIRCE: Mr. Sexton, what section do you represent?

26 MR. SEXTON: I represent Hope Ranch Park. The residents

* Corrected from letter of 4/16/57 from Mr. Flowers.

1 of Hope Ranch Park are quite disturbed about the city's
 2 attitude in these annexation proceedings and feel that some-
 3 thing should be done to halt the annexation across our water-
 4 front and until some time as Hope Ranch at a later date
 5 should see fit to annex to the City of Santa Barbara. That
 6 would be the time to include whatever submerged lands should
 7 go along with an orderly annexation. They do feel very
 8 definitely -- and I contacted many of the residents there --
 9 that this is entirely unwarranted, that it isn't doing what
 10 it's represented to do, and that there are many other things
 11 behind the scenes being hidden by the declarations that
 12 have been published to date.

13 In view of Mr. Thomas's remarks regarding the datum
 14 plane and so forth, you are probably aware that our (word
 15 unintelligible to reporter) arose very fast at times and
 16 built up normally at other times. I have talked to residents
 17 who have said that they went down on the Hope Beach and now
 18 high tide land would be two or three feet up the cliff; and
 19 some years ago, probably 35, 40 years ago, they went down
 20 there and changed their clothes behind sand dunes. I remember
 21 when that beach had dry sand the year around, 150 to 200 feet
 22 in width. As I said, today it is clear up against the cliff.
 23 There are buildings on that cliff and it represents an
 24 entirely different picture, annexing land, if you face it
 25 from the ocean or where you live. Take in improvement one
 26 time, leave them out another time. It leaves everybody in

1 the operation of the beaches -- partially to the city,
2 partially to the county, whoever had lots controlling.
3 We have several buildings, some other property owners have
4 cabanas down on the beach. The beaches were very wide at
5 the time they were built. Now they are narrow. These lines
6 would encroach on those buildings and for this reason we
7 feel the city should not take these in. We feel, as Mr.
8 Thomas has said, these lands are held in trust for the State
9 of California, for the people, and should not be passed on
10 to others until such times as those others are adjacent lands,
11 I mean adjacent uplands, not adjacent water lands.

12 I think I'll leave the rest to the others.

13 MR. PEIRCE: Thank you.

14 MR. THOMAS: I would like to introduce Mr. Van Horne,
15 who is the president of the Goleta Chamber of Commerce,
16 and also a director of the Goleta Water District, and
17 I believe also director of the Johnson Fruit Company. Is
18 that correct?

19 MR. PEIRCE: Mr. Van Horne.

20 MR. VAN HORNE: Mr. Chairman and gentlemen, I am also a
21 resident of the Goleta Valley and have been for off and on
22 for twenty five years, and represent a company which has
23 held land in the same ownership there for better than 85
24 years; so, therefore, I appear here not only in behalf of
25 the various organizations in the Goleta Valley but also on
26 my own behalf and on behalf of the company that I represent.

1 I don't happen to be a lawyer. I am a farmer. I
2 do not know whether that is an advantage or not. I endorse
3 and sympathize and appreciate remarks that have been made
4 already and would just like to add a few comments to what
5 has already been said. We do not have any objection to
6 annexation by a city of unincorporated areas -- that's a
7 common denominator of our times, that's the age we are
8 living in. We have got to expect it, especially in
9 Southern California, and I am not going to try to pretend
10 that I am against the city annexing land next to it.
11 Growth is a good thing.

12 However, in a case where the city uses the public lands,
13 which are matters that bring us here before you gentlemen,
14 it's quite a different matter. There's quite a lot more
15 at stake and we just want you to realize how seriously
16 concerned we are, as Mr. Thomas mentioned, if this precedent
17 is allowed to continue.

