

1 example, it indicated what I was driving at. If we can
2 find a better term that means that, we can use it.

3 MR. PEIRCE: Gentlemen, may I interrupt our proceedings?
4 The press desires to take a picture. Any further questions?
5 Senator Hollister.

6 SENATOR HOLLISTER: Mr. Kirkwood, when you abandon a
7 well, it does not say when it's being abandoned, I suggest
8 that you include the island involved in that abandonment.
9 That's the most expensive part of it. The other equipment,
10 I do not know how you would do that. The island, I think,
11 is the most important. I think they would have to destroy
12 that. I think that is the only part that should go in on it.

13 MR. PUTNAM: I take it, Mr. Kirkwood, you would like to
14 have us consult the Attorney General and let us have a chance
15 to look at it and report back to a late May meeting?

16 MR. KIRKWOOD: Getting close.

17 MR. PUTNAM: Well, we have two other items.

18 MR. KIRKWOOD: I would assume Let me say, John,
19 you may want to discuss this further today, but I assume
20 from the reactions of the other two members that because of
21 the fact they haven't had this long enough to give it full
22 consideration, that I wouldn't get a second for my vote and
23 as a practical matter I would be better off not to press my
24 motion today; but I would ask that the Commission give this
25 consideration. I do feel that we have run into problems of
26 administration that in my opinion justify our taking a

1 position that some changes are essential in the Shell-
2 Cunningham Act and I think under those circumstances we
3 owe it to the Legislature to let them know what those changes
4 are. I would hope that we would get together soon and see
5 if we can't get some agreement on a recommendation. Mean-
6 time, the staff check with the A.G.'s office as to whether
7 this language and the language in the bills currently moving
8 means what it means.

9 MR. PEIRCE: Mr. Pyles, have you anything further?

10 MR. PYLES: Yes. In looking around, I am probably the
11 only operating man that's up here today. Certainly the
12 operating industry weren't aware of Mr. Kirkwood's proposals.
13 I think I would be amiss if I didn't attempt to make one
14 expression here on behalf of the industry -- on which I am
15 sure I am on solid ground.

16 Governor Powers thought possibly 400 acres or 200
17 acres ...

18 MR. PEIRCE: I am just talking fictitious figures ...

19 MR. PYLES: I want to make a remark on that. Your
20 present minimum is 1920 some odd acres -- if the State has it.
21 If you have only a hundred acres, you can lease it if you
22 have it. In Texas, Louisiana and the Federal Government they
23 have a larger minimum and if you cut that minimum, I want
24 to emphasize again, gentlemen, if you cut that minimum and
25 ask the oil industry to go out in a hundred or two hundred
26 feet of water and drill on a smaller piece of ground, I am

1 almost positive I can make a statement for the industry --
2 you wouldn't get any bids. So please don't do that. You
3 certainly have got to give a minimum of incentive on acreage.

4 MR. PEIRCE: Any further discussion?

5 MR. KIRKWOOD: Might I just say this, John? I recog-
6 nize these amendments in this form have come in at the last
7 minute. I would like to point out, however, that I did
8 make a motion at the last meeting that this be a calendar
9 item and it was understood this was to be a calendar item,
10 and I did have a statement a week ago indicating my general
11 trend of thinking. I am sorry this has been so delayed in
12 coming, but I have attempted to explain the reasons why

13 MR. PEIRCE: I would like to say, in fairness to Mr.
14 Kirkwood, he made a recommendation several months ago that
15 we obtain advice of consultants, particularly those indi-
16 viduals who represent private land owners because they would
17 have the land owner viewpoint, and we endeavored to arrange
18 for the appointment of a voluntary committee of five such
19 consultants. Through various circumstances we finally ended
20 up with two of these five being available to us, so that
21 effort which was suggested by Mr. Kirkwood and approved by
22 the Commission has gone on the rocks because of our inability
23 to get these men on a voluntary basis. So I think Mr. Kirkwood
24 is correct in observing that if we are to obtain consultants
25 even during the interim it probably will have to be on some
26 kind of a fee basis, so we can command their performance and

1 not expect them to voluntarily appear when it is convenient
2 for them to do so.

