

MINUTE ITEM

This Calendar Item No. 18
was considered by the Commission
at its meeting on 3/31/77

MINUTE ITEM

3/31/77
CBB
(KS)

18. REVIEW OF STATUS OF LOS ANGELES HARBOR REVENUES - G05-04.

During consideration of Calendar Item 18 attached, Ms. Katherine E. Stone, Deputy Attorney General, explained the recent events which have lead up to the proposed Calendar Item. She explained that the Los Angeles City Council had passed the day before a Resolution authorizing the City Attorney to prepare a written agreement reflecting its principles concerning settlement of the subject dispute.

Chairman Kenneth Cory stated that his initial reaction to the Resolution was that the Commission is not prepared to comment at this time, inasmuch as staff had only just received a copy prior to the Commission Meeting. He pointed out he still had questions to resolve in his mind. In addition, Commission-alternate Betty Jo Smith indicated she also was not prepared to make any decision at this time.

Assemblyman Vincent Thomas, 52nd District, California State Legislature, appeared. In summary, Mr. Thomas expressed his lack of faith in the City's sincerity in negotiating a settlement. He indicated that if the Commission did not wish to file a lawsuit against the City, he would introduce a Joint Resolution in the Legislature urging the Office of the Attorney General to file the suit.

At the conclusion of the discussion, Mr. Cory instructed the staff to continue negotiating with the City, as outlined in the Commission resolution set forth below, and confer with the individual Commissioners to ascertain their positions on any settlement offers. Mr. William J. Northrop, Executive Officer, advised that the staff had invited Ms. Smith to observe the negotiations, which are scheduled to commence following this meeting, and that he also extends the invitation to the other Commissioners.

Upon motion duly made and carried, the resolution as presented in Calendar Item 18 was adopted by a vote of 3-0.

Attachment: Calendar Item 18 (2 pages)

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CALENDAR ITEM

18.

3/77
G05-04
CBB
(KS)

REVIEW OF STATUS OF LOS ANGELES HARBOR REVENUES

Background: At the February 24, 1977 meeting, the Commission adopted the following resolution:

THE COMMISSION CONTINUES THE AUTHORITY FOR NEGOTIATIONS AUTHORIZED AT THE JANUARY 26, 1977, COMMISSION MEETING AND, IF IN THE OPINION OF THE EXECUTIVE OFFICER, NEGOTIATIONS ARE AT A STANDSTILL PRIOR TO THE MARCH COMMISSION MEETING;

1. RESOLVES THAT THE EXECUTIVE OFFICER IS AUTHORIZED TO NOTICE AND CONDUCT PUBLIC HEARINGS REGARDING THE UTILIZATION OF HARBOR REVENUE FUNDS BY THE CITY OF LOS ANGELES PURSUANT TO THE AUTHORITY PROVIDED TO THE COMMISSION BY PUBLIC RESOURCES CODE SECTION 6110 AND SECTION 13 OF CHAPTER 1046, STATUTES OF 1970.
2. AUTHORIZES THE EXECUTIVE OFFICER; MANAGER, LANDS OPERATIONS; AND CHIEF COUNSEL TO ISSUE SUBPOENAS TO EMPLOYEES OF THE CITY OF LOS ANGELES FOR THE ATTENDANCE OF WITNESSES AND THE PRODUCTION OF DOCUMENTS FOR THE PURPOSE OF INVESTIGATING THE UTILIZATION OF HARBOR REVENUE FUNDS BY THE CITY OF LOS ANGELES, PURSUANT TO THE AUTHORITY PROVIDED TO THIS COMMISSION BY GOVERNMENT CODE SECTIONS 11180 AND 11181.
3. RESOLVES THAT THE ATTORNEY GENERAL MAY, PURSUANT TO SECTION 13, CHAPTER 1046, STATUTES OF 1970, FILE A LAWSUIT AGAINST THE CITY OF LOS ANGELES FOR AN ACCOUNTING OF INTEREST MONEYS DIVERTED FROM THE HARBOR REVENUE FUND AND FOR DECLARATORY RELIEF REGARDING THE AMOUNT OF SURPLUS HARBOR REVENUES, IF ANY, THAT MAY BE TRANSFERRED FROM THE HARBOR REVENUE FUND TO THE CITY GENERAL FUND AS REPAYMENT FOR PAST EXPENDITURES BY THE CITY OF LOS ANGELES, SUBJECT TO THE EXECUTIVE OFFICER INFORMALLY NOTIFYING THE COMMISSIONERS OF SAID FILING.
4. AUTHORIZES STATE LANDS DIVISION STAFF AND THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL ACTION NECESSARY TO IMPLEMENT THE FOREGOING.

CALENDAR ITEM NO. 18 (CONTD)

Current Situation:

Because in the opinion of the Executive Officer, negotiations appeared to be at a standstill, subpoenas were issued and a public hearing was commenced on Tuesday, March 29, 1977 pursuant to the above referred to Resolution by the Commission. Said hearing is scheduled to continue on Friday, April 1, 1977 at 9:30 a.m.

Yesterday afternoon (Wednesday, March 30, 1977) the City advised the Office of the Attorney General of a resolution by the City Council authorizing the City Attorney to prepare a written agreement reflecting the principles set forth in said resolution for settlement of the dispute. A copy of this resolution is on file in the State Lands Division office. Due to the short period of time since the receipt of this resolution the staff has not had an opportunity to completely evaluate the proposal and make a recommendation to the Commission at this time.

It is the staff's intent to make a report and recommendation to the Commission regarding the proposal at the Commission's April meeting. Continuation of all existing authority to the staff and Office of the Attorney General is requested so that the State can be prepared for any eventuality without a special Commission meeting.

IT IS THEREFORE RECOMMENDED THAT THE COMMISSION:

1. AUTHORIZE THE EXECUTIVE OFFICER TO CONTINUE TO CONDUCT THE HEARINGS COMMENCED PURSUANT TO THE COMMISSION'S AUTHORIZATION AT THE FEBRUARY 24, 1977, COMMISSION MEETING AND TO ISSUE SUBPOENAS IN CONNECTION THEREWITH.
2. CONTINUE THE AUTHORITY FOR NEGOTIATIONS AUTHORIZED AT THE JANUARY 26, 1977 COMMISSION MEETING AND TO COMMENCE LITIGATION AS AUTHORIZED AT THE FEBRUARY 24TH COMMISSION MEETING.
3. AUTHORIZE STATE LANDS DIVISION STAFF AND THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL ACTION NECESSARY TO IMPLEMENT THE FOREGOING.