18 The reason for incorporation of this uninhabited area
19 that the city gave, is that it would provide certain pro-
20 tection for bathing and off shore beaches and for the oil
21 drainage. That, it is my understanding, was fully debated
22 in this council and other places before the Shell-Cunningham
23 Act was established and I think there's adequate protection
24 there; and also on the map Mr. Thomas showed you, the red
25 area is all zoned to proscribe oil drilling and the others
26 cove against it; and the Pacific Lighting MI zone in front

1 of Goleta is obviously not a place for anybody to drill an
2 oil well. Whether or not the city is a proper custodian
3 of the oil sanctuary is certainly a moot point, and we don't
4 endorse the idea for one minute that they are. They own
5 the city airport right in the heart of Goleta Valley and
6 have at past times had oil leases on that property. They
7 need money and it is presumed that they would be willing to
8 enter into leases at the appropriate time to gain it. The
9 disruption of our community and neighboring communities
10 has been mentioned. The effect on existing schools, sanitary,
11 water and various utility districts that are already in
12 existence can be worked out. Those things can be worked out
13 as orderly growth proceeds from a central core outward
14 into unincorporated area. They have in the past and we
15 assume they will in this case. But they can't in this
16 particular instance due to the tremendous amount involved,
17 due to this public lands annexation proposal.

18 We ask "What's the big rush? What's the hurry."
19 We thought the protection was fully and adequately covered
20 in the Shell-Cunningham bill and we urge you gentlemen to
21 seriously interest yourselves in this, not only as your legal
22 right in the protection of these public lands, uninhabited
23 public lands, but also inasmuch as you are the trustees,
24 statutory trustees, for all the people and that if this
25 thing is -- if you don't act -- your inaction would be
26 interpreted to mean consent to approve this sort of thing,

1 and the chain reaction I am afraid would be terrific. I
2 hope that you will protest on behalf of the State on any
3 annexation that the city has of these public lands at the
4 hearing -- at the council hearing they intend to hold.
5 Thank you very much.

6 MR. PEIRCE: Thank you, Mr. Van Horne. Next.

7 MR. THOMAS: Mr. Milton Duncan, who is chairman of the
8 Summerland Citizens Association. Mr. Duncan wants to
9 address a few remarks.

10 MR. DUNCAN: Gentlemen, we are probably the least of
11 these in this consideration. We have, as you know, a first
12 lease under the Cunningham-Shell Act directly in front of
13 us. However, the time the sanctuary was set up there was
14 about a 1200' overlap of the sanctuary into our school dis-
15 tricts and, incidentally, directly in front of oil lands,
16 uplands that had been under lease to one of these companies
17 who were contemplating tidelands leases. The owner of this
18 lease has gone along with the general view of all of our
19 people.

20 I would like to state, like Garry Van Horne did, that
21 I am not a lawyer certainly; as a matter of fact, I restore
22 antiques, so I am more familiar with wormy legs than matters
23 of law; but I have been with the people of Summerland and
24 with the enthusiasm in which they have entered into this
25 argument I have been forced to try to keep one step ahead
26 of them; and we have assumed, for a tiny place like we are

1 there are about 600 of us; 200 voters; 98% of the voters
 2 belong to the Association and endorse -- 93% of the
 3 property involved in the district is within our Association.
 4 We had -- on the organization of our sanitary district in
 5 February, we had a 94.2 turnout of voters. That should
 6 show you that although we are small, we are taking ourselves
 7 seriously.

8 Now, from our standpoint, this^{is}/something bigger than
 9 the City of Santa Barbara, County of Santa Barbara, or
 10 our particular desires. We have had proof -- in our dealings
 11 with the State Lands Commission, we have had proof of your
 12 responsibility, in your trust. We have sufficient chance
 13 to tell our story, always we have had ample warning, every
 14 single legal notice that could have been given to us has
 15 always been given to us. Your proceeding this morning,
 16 where you were talking about the legality of your proceed-
 17 ings, that is one of the things we bank on. We are citizens
 18 in the crossroads, and we believe this entire thing does
 19 not spell out the actual motives. I think you will gather
 20 that that's the sense of every one of these oppositions.
 21 We feel that annexation of this territory under this
 22 particular act, the annexation of uninhabited territory,
 23 we don't think that was ever the intent of that law. We
 24 think it has been perverted to this use for this particular
 25 thing. We also think that according to that law we must
 26 proceed to go before the city council and try and state our