3 MR. PUTNAM: May I ask the Department of Finance for
4 some money to cover this when it happens?

5 MR. KIRKWOOD: I would like to suggest, Mr. Chairman,
6 and I would make this motion, that we do as a Commission
7 make whatever fund transfer is necessary and that we do
8 state as our intention the hiring of three men who have had
9 experience in this area of leases of large properties and
10 wildcat areas, who would be consultants to us and they could
11 either report to us individually or as a group. I think
12 we need that kind of expert advice and I think we owe it
13 to the oil industry to move along as fast as we can. So I
14 would like to see that thing adopted today and ask the staff
15 members to make recommendations as to people we might seek
16 out; and I know in your experience you certainly would be
17 familiar with people who would be good, Mr. Chairman. I
18 think that is something we should move along, because I feel
19 we need it regardless of where we move from here.

20 MR. PEIRCE: Do I understand it correctly that you are
21 speaking of the employment of such consultants to advise
22 the Commission as to whatever provisions will be passed by
23 the Legislature this session?

24 MR. KIRKWOOD: Definitely.

25 MR. PEIRCE: Mr. Kirkwood has made a motion ...

26 MR. POWERS: Why not two? Why did you settle on three?

1 MR. KIRKWOOD: Two might be sufficient. I think we
2 might want more than one.

3 MR. POWERS: Well, I will second your motion. I don't
4 know why you want three, but if you want three it's all
5 right with me.

6 MR. KIRKWOOD: Let's get the names, the background
7 and experience, and see what we need. Let's get it moving.

8 MR. PUTNAM: Something for me to work on.

9 MR. KIRKWOOD: If we are going to get any value out of
10 their opinion, we have to have it to know what land to lease ..

11 MR. POWERS: You should have at least two.

12 MR. KIRKWOOD: Let's make it two.

13 MR. PEIRCE: The motion has been made and seconded that
14 the staff compile a list of qualified experts in the field
15 of oil leasing and oil land management, so that from that
16 list of names we may select two or more qualified individuals
17 to advise us with respect to carrying out the provisions of
18 law concerning tideland oil development under our jurisdiction.
19 Is that correctly stated?

20 MR. KIRKWOOD: Yes.

21 MR. PEIRCE: And that meets with your approval?

22 MR. POWERS: That's right.

23 MR. PEIRCE: All right. The recommendation is approved.
24 Now, if there is no further discussion on this subject shall
25 we now go on to Santa Barbara?

26 MR. PUTNAM: I would think so.

 MR. PEIRCE: Mr. Shell and Mr. Miller, we appreciate very
much your presence today and your counsel.

1 MR. PUTNAM: You are familiar with the fact that
2 during our last meeting on April 8 we reported to you the
3 imminent annexation of lands offshore of Santa Barbara and
4 extending easterly and westerly along the coast, in accord-
5 ance with the map shown attached to page 86. Since that
6 time the County Boundary Commission has taken action on
7 this and if I am correct there has been an adverse recom-
8 mendation.

9 MR. HORTIG: Well, the County Boundary Commission
10 approved the proposed boundaries for proposed annexation
11 but did append an unusual item in that they added an adverse
12 recommendation, that the city not proceed.

13 MR. KIRKWOOD: But they have no power.

14 MR. HORTIG: No.

15 MR. PUTNAM: Meanwhile, we put two questions to the
16 Attorney General's office. Mr. J. Shavelson has the answers
17 up his sleeve. The No. 1 question was - Did the State Lands
18 Commission have the authority - - Frank, please ...

19 MR. HORTIG: Does the State Lands Commission qualify
20 as an owner of lands within the area proposed to be annexed,
21 so as to be able to file an effective protest within the
22 applicable Government Code provisions?

23 MR. PUTNAM: The answer to that is we do definitely.

24 MR. HORTIG: The second question, in brief, what would
25 be the nature and scope of the city's jurisdiction to regu-
26 late and tax within the State-owned tidelands proposed to be
annexed?

