

17. (APPLICATION FOR LEASE, TIDE AND SUBMERGED LANDS IN PACIFIC OCEAN, EL SEGUNDO, LOS ANGELES COUNTY, STANDARD OIL COMPANY OF CALIFORNIA - W.O. 1108, P.R.C. 680.) Standard Oil Company of California holds a legal franchise from the City of El Segundo, Los Angeles County, for maintenance of a concrete wharf. This franchise expires on December 15, 1951. The Company has now applied to the State Lands Commission for a lease of the area for a period of twenty years, with right of renewal for three additional periods of ten years each, the original period and renewal periods being identical to those granted under Lease P.R.C. 236 covering the Company's Long Wharf at Richmond. The area desired for lease has been appraised at \$35,000, annual rental for a fifteen-year period being \$2,310, for a twenty-year period being \$2,415. The policy of the Commission has been to issue a lease for a given term of fifteen years, with option in the lessee to renew for two ten-year periods. The lease to the Standard Oil Company of California at Richmond was an exception in that the structure cost over \$2,000,000. The facilities installed on the land in the application cost \$227,000. Furthermore, in this case the structure has been in existence for many years, and the need for a long-term lease for amortization purposes appears to be slight. Performance bond in the amount of \$30,000 is considered adequate.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO ISSUE TO STANDARD OIL COMPANY OF CALIFORNIA A LEASE OF 9.72 ACRES OF TIDE AND SUBMERGED LANDS IN THE PACIFIC OCEAN AT EL SEGUNDO, LOS ANGELES COUNTY, FOR THE MAINTENANCE AND USE OF A WHARF AND SUCTION PIPE PIER, PERIOD OF LEASE TO BE FIFTEEN YEARS, AT AN ANNUAL RENTAL OF \$2,310, WITH RIGHT OF RENEWAL FOR TWO PERIODS OF TEN YEARS EACH AT SUCH TERMS AS MAY BE DETERMINED PRIOR TO EACH RENEWAL DATE, PERFORMANCE BOND OF \$30,000 TO BE FURNISHED.

18. (PROPOSED BUDGET, DIVISION OF STATE LANDS, 1952-53 - W.O. 1083.)

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED APPROVING THE PROPOSED BUDGET, DIVISION OF STATE LANDS, FOR THE FISCAL YEAR 1952-53, SAID BUDGET TO BE SUBMITTED TO THE DIRECTOR OF FINANCE FOR APPROPRIATE ACTION.

Appropriations requested for 1952-53 are predicated on an anticipated work load during the budget year which will exceed that of past and current periods. This forecast is substantiated by operations in 1950-51, during which period there was an increase of 50 percent in the number of work orders opened relative to the leasing and sale of State lands.

In addition to this "normal business", the Division anticipates that it will be required to render services in connection with numerous special projects, such as the "Tidelands" matter, the processing of Federal jurisdiction applications under Government Code Section 126, and the establishment of an index of lands under jurisdiction of the United States, as is provided for under Government Code Section 127.

This anticipated increase in work load, plus higher operating costs projected for 1952-53 for salaries, operating supplies and services, accounts for the increase of \$31,805 requested in appropriations for 1952-53 as compared with 1951-52.

A resume of expenditures for the current and budget years follows:

<u>Description</u>	<u>Estimated</u>		<u>Increase or Decrease</u>
	<u>1951-52</u>	<u>1952-53</u>	
No. of Positions	64.0	67.0	+ 3.0
Expenditures for Support	\$209,752	\$237,057	+ \$27,305
Other Current Expenses	90,500	95,000	+ 4,500
Total Expenditures	\$300,252	\$332,057	+ \$31,805
Contributions to Retirement Fund	14,036	15,468	+ 1,433
Grand Total Expenditures	\$314,287	\$347,525	+ \$33,238

Revenues for 1952-53 (excluding those impounded) are anticipated at an all-time high since the Supreme Court decision of June 23, 1947. Figures are as follows:

	<u>Estimated</u>		<u>Increase or Decrease</u>
	<u>1951-52</u>	<u>1952-53</u>	
State Lands Act Fund	\$1,386,321	\$1,442,630	+ \$56,309
School Fund	23,318	22,970	- 348
School Land Fund	66,000	66,000	-0-
General Fund	46,227	-0-	- 46,227
	\$1,521,866	\$1,531,600	+ \$ 9,734

Revenues to the General Fund show a decrease of \$46,227 during the budget year for the reason that all General Fund properties under jurisdiction of the Commission were disposed of during 1951-52 (Regents' Property, Tract 1206, City of Los Angeles), thus reducing the total net revenue increase by that amount.