1 case and it's just like me having a collision in my car
 2 with the judge in his car and going to his court to settle
 3 it. It is as simple as that -- basically, it is that
 4 simple. Who can we come to then? We cannot help but feel
 5 that everything that we have read and heard clearly states
 6 that this Land Commission is our guardian, is the possessor
 7 in trust of those tidelands, not only for the oil values.
 8 You took over so many functions having to do with naviga-
 9 tion, a great many things, when this was set up; and it is
 10 obvious in our county that we consider in some places that
 11 the other values of scenic beauty, recreational value, is
 12 of more value to us than all the oil you can take out of
 13 the ocean. In our efforts to combat this sudden attack,
 14 we have been all scurrying around to try and find out
 15 where we stand. We do believe in Summerland we seem to
 16 have the support of everyone concerned, that you are the
 17 natural people to be concerned. Mr. Thomas has pointed out
 18 your concern very fully, I don't need to. We are all think-
 19 ing of the chain reaction. We are all thinking, for one
 20 thing, especiaakly us with the lease in front of us and
 21 having been interested in this proposition, we are wondering
 22 if the cities do this if you are going to have biddable land.
 23 That's what it amounts to; and in carrying out your trust to
 24 us, the people of the State of California, you must make
 25 every legal effort to keep those lands as biddable as possible.
 26 I would like to sum up with this statement here -- that

1 in Summerland we feel like this: First, this type of
2 annexation was never intended by the law; second, that
3 when the Santa Barbara City Council determines that it will
4 be our protectors in spite of us, we naturally and normally
5 resent it. Perhaps we will be more effectual than the
6 Hungarians in resisting protection from someone from whom
7 they didn't ask it. We also feel that it is -- by implica-
8 tion it is a -- perhaps a slight as to the solidity, the
9 responsibility of this Commission -- the proposition that
10 the City of Santa Barbara as such can do more than you
11 gentlemen to protect our sanctuary, more than we can do
12 ourselves.

13 I don't believe it because I have been able to come
14 up and talk just like I am, just like any fellow. That to
15 me is proof that our laws were never intended, no matter
16 what section of the law is correlated to a given use, they
17 were never intended to alter the course of democracy in
18 the United States. We built this little town; we built
19 this little association; we are carrying on. We look with
20 pride on the City of Santa Barbara and the County of Santa
21 Barbara in their efforts to cooperate; and we are somewhat
22 surprised all of a sudden that one of the members of this
23 family takes out and wants to grab all the food on the
24 table. Frankly, we believe if you have given enough con-
25 sideration to this, if the legal staff gives enough time to
26 the investigation of it, we believe with our simple, honest

1 belief that you are our custodians in this matter than you
2 can do something about it and that you will do something
3 about it, that that will come to pass. Thank you very much.

4 MR. PEIRCE: Thank you, Mr. Duncan.

5 MR. THOMAS: Mr. Ryan, an attorney from Santa Barbara,
6 who is vice president of Montecito Improvement and Protec-
7 tive Association, wants to address you for a few minutes.

8 MR. PEIRCE: Mr. Ryan:

9 MR. RYAN: Mr. Chairman and members of the Commission,
10 the few words I will have to say are words by way of summary.
11 I'd like to use a piece of chalk over here for a minute, if
12 I may. This is not supposed to be in accordance with pro-
13 portions or anything else, so far as distance is concerned.
14 We simply go down and draw a beach line. We will put the
15 City of Santa Barbara here. We will put the University of
16 California up here. We will put the airport property up
17 here. Here is Montecito. The counsel of Montecito wants to
18 speak informally as the Montecito Improvement and Protective
19 Association.

20 We have something like 900 dues-paying members and we
21 try to look out for our front yard and we try to look out
22 for our fences. It is one of the most delightful residential
23 communities in California. It's like Hope Ranch -- we think
24 it's a little nicer than Hope Ranch, they think they are a
25 little better than we are. Here's Summerland here. Now,
26 this law of annexing unhabited territory under the '39 act

1 in its true intent never meant to allow, as you read it
2 within its four corners, the annexation of shoestring strips.

3 All right. Three miles out here, we go up here - we go to
4 the end of the oil sanctuary. We connect by a few hundred
5 feet there to this area. From this point here, the strip
6 goes down three miles and goes to the end of the sanctuary.

7 Now, there are two ways that you can annex uninhabited
8 territory, as you recall, under the Government Code. They
9 are dealing with what is known as Article 5 of the particular
10 chapter and section. There's another provision under 3.