1 MR. HORTIG: Should I read the answer?

2 MR. PUTNAM: The answer to that is a little more
3 lengthy. The answer, in general, is to the effect that the
4 city could tax any oil developments, oil production, in
5 this area proposed to be annexed laterally and seawardly
6 of their present city limits. We have had an inventory
7 made, a study made, of the possibilities and the value of
8 oil development in the area proposed to be annexed and have
9 come up with an answer, which we will probably have to justify
10 if we get before the city council, of \$40,000,000.

11 Now, we have further found that there is a small
12 corridor there of about 800 feet in width, Frank?

13 MR. HORTIG: Yes sir.

14 MR. PUTNAM .. between the areas proposed to be annexed
15 at the westerly end and the airport, that belongs to Uni-
16 versity of California, and we have further evaluated as best
17 we could the lands proposed to be annexed in the airport,
18 and doubling our figures we come up with about a million
19 dollars as against \$40,000,000.

20 Now, on that basis the Commission is authorized to
21 appear before the city council at its meeting set for next
22 May 23 and oppose the annexation; and if the Commission can
23 establish that it owns and controls over half the value of
24 the land proposed to be annexed, the annexation cannot be made.
25 So we have made this recommendation -- would you read it,
26 please, Frank?

1 MR. HORTIG: It is recommended that the Commission
2 authorize the executive officer to appear before the council
3 of the City of Santa Barbara, at its meeting on May 23, 1957,
4 and oppose the annexation indicated on Exhibit "A" attached
5 hereto, on the grounds that: (a) The State of California is
6 the owner of over fifty percent of the value of the lands
7 proposed to be annexed; and (b) the annexation will be
8 against the interests of the State.

9 MR. PUTNAM: Now, as to (b), Jack, you might elaborate
10 a little bit because one principal interest, of course, is
11 the fact that they will have taxation power over the produc-
12 tion and I believe, Jack, you have found out that down in
13 Huntington Beach areas that have been annexed there was at
14 least a million dollars a year of taxation?

15 MR. SHAVELSON: That's right.

16 MR. PUTNAM: Against the oil production. And our
17 thought in that respect is that certainly will affect at
18 some time in the future the income of the State. We do not
19 want to take for granted, and the Attorney General advises
20 us accordingly, that the sanctuary will be a sanctuary for-
21 ever. Some day they will learn how to -- they are getting
22 close to it -- to drill from submerged barges things not
23 visible from the coast and cap off their wells, and the
24 restrictions in the Cunningham-Shell Act may no longer be
25 appropriate. From that particular point of view, I made
26 this recommendation that the annexation will be against the

1 interests of the State. I think you have one or two other
2 things.

3 MR. SHAVELSON: Well, I think really not. Of course,
4 we haven't presumed to make any appraisal. This is a
5 policy matter, but we do feel that the taxing power of the
6 city on these lands as against the private properties of
7 the lessees will be the same as in the ordinary city limits
8 of the uplands of the city; and as far as the regulatory
9 power, certainly this Monterey Oil Company case indicated
10 that no city can With lesser regulations, relating
11 to health and welfare we think, especially a charter city
12 such as Santa Barbara, may have even greater powers than
13 the City of Seal Beach in this Monterey case and to the
14 extent that these are matters of local concern traditionally,
15 certainly they have some regulatory power. It is difficult
16 in the abstract to define it. Certainly it is quite extensive.
17 It certainly falls short of complete prohibition. Once you
18 set that limit, I think there are certainly important regu-
19 latory powers they would have in this area.

20 We also pointed out in our opinion the language of the
21 resolution of the City of Santa Barbara, stating the city
22 "acknowledges and assumes its responsibility to aid the State
23 of California in protecting the lands within the sanctuary
24 so as to carry out the object and purpose thereof" and
25 pointing out "the main purpose of the sanctuary is to exclude
26 oil operations therefrom" We feel whether or not oil

1 operations are conducted, here is a matter of statewide
2 policy, that so long as oil operations cannot be conducted
3 there is very little the city can do to maintain the
4 sanctuary and should the policy change this could have a
5 hindering effect; again speaking in the abstract, not giving
6 an exact statement of what we might expect, but we do feel
7 the problem very well might arise.

