

MINUTE ITEM

3/23/67

36. AUTHORIZATION FOR EXECUTIVE OFFICER TO EXECUTE AGREEMENTS SETTling ALL LITIGATION BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF MORRO BAY, SAN LUIS OBISPO COUNTY - W.O. 503,461.

After consideration of Supplemental Calendar Item 33 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. APPROVES THE "STIPULATION AND AGREEMENT" AND THE "FINAL SETTLEMENT AGREEMENT" ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION, WHICH ARE MADE A PART HEREOF BY REFERENCE, AND WHICH DISPOSE OF ALL OF THE OUTSTANDING LITIGATION BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF MORRO BAY, AND
2. AUTHORIZES THE EXECUTIVE OFFICER TO SIGN SAID AGREEMENTS ON BEHALF OF THE COMMISSION.

Attachment

Calendar Item 33 (1 page)

AUTHORIZATION FOR EXECUTIVE OFFICER TO EXECUTE AGREEMENTS SETTling ALL LITIGATION BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF MORRO BAY, SAN LUIS OBISPO COUNTY - W.O. 503.461.

In 1947 the State of California granted tidelands in trust to the County of San Luis Obispo. In 1964 the City of Morro Bay was incorporated and acquired the responsibility for tideland management as part of its incorporation. The City of Morro Bay filed court actions against the County of San Luis Obispo, claiming mismanagement of the trust, and to determine which lands passed to the City of Morro Bay upon incorporation. The County filed countersuits against the City, making various claims concerning the tideland property. The court held that granted tidelands passed to the City upon incorporation, and the other matters are still in dispute.

Extensive negotiations have taken place in which the State Lands Commission's staff, the Attorney General's Office, the Legislative Joint Committee on Tidelands, the County of San Luis Obispo, and the City of Morro Bay have participated. The settlement reached disposes of all of the outstanding problems involved in this litigation. The County Board of Supervisors and the City council have approved the settlement agreements, which are now on file with the Commission awaiting its approval.

The first is entitled "Stipulation and Agreement", and is between the County of San Luis Obispo and the City of Morro Bay, settling their litigation. It provides, among other things, for the County to pay to the City for the benefit of the tidelands trust the sum of \$100,000, and in paragraph 2 that a further agreement shall be entered into between the City of Morro Bay and the State of California with respect to certain harbor fee lands. The latter agreement, entitled "Final Settlement Agreement", provides in substance that all of the land lying waterward of the east boundary of the Embarcadero shall be held and administered, so long as the City of Morro Bay is trustee, as part of the tideland trust under terms set out in the "Final Agreement".

Because of the reversionary interest of the State of California in all sovereign lands, and because of its responsibility to see that trust terms are properly carried out by the cities and counties which have received grants of tidelands, it is necessary that the agreements be approved by the State Lands Commission.

IT IS RECOMMENDED THAT THE COMMISSION (1) APPROVE THE "STIPULATION AND AGREEMENT" AND THE "FINAL SETTLEMENT AGREEMENT" ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION, WHICH ARE MADE A PART HEREOF BY REFERENCE, AND WHICH DISPOSE OF ALL OF THE OUTSTANDING LITIGATION BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CITY OF MORRO BAY, AND (2) AUTHORIZE THE EXECUTIVE OFFICER TO SIGN SAID AGREEMENTS ON BEHALF OF THE COMMISSION.