11 In Article 5, I have been unable to find anything that limits
12 the length of such a strip. I don't know any reason, if
13 you didn't run into other tidelands that were annexed, why
14 you couldn't run it as far as you wanted to. It limits it
15 under Article 3 to the county. I don't find any case that
16 limits it. I don't believe it is the purpose people
17 have a right to vote when they are going to be annexed.
18 There is nobody in the ocean to vote. From the earliest
19 times, gentlemen, riparian, littoral and other owners along
20 waterfronts have by natural law felt an ownership and a
21 right in those waters.

22 Now, we love our beaches. We don't want our front
23 door taken away from us through a gerrymander -- which is
24 what it is, a narrow strip. They couldn't do it on land
25 without voters interfering. All right, what do they do?
26 They can't do it directly, so they do it indirectly. I know

1 the case that says that the fact the territory may be incor-
2 porated later is of no interest. But I say this, that you
3 gentlemen do have - and I am sure the Attorney General's
4 office will advise you - you have the right to object.

5 Why? Because the State of California owns this land here,
6 as I recall the decisions that came over to you, and I think
7 you hold it in trust for the State and the citizens through
8 your Commission; but I also think in decency and fairness
9 you hold it in trust for the upland owners, and we can't
10 vote. We haven't any legal right to protest. I am sure
11 the representatives of the Attorney General's office will
12 agree with me on that point. We are helpless, we are
13 muffled, and the only people we can turn to are the owners
14 of 50 percent or over of the value of the land involved
15 and you gentlemen happen to be sitting there, three of you,
16 who are the only people that can object.

17 All right. Why should you, from the standpoint of the
18 State? That's the problem that every one of you is indi-
19 vidually thinking. Why should we enter into what is a
20 family fight? It is a family fight but it is bigger than
21 that. Several men have made it rather clear why you should.
22 We would foresee, and I will prophesy, that you will have
23 every city in California that possibly can taking over a
24 long shoestring strip, contrary to the policy of the law;
25 and I think you will do yourselves an interesting job of
26 reading that '39 act - Article 5 - and you will be convinced

1 that it is against the policy to have a little shoestring
2 connection all along the coast and muffle all the normal
3 upland holders from saying anything. I do not think it is
4 fair; I do not think it is the purpose of the law; I do not
5 think it would be good for the State of California, to
6 have those strips taxed by an additional agency, unless
7 those strips were in front of the particular city. In
8 other words, I think that it's public policy to have never
9 a shoestring strip of ocean annexed, unless it's in front
10 somehow of the uplands; and I have mentioned, gentlemen,
11 that you are the only ones that can object. We leave the
12 matter in your hands, because if you can't we are helpless.

13 MR. PEIRCE: Thank you, Mr. Ryan. Now, Mr. Thomas?

14 MR. THOMAS: Just one comment. The reason I am here,
15 gentlemen, is because I was directed by the Board of Super-
16 visors, directed by all five, also representing the City
17 of Santa Barbara as far as their supervisorial districts
18 are concerned. I was directed at their request to appear
19 here and that's why I am here. I want to thank you for
20 your very courteous consideration, and again I regret the
21 necessity for our appearance here. I have no accusations
22 to make of bad motive against Santa Barbara. I think
23 there's been an error of judgment in connection with the
24 whole matter and it is regrettable that this matter was
25 brought to you. Thank you for your attention.

26 Gentlemen, may I add one word without trespassing

1 upon your time. Colonel Putnam asked about that meeting
2 this morning. I have just received a notice that it has
3 been carried over before the County Boundary Commission
4 until Wednesday, April 10, 9 a.m., but there were protests
5 read there before the County Boundary Commission from the
6 county supervisors of schools and every elementary school
7 district. I frankly don't know just why, except for public
8 opinion, they were filed there. They should have been
9 filed with you gentlemen, but I am bringing it to your
10 attention.

11 MR. PEIRCE: All right. We have received these protests,
12 or rather petitions, urging that the State Lands Commission,
13 which has custody over State tidelands and submerged lands,
14 protest the proposed annexation of these areas which the
15 City of Santa Barbara desires to bring into the city limits.
16 Now, I believe that concludes all the witnesses who desire
17 to submit such protests. Now, Mayor Rickard of the City of
18 Santa Barbara is here. Would you like to be heard at this
19 time?