8 MR. PEIRCE: Mr. Shavelson, I would like to ask you
9 this question: Who, under the law, is responsible for deter-
10 mining the value of the area proposed to be annexed? Is
11 that our responsibility or is that the city's responsibility?

12 MR. SHAVELSON: That is the city's responsibility.

13 MR. PEIRCE: What if the city determines that that
14 value is \$100,000 instead of \$40,000,000?

15 MR. SHAVELSON: I believe if their finding is not sup-
16 ported by substantial evidence I think we can get a court
17 review of their finding, and from the indications that we
18 have had so far, it doesn't seem they could reasonably make
19 such a finding; and if they couldn't, then I don't think they
20 could have a record before them that would be immune from
21 judicial action and review.

22 MR. PEIRCE: Mr. Holmes.

23 MR. HOLMES: I would like to know the basis at the
24 present time on which you are setting such an enormous amount
25 for the sanctuary. I would like to know the basis, not
26 necessarily for the City of Santa Barbara; but what is your

1 basis? This may also have effect on your leases, as to
2 what you are actually basing your valuation on.

3 MR. PUTNAM: The valuation was based on our experience
4 in leases in the Summerland area, which is to the east, and
5 our experience in the Elwood area to the west.

6 MR. HOLMES: That is purely a tangible or intangible
7 amount. The Monterey Oil Company pointed out that although
8 there was a lease below and they anticipated oil
9 How could you possibly put a valuation on a lease of any
10 kind when you don't know absolutely there is oil there?

11 MR. PUTNAM: All I can tell you -- in Summerland,
12 \$7,250,000 in bonuses. Heaven knows how much oil is in
13 there, but the State got the income. Down in the area Mr.
14 Pyles was talking about, we got over \$5,000,000 bonus and
15 that's income to the State.

16 MR. HORTIG: As a result, we valued the land in
17 addition, this tremendous acreage just as real estate has
18 a value -- over 30,000 acres involved.

19 MR. HOLMES: Wouldn't be considered real estate --
20 under water land?

21 MR. HORTIG: It is available for piers, commercial
22 purposes and otherwise, which aggregate considerable income
23 to the State up and down the coast.

24 MR. HOLMES: This is merely an opinion, that is, the
25 Commission met and voted before they still had something
26 definite?

1 MR. KIRKWOOD: Could I ask Mr. Shavelson a question?

2 MR. PEIRCE: Yes.

3 MR. KIRKWOOD: What happens if we are to protest here
4 and the Council find that the value of the total piece is
5 more than the value of the airport or the on-shore property,
6 the other lands involved in the annexation, does that auto-
7 matically toss the whole thing out the window? Or can the
8 City Council then cut down the amount of the proposed annexa-
9 tion to a point where our protest would be of less than
10 half the value?

11 MR. SHAVELSON: I don't - - - first of all, procedur-
12 ally, I think, if I recall, they would have to start a new
13 proceeding.

14 MR. KIRKWOOD: Are they bound by a year's wait on
15 that? Maybe the Mayor knows the answer on that.

16 MR. SHAVELSON: I believe that before they could annex
17 any of this territory they would be - - I just don't want
18 to give an off-the-cuff answer. That's one of the aspects
19 I have not personally looked into.

20 MR. PEIRCE: Senator Hollister, have you anything to
21 say at this time?

22 SENATOR HOLLISTER: No, I was thinking this bill which
23 I put in -- which has nothing to do with these deliberations
24 here -- would be an attempt to try to control the limits to
25 which a city could go sideways, was done for the same purpose
26 that the Attorney General's office has suggested, that it

1 might hurt the State's leasing program. I don't know either,
2 those are questions I do not know. I was glad to hear the
3 Attorney General agree that there might be some trouble
4 there and that was the only purpose of putting the bill in.

5 MR. PEIRCE: Now, we have a recommendation before us ...

6 MR. PUTNAM: We have the Mayor here.

7 MR. PEIRCE: I am going to call on him in a minute.

8 And this recommendation is that we authorize the executive
9 officer to appear before the City Council of Santa Barbara
10 and oppose the annexation. Now we have heard from Mayor
11 Rickard at length at the last meeting and now, specifically
12 with respect to this recommendation, Mayor Rickard, we
13 would be pleased to hear from you further.