Analysis of expenditures for Support for 1952-53 shows the following:

Salaries and Wages	\$285,835	+ \$15,807
Operating Expenses	117,534	+ 26,139
Equipment	7,428	+ 939
Estimated Reimbursements	- 173,740	- 15,580
Totals	\$237,057	+ \$27,305

A brief discussion of these items follows:

Salaries and Wages include allotments of \$9600 for the following new positions:

2 Oil Gaugers	\$7,080
1 Intermediate File Clerk	2,520

Expanded activities at Rio Vista and Huntington Beach account for the need for the two new oil gaugers, while the file clerk is being requested to take care of a constantly increasing filing problem in the Sacramento Office, the office of record of the Division.

The increase in Operating Expenses is accounted for largely by the following items: Engineering - Boundary Determinations - Legislative Grants, + \$10,000, (estimated cost of a mandatory project, to be reimbursed in full); Travel, + \$2,520 (increased field work for survey crews during 1952-53); Rent, + \$2,380 (increased space and higher rental rates, Sacramento Office); Improvements - State Lands, + \$6000 (an allotment requested for rehabilitating tidelands, thus making them available for production of ~~several~~ income).

The increase requested in allotments for equipment, \$939, is attributable principally to the necessity to purchase one additional automobile for use of the new oil gauger to be assigned to the Rio Vista Office.

Increased reimbursements of \$15,580 are anticipated as a result of reimbursements for the cost of survey work, previously mentioned, in the amount of \$10,000, and a slight increase in the amount to be received for administration of tideland mineral leases.

The budget has been designed to meet practical operating needs, and to keep operating costs as low as possible.

19. (AMENDMENT OF CHAPTER 7, STATUTES OF 1951 - W.O. 721.)

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE CHAIRMAN OF THE STATE LANDS COMMISSION TO REQUEST THE GOVERNOR TO ISSUE A SPECIAL CALL FOR INCLUSION IN THE LEGISLATION TO BE INTRODUCED IN THE 1952 BUDGET SESSION OF THE LEGISLATURE, LEGISLATION TO AMEND CHAPTER 7, STATUTES OF 1951, AS FOLLOWS:

SECTION 4 - DELETE THE WORDS "TWELVE THOUSAND DOLLARS (\$12,000.00)" FOLLOWING THE WORDS "AMOUNTS NOT TO EXCEED", AND SUBSTITUTE THEREFOR THE WORDS "THOSE SET FORTH IN PARAGRAPH 4 OF THAT CERTAIN STIPULATION ENTERED INTO BETWEEN THE ATTORNEY GENERAL OF CALIFORNIA AND THE ATTORNEY GENERAL OF THE UNITED STATES, DATED AUGUST 21, 1950, AND REFERRED TO IN SECTION 1 OF THIS ACT, OR SUCH AMOUNT AS MAY BE SET FORTH IN ANY EXTENSIONS OR MODIFICATIONS OF SAID STIPULATION."

Chapter 7, Statutes of 1951, ratifies and confirms the stipulation between the State and the United States dated August 21, 1950. It limits (in Section 4) the amount the State may receive as reimbursement for the administration of tideland mineral leases to \$12,000 per month, and provides that the Controller may transfer not in excess of that amount to the State Lands Act Fund. Provision has been made in the renewal of the stipulation dated September 24, 1951, for reimbursements to the State in the amount of \$14,000 per month. This amendment was made to secure reimbursements in full for the administrative costs in connection with these leases, these costs having advanced considerably in recent months.

There was discussion as to whether or not the Governor would allow a special call to cover this item, but it was decided that it should be submitted to him nevertheless.