20 MAYOR RICKARD: Yes, if I may. May I tack a map on
21 your wall here? Mr. Chairman, I presume that your Commission
22 desires to adjourn near 12:30 and I will try to be as brief
23 as possible.

24 We, the City, appear here to request the Commission to
25 view this problem from the viewpoint of the State, from the
26 viewpoint of whether or not the proposal of the City of

1 Santa Barbara will interfere in any way or prejudice the
2 rights of the State Lands Commission. Now then, the State
3 Lands Commission, through the provisions of the Government
4 Code, has been vested with the control and exclusive juris-
5 diction over the tide and submerged lands. Any annexation
6 by a municipality is not seeking to assert paramount rights
7 to the State of California obviously. Our rights are sub-
8 servient in the same manner as such territory rests in the
9 jurisdiction of the County of Santa Barbara at the present
10 time.

11 Our desire is to annex -- let me explain the chart.
12 The green boundary lines indicate our present city limits.
13 The blue line here, the blue line is the shoreline. The
14 City of Santa Barbara since 1899 and again in 1925 has
15 already annexed a one half mile area of the tidelands off
16 its shore, as shown by the green portion here, the shore
17 line being along the blue line. In the last annexation in
18 the '30's of this area to the City of Santa Barbara, the
19 tidelands were not annexed. Consequently, we looked at the
20 1939 Uninhabited Territory Annexation Act. We found that
21 three elements are required for such a procedure. First,
22 that the land to be annexed is not completely surrounded by
23 unincorporated territory and such element is met in this
24 proposal. Secondly; that the annexed area must be contiguous
25 to the City of Santa Barbara, and that element is met.
26 Thirdly, that no uninhabited territory shall be combined

1 with inhabited territory having more than twelve voters,
 2 and that has been met. Under the State Legislature's
 3 enactment, we feel we are following the procedure for
 4 annexation. The District Attorney has stated that we have
 5 done this without prior notice or consultation with the
 6 county. Our annexation proceeding has not commenced. As
 7 you gentlemen know, it will commence upon receipt from the
 8 County Boundary Commission, which has had our petition for
 9 twenty days. For twenty days the County of Santa Barbara
 10 has been advised of our intention to proceed. After we
 11 receive the report from the County Boundary Commission,
 12 then the proceedings commence officially by the adoption of
 13 a resolution, when they will state a hearing date and this
 14 proceeding shall be advertised publicly in the newspapers.
 15 Combining all those times, we should say we have not yet
 16 started the annexation proceedings. There is ample oppor-
 17 tunity given to Santa Barbara County and our neighboring
 18 residents to follow strictly the procedures of the code,
 19 which we are doing.

20
 21 Now, then, we feel that the State Lands Commission,
 22 if it desires to protest, should do so because this proposal
 23 would infringe or impair its jurisdiction over tidelands;
 24 and we do not feel at this point that we have interposed
 25 any move that would interfere in the slightest with your
 26 jurisdiction. In any event, at the time of the protest

1 hearing, we certainly do invite any representative of the
2 Land Commission to come, to be certain that we do not impair
3 the jurisdiction of the Commission. As this comes under
4 the mineral and oil jurisdiction as decided by the State,
5 which clearly states that your jurisdiction is inclusive
6 nor can any city ordinance be in conflict with your regula-
7 tions and laws without becoming void, it is our intention
8 if city laws are imposed that it shall conform precisely
9 with the Shell-Cunningham laws and the desires of the
10 Commission. So we feel that the action of the City Council
11 is to back up the State in its action to declare this oil
12 sanctuary.

13 Now, then, it is directly possible the 1939 Annexation
14 law -- which does not differentiate between uplands and
15 tide and submerged lands, and which, contrary to what Mr.
16 Ryan stated, has no policy or statement in it that would
17 prevent any of the action to be taken here by the City
18 Council -- under the 1939 Act it was perfectly possible to
19 take this half mile strip already in the corporate limits
20 of the city and bring them westward and bring them into
21 the airport. There was nothing to prevent that and the
22 reason we have taken, described the tideland sanctuary
23 precisely in the terms in the Cunningham-Shell Act.