14 MAYOR RICKARD: Mr. Chairman, in respect to this recom-
15 mendation I don't believe that I should comment to the Com-
16 mission. I appeared last time before this board to explain
17 the nature of the annexation as proposed, the intentions of
18 the City of Santa Barbara, our underlying purpose and reason-
19 ing, and extended an invitation to this Commission to appear
20 before the City Council so they might inform the Council if
21 in any way the city's proposal might interfere with the
22 State interest.

23 Now, then, you have a recommendation which is to the
24 effect that the Commission should file a written protest
25 with the City Council at its hearing on May 23rd. I am
26 the chairman of that body. That protest will be addressed to

1 me and my six co-councilmen. It would not be appropriate
2 for me to express an opinion now.

3 I think I could answer Mr. Kirkwood's question on
4 procedure. The procedure is, of course, that the Commission
5 if it so elected would file a written protest, stating what
6 in their opinion the value of their land was to the City
7 Council, and the Council would be sitting as a body, evaluat-
8 ing the sufficiency and validity of the protest, both as to
9 value and as to the effect it might have upon the State.
10 Not more than 5% of the territory can be deleted from the
11 proposed annexation from now on without destroying the
12 petition and the city would under law be forced to wait one
13 full year before re-initiating any proceeding.

14 Directly in answer to your question, not more than 5%
15 could be taken away by the Council from its proposed terri-
16 tory without destroying the validity of the proceedings and
17 waiting for another year. I think, Mr. Chairman, I should
18 not comment any further about the recommendation.

19 MR. PEIRCE: Are there others who wish to be heard
20 with respect to this recommendation?

21 SENATOR HOLLISTER: Mr. Peirce, I was interested in
22 the question there - "Are there people here who are inter-
23 ested personally in this deal." You have heard from some
24 of them in previous meetings here. The Board of Supervisors
25 are not represented here. They were in opposition to this.

26 MR. PEIRCE: They were notified of the meeting.

1 SENATOR HOLLISTER: They were notified?

2 MR. PUTNAM: We sent out that telegram.

3 SENATOR HOLLISTER: That \$40,000,000 evaluation as it
4 has to do with placing the value on undeveloped oil lands
5 that's the only reason I am ... This is purely a local fight
6 and the only thing I am doing is to set up the laws.

7 MR. PEIRCE: Are there any others who wish to be heard
8 today with regard to the recommendation?

9 MILTON DUNCAN: I won't take much of your time. I am
10 Milton Duncan of Summerland, and Mr. Sexton is here. The
11 two of us are, in our small way, representing the four ^{un-}incor-
12 porated communities. There has been constant reference during
13 these hearings to the effect that it is a local squabble.
14 I think the recommendation of the staff is sufficient answer
15 to that. Certainly the militiamen at Concord and Lexington
16 thought it was a local problem too but it turned out it was
17 the basis of a whole country's heritage, and since questions
18 have also been brought up if this basis of valuation could
19 apply to other places, therefore that takes it out of the
20 local realm. I don't believe that has any validity.

21 I would like to state that I, personally, and my people
22 in Summerland want to thank the Commission and the staff for
23 all of the care and attention you have given to this. We
24 feel somewhat in the position of a person who, not much of a
25 card expert, tosses a mess of cards down on the table and
26 someone who knows card hands picks them up and shuffles them

1 into the proper hands that will have weight in a game; and
2 we have felt all along that, small as we were, and vital as
3 the local situation was to us, that it was a matter of
4 State importance. Apparently the findings of your staff
5 and the Attorney General's office have verified, our, what
6 we call, common sense thinking. It's amazing to some of us
7 little fellows who don't operate at this State level and in
8 your realm at all, to find out how often the law and admin-
9 istrative procedures tend to corroborate just plain horse
10 sense that we are using to operate on, with no particular
11 claim to expertness on our part. Again, I wish to thank
12 you. Anything you may do to effectuate this staff's recom-
13 mendation will certainly be appreciated by all of us and I
14 think it will be of great effect in the State.

