

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

During consideration of Calendar Item 29 attached, Resolution No. 68-322 of the Board of Supervisors of the County of San Luis Obispo, dated July 15, 1968, was received, recommending that the Commission approve the Stipulation and Agreement and the Final Settlement Agreement, which dispose of the outstanding litigation between the County of San Luis Obispo and the City of Morro Bay.

Messrs. James W. Powell, District Attorney for the County of San Luis Obispo, and James A. Madden, City Attorney for the City of Morro Bay, commended the Commission for its splendid cooperation in this matter, and recommended approval by the Commission of the staff recommendation in Calendar Item 29.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION:

- (1) APPROVES THE "STIPULATION AND AGREEMENT" AND THE "FINAL SETTLEMENT AGREEMENT", TOGETHER WITH THE DESCRIPTION ATTACHED THERETO AS EXHIBIT "A", ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND MADE A PART HEREOF BY REFERENCE, WHICH DISPOSE 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 29 (1 page)

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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; 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 the 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, provides 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, for so long as the City of Morro Bay is trustee, as part of the tideland trust under terms set out therein.

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 that have received grants of tidelands, it is necessary that the agreements be approved by the State Lands Commission.

At its March 23, 1967, meeting (Minute Item 36, pg. 307), the Commission approved said agreements and authorized the Executive Officer to sign them. Before they were signed, it was found that the property description in Exhibit "A" was incorrect. A partial survey was conducted jointly by the City Engineer for Morro Bay and by the State Lands Division survey crew. The setting of the starting point marker was corrected, and the description was rewritten. The revised description has now been approved by a new resolution of the Morro Bay City Council.

IT IS RECOMMENDED THAT THE COMMISSION (1) APPROVE THE "STIPULATION AND AGREEMENT" AND THE "FINAL SETTLEMENT AGREEMENT", TOGETHER WITH THE DESCRIPTION ATTACHED THERETO AS EXHIBIT "A", ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND MADE A PART HEREOF BY REFERENCE, WHICH DISPOSE 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.