24 This annexation is for a two-fold purpose: (1) back
25 up the State in its action to declare a sanctuary in the
26

1 tidelands in a 15-mile strip; (2) annex the airport area
2 now owned by the city to the City of Santa Barbara.

3 Now, this question of whether or not tide and submerged
4 lands are different for annexation purposes, I believe, is
5 quite important for the consideration of the State Lands
6 Commission. There is no statement in the law that they
7 are different or shall be considered different. There is
8 no different precedent being set up by the City of Santa
9 Barbara. Many cities along the coast have annexed tide-
10 lands, some directly in front of their cities, some where
11 they were away such as Huntington Beach. In the San Fran-
12 cisco Bay you have San Pablo, Richmond and two or three
13 cities down near Palo Alto, who have annexed tidelands
14 adjacent to them, all without objection from the State
15 Lands Commission, apparently because the State Lands Com-
16 mission didn't feel its jurisdiction was impaired in the
17 slightest.

18 Now, then, if we do treat tide and submerged lands
19 different from uplands, the question is how are they differ-
20 ent and to what extent shall those differences go? For
21 instance, in front of the City of Santa Barbara we have
22 the Channel Isles, which are some seventeen-eighteen miles
23 offshore. It is my impression that the State of California
24 is attempting to establish before the Supreme Court of the
25 United States that those are inland waters and that the
26 jurisdiction extends to a point three miles to and beyond

1 the Channel Isles. If we treat the tidelands and submerged
2 lands differently from uplands, the question arises whether
3 or not the State of California prejudices its position be-
4 fore the United States, before the Supreme Court, in that
5 position you are taking. We feel also that these are inland
6 waters to the Channel Isles because they are all within the
7 jurisdiction of the County of Santa Barbara and the County
8 of Santa Barbara actually taxes lands in the Channel Isles
9 and they tax waters within the three mile limit up and down
10 the coast in the tide and submerged lands. If we treat
11 this differently, can counties then assert jurisdiction of
12 tidelands within the three miles to the extent that they
13 are able to tax private interests for oil in the tide and
14 submerged lands?

15 We heard a few minutes ago the school boards of Santa
16 Barbara County have protested, yet they do tax the private
17 industries that are drilling for oil in the Elwood area.
18 Can they, therefore, say that the tide and submerged lands
19 can be treated differently when they have annexed to their
20 school districts the tide and submerged lands as suggested
21 here? If this three-mile spread fifteen miles long were
22 completely in the uplands there couldn't possibly be an
23 appearance before the State Lands Commission. I don't think
24 there should be a differentiation between the upland picture
25 and the tide and submerged lands picture when it comes to
26 annexation.

1 Now, then, the matters, I believe, in essence which
 2 have been presented to this Commission are local in nature.
 3 They are differences between unincorporated areas and incor-
 4 porated areas in this region simply from the viewpoint of
 5 annexation. Montecito area does not own any publicly owned
 6 beaches. Those beaches are owned by private property owners
 7 and the upland owners behind the littoral lands have no
 8 right to get to the beaches. The chart which I have pre-
 9 sented here shows in black something I think that will
 10 illustrate the desire of the City of Santa Barbara in a
 11 desire to cooperate with the State of California, to insure
 12 that this sanctuary will remain inviolate under the Cunning-
 13 ham bill.

14 First of all, you will recall that as early as 1953
 15 Mayor Montgomery of the City of Santa Barbara came here
 16 with the District Attorney, Vern Thomas, at the time the
 17 Richfield Oil people desired to get an exploration permit.
 18 They at that time asked the Land Commission if the State of
 19 California would consider creating a sanctuary in front of
 20 the city in order to protect the scenic values of this terri-
 21 tory. From that point, both the city and county joined hands
 22 until the final adoption of the Cunningham bill. At one
 23 stage of the proceedings, in April '55, there was a draft
 24 of either the Shell or Cunningham Act which I believe you
 25 gentlemen will recall. Mr. Watson, Secretary of this
 26 Commission, will know that that draft declared that the