15 MR. PEIRCE: All right, Mr. Duncan. Are there any
16 others who would like to be heard with regard to this ques-
17 tion?

18 MR. HOLMES: I would like to say one thing in closing,
19 then have to leave. As far as the valuation is concerned,
20 it does have statewide effect. I would like to say this,
21 that the State Legislature and the Shell-Cunningham Act
22 two years ago set up an oil sanctuary and as such no oil
23 can be drilled, so as a result there is no lease that would
24 be valid in the method of determining a value on it
25 because it's against the law to even consider the drilling
26 of oil wells in that respect; but putting a valuation of

1 \$40,000,000 on a piece of property where it is impossible
2 to drill for oil, because it is interesting to know in the
3 future they can assess the valuation at that time when they
4 are making the leases and it could not in any stretch of
5 the imagination be assumed that it is wildcat or developed
6 lands, one or the other -- it is far reaching as far as
7 the State is concerned; but in this particular area it is
8 still a local fight, only assurances are made that it will
9 affect the entire coastline.

10 MR. PEIRCE: Thank you, Mr. Holmes. Mr. Duncan?

11 MR. DUNCAN: I certainly do not want to keep on and on
12 and do not intend to. I can hardly let that go, from my
13 simple thinking. It's a great deal like the value one puts
14 on one's children. If we were asked by a kidnapper to put
15 a value on our children -- in other words, if we were asked
16 for \$50,000 and we were able to obtain that sum and there
17 was no recourse where the law would be effective, it would
18 be apparent that anyone of us would give that \$50,000.
19 Therefore, you would be placing a valuation. One does not
20 go out and say that one's child has a certain valuation
21 any more than we say an oil sanctuary has a certain valua-
22 tion; but if one could obtain under future conditions
23 \$40,000,000 for that, then certainly you have a basis for
24 determining a valuation upon that area, I would think. Of
25 course, we have said time and again, which provoked the
26 little map here, we are sure that you gentlemen and the

1 State intend to keep this sanctuary. We cannot put as
2 much faith in a future city council as to what pressure
3 they might bring against you. Certainly, this city council
4 and any we may foresee, knowing the men, would not bring
5 that pressure; but we cannot put our faith in a future
6 city council like we can in the State to retain this oil
7 sanctuary. If this annexation were to go ahead and our
8 faith were destroyed by some future city council, then the
9 very picture on this Alice-in-Wonderland map is, I believe,
10 a possibility that they could then go on. There is Summer-
11 land, the very first step next door, and there is a valua-
12 tion like that on it. I must not belabor this point. I
13 am quite sure you have sufficient knowledge of the situation
14 so you can arrive at your decision -- maybe I am amiss.

15 SENATOR HOLLISTER: I did talk to one of the city
16 councilmen Saturday, I believe it was, and he admitted
17 that he thought the city could go further sidewise if they
18 could pick up an uninhabited valuation some other place,
19 so there does not seem to be any limit. That was one of
20 the attorneys on the City Council; perhaps the Mayor could
21 refute that position. My thought was, suppose they have
22 this annexation and it is successful, if they wanted to go
23 up a further distance up the coast and some private property
24 was willing to come in as uninhabited, they could move in
25 there and if there was no property offshore, that property
26 could control that valuation. He seemed to think that was

1 possible. That's one of your own city councilmen.

2 MAYOR RICKARD: Mr. Senator, that's one of the senti-
3 ments appropriate to the Purdy (phonetic) bill, not the
4 Land Commission. This is pertinent -- as you know, Santa
5 Barbara is dependent on production of oil inland and could
6 get some relief from oil offshore, indirectly perhaps, but
7 there would be some relief from that production, I would
8 think, to help the taxpayers in the area. We are not talk-
9 ing about the sanctuary now, but outside of that.