1 sanctuary would be created if by January 1, 1956 both the
2 city and county had zoned the uplands up to 1000' to the
3 shore line against oil drilling; and if that were not true
4 the sanctuary would not be created. That prompted a visit
5 of Mr. Thomas, the District Attorney, Mr. Montgomery and me
6 in April '55, when you were considering the contents of the
7 Cunningham bill with Mr. Cunningham. At that time and
8 during those proceedings and thereafter, the Legislature
9 had an amendment to that clause and the amendment is
10 finally adopted in the Shell-Cunningham law, which creates
11 the sanctuary but states if there is any drainage of the oil
12 from the tidelands into the sanctuary from lands owned by
13 other than the State of California, the State Lands Commission
14 is entitled to offset that drainage well for well. Now,
15 then, your secretary appeared informally before the Board
16 of Supervisors and pointed out to them, and it was also
17 pointed out to the city, that in order for the city and
18 county to ask the State to create this sanctuary we must
19 in turn reciprocate by zoning the uplands against oil drilling;
20 that it was not fair for the city and county to state to
21 the State of California "Our area has sunk in value --
22 don't let drilling take place in front of our shores" and
23 at the same time not prohibit it in the uplands.

24 The City of Santa Barbara for many years, in this green
25 area, has two areas which say that there shall be no drilling
26 for oil in the City of Santa Barbara. The County of Santa

1 Barbara has zoned areas in the uplands south of this high-
2 way against oil drilling, excepting the one shown in black
3 on this chart. This is the reason for the apprehension of
4 the city at this time. Over here, we have the Vista Tract
5 outside the boundary, which can be drilled for oil. This
6 sanctuary can be drained from the uplands as anyone can
7 see. The portion "airport" is zoned MLX. This property
8 here, which is owned by the Pacific Lighting Corporation
9 is Zone M-2, which permits drilling. In the Hope Ranch
10 area, under deed restrictions -- which are good for success-
11 ive periods of ten years each (the present one to end in
12 1964) -- is by deed restriction prohibited from drilling
13 for oil, but each one of those ten-year periods must be
14 renewed affirmatively by 51% of the value of the territory
15 in the Hope Ranch area. Santa Barbara County zoning in
16 the Hope Ranch has a "U" classification, which means that
17 you can drill for oil if you get a permit to do so from
18 the County Board of Supervisors. Back here, in the Arroyo
19 Burro area, 1000' above the water mark, this is zoned for
20 drilling by the county. Over here, which is outside of
21 the sanctuary, is zoned for drilling by the county and, of
22 course, you have a (several words unintelligible
23 to reporter). I am not certain of this, but I believe for
24 a distance of 150' on shore, inside of this sanctuary, it
25 is also unzoned and can be drilled for oil.

26 It is true that there is nothing legally the City of

1 Santa Barbara could do to prevent drainage from these
 2 black areas but at least the City of Santa Barbara wants
 3 to increase the sanctuary, zone it in the same language as
 4 the Cunningham Act, thereby keeping faith with the State of
 5 California. We, the city, recognize your reciprocal prin-
 6 ciple, that if you are going to prevent drilling in the
 7 sanctuary we should prevent it in the uplands; and in our
 8 laws we will zone against drilling in the uplands.

9 That is the basic reason for taking in the entire
 10 sanctuary instead of just going from the westerly city
 11 limits out to the Goleta section. The other was to annex
 12 the airport. The Board of Supervisors has told you that
 13 the county cooperates with the city. Well, one year the
 14 City of Santa Barbara asked the permission of the County
 15 Board of Supervisors to annex to the city 100 acres of the
 16 municipal airport under that particular section which says
 17 that any municipally owned land which is not contiguous to
 18 the city, up to a hundred acres, may be annexed to that
 19 city by the Board of Supervisors; and their answer to us
 20 was "no", "you can't do it". That's the type of cooperation
 21 that the District Attorney has been talking about here.

22 We feel that we stand before the Land Commission jointly
 23 with the Board of Supervisors and with our neighboring unin-
 24 corporated residents, in an effort to maintain the integrity
 25 of the tideland sanctuary; and we are not here to annex
 26 the tidelands in order to obtain tax revenues from the

1 tidelands. This is the distinction between former preced-
2 ents like Huntington Beach, which wanted to annex tidelands
3 northwards of the city in order to take tax revenues from
4 private corporations which were drilling in those tidelands.
5 Our purpose is the reverse. We want to protect, as far as
6 possible, the integrity of the oil sanctuary and prevent
7 it from being drilled for oil and exert the influence of
8 public opinion behind and in support of the State and upon
9 the Board of Supervisors to see if they will eradicate the
10 black areas which are in such great danger and inimical to
11 everyone concerned in the preservation of the tidelands
12 sanctuary.

13 We certainly hope you will not protest. We know you
14 have the right to do so. We do not know where and in what
15 sense municipal annexation will interfere with your powers
16 and jurisdiction or any way you may want to control the
17 tidelands. We see where you might, on the other hand,
18 jeopardize your own position by making a clear distinction
19 between the uplands and the tide and submerged lands at the
20 very same time you are trying to eliminate such distinction
21 and state that these are inland waters and should be part of
22 the State of California. In such state, they should be
23 part of the cities and counties as far as their jurisdiction,
24 subservient to yours.

25 MR. PEIRCE: Now, Colonel Putnam, you have been investi-
26 gating this matter in cooperation with the Attorney General's

1 office and at this time I believe it would be in order for
2 you or Mr. Shavelson to indicate whether or not the State
3 Lands Commission has jurisdiction in a matter of this char-
4 acter or whether or not this is something that still is to
5 be resolved.

6 MR. PUTNAM: I think it is still to be resolved, Mr.
7 Peirce. We have had some conferences and Mr. Shavelson is
8 making some research; and I waited until this hearing today
9 before I formulated a written request to the Attorney
10 General. I've gotten some clarification as a result of
11 this hearing and I can formulate such a request.

12 MR. PEIRCE: But we have no formal written opinion
13 from the Attorney General with respect to our jurisdiction?

14 MR. PUTNAM: That's correct.

15 MR. PEIRCE: We are, therefore, not at this moment in a
16 position to take action one way or the other.

17 MR. PUTNAM: I would not suggest you were.

18 MR. PEIRCE: May I ask, Mr. Thomas, how much time is
19 involved before the processes of law will operate at the
20 lower level which would prevent our taking any action?

21 MR. THOMAS: According to the statutes you have between
22 forty and sixty days after enactment of the resolution, as I
23 recall; that is, if the City Council is insistent upon
24 passing this resolution. As I recall, it's between forty
25 and sixty days protest would have to be filed.

26 MR. PEIRCE: Mr. Shavelson, is that correct?

1 MR. SHAMELSON: It is my understanding that the next
2 meeting of the City Council, at which they may or may not
3 adopt this resolution, is going to be Thursday, the 11th.
4 In any event, that would be the earliest possible date, and
5 the forty days would run from then; and the forty days is
6 the minimum period in which the protests may be filed, and
7 sixty days is the maximum.

8 MR. PUTNAM: Well, the forty days will run well beyond
9 the next meeting of the State Lands Commission, at which
10 time we will present the views of the Attorney General and
11 recommendations.

12 MR. PEIRCE: Is there any further discussion?

13 MR. KIRKWOOD: What sort of recommendation are you
14 thinking of, Colonel? You mean just transmit the views,
15 or would you have in mind perhaps making some specific
16 recommendation for action, if the opinion of the Attorney
17 General is that we do have jurisdiction?

18 MR. PUTNAM: My thought was, when we get the opinion
19 of the Attorney General and it indicates that the Commission
20 has jurisdiction, I will formulate a recommendation for
21 action and include a statement of the bases for the
22 recommendation.

23 MR. KIRKWOOD: The jurisdiction will consist of a
24 finding of ownership and that ownership is in effect exer-
25 cised by the Land Commission, isn't that what the question
26 would be?

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MR. SHAVELSON: There is a little question in connection with two sections of the Government Code. It is our tentative view that the Commission will have the jurisdiction to file a protest. We haven't finalized that.

MR. PEIRCE: Any further questions? Anybody else here desire to speak before we adjourn? Senator Hollister, have you anything to say as we conclude our consideration of the subject?

SENATOR HOLLISTER: I would just like to thank you for the reception given Santa Barbara. I hope in your deliberations you will come out with a proper decision.

MR. PEIRCE: Thank you, Senator. No further business? The meeting will stand adjourned.

(Adjourned 12:55 p.m.)