10 MR. KIRKWOOD: I am faced with an unhappy situation
11 myself. I feel we are getting in the middle of a local
12 hassel and I can't see any way to get out of it insofar
13 as the Attorney General's opinion. I did not know how
14 deeply we have to get into it and I would like to explore
15 it a little bit. My understanding is that the A. G.'s
16 opinion is that probably we ought to protest the whole
17 darn thing, we ought to protest any annexation of tidelands
18 would be the logical interpretation.

19 MR. SHAVELSON: That certainly wasn't intended. There
20 has been no intent here to indicate what policy decision
21 should be made. We wanted to point out that certainly when-
22 ever a city annexes tidelands it does have power of taxation
23 and regulation. Now, I believe it is up to the Commission
24 to determine, perhaps, in a case such as this, whether the
25 municipal service that could be provided these areas would
26 compensate for the additional burdens which might come

1 upon them. Certainly, there is no intent to indicate
2 that the Commission should disapprove annexation of
3 tidelands under any circumstances. I think certainly each
4 case must be looked at separately. In many instances, of
5 course, it might be quite proper for a State's lessees
6 to be subject to

7 MR. KIRKWOOD: I must admit that I have felt in this
8 area, without trying to find a pattern that would be
9 applicable statewide, I have thought that perhaps the Com-
10 mission should protest as to areas where beyond-the-seaward
11 limits were involved. We would have trouble saying a city
12 shouldn't annex directly offshore from its city limits.
13 We have heretofore never protested, as I understand it,
14 and there have been annexations that haven't been directly
15 on offshore limits. But here we do have opposition and
16 unless we do protest, that opposition has no voice whatever
17 and they have no grounds for protest unless we act.

18 On the other hand, if we act, as I read this Section
19 35313, just the filing of the protest is sufficient to
20 block the proceeding unless the City Council find that the
21 value is less than one-half. In other words, they can't
22 pass on the validity of the protest -- all they can pass on
23 is the value of the property for which the protest takes
24 place.

25 MR. SHAVELSON: You mean they can't pass on the standing
26 of the State to protest.

1 MR. KIRKWOOD: Yes, I suppose the legal question
2 they could raise, but the grounds for filing the protest
3 are nothing they can challenge.

4 MR. SHAVELSON: That's the way we wrote it.

5 MR. PUTNAM: We would have a different picture and a
6 different problem if the city were to extend its written
7 boundaries normally to the shore line, to the three mile
8 limit, for instance. As I recall it, I believe Mayor
9 Rickard made some statements a little over a month ago
10 before the Commission with reference to annexations either
11 approved or acknowledged, where nothing was done with
12 respect to them. We made some research since then. The only
13 annexations that have been acknowledged have been normal to
14 the shoreline and for school districts, except in one case.
15 I want to give you the whole picture. That case was at
16 Huntington Beach and there they went laterally up coast
17 and took in quite a bit of area.

18 MR. KIRKWOOD: What about San Diego?

19 MR. PUTNAM: They attempted to go laterally down coast
20 and they were stopped by a court case brought by one of the
21 oil companies.

22 MR. KIRKWOOD: What about San Diego?

23 MR. PUTNAM: No, that was never done.

24 MR. KIRKWOOD: Didn't they reach right around National
25 City?

26 MR. PUTNAM: That was voted down by the people. We
back-checked that.

1 MR. KIRKWOOD: But we filed no protest.

2 MR. PUTNAM: The Commission didn't have to file a
3 protest in that case because the people did it.

4 MR. KIRKWOOD: That wasn't in the uninhabited area?

5 MR. HORTIG: No, it was in the uplands.

6 MR. PEIRCE: Any further discussion? Are you prepared
7 as members of the Commission to approve or disapprove the
8 recommendations of the staff in regard to this annexation?

9 MR. KIRKWOOD: I am reluctant to see us go in and
10 establish a value for this property or for us to make any
11 official finding as to the value of the property. I don't
12 think we have the material before us to ourselves say this
13 is the value. I am darned reluctant to shut off the people
14 at Summerland and up the coast, when I think they have a
15 major interest in this thing. My reaction first was that
16 we should just file an official protest, which I was think-
17 ing would then open up the -- give the ability to the citi-
18 zens who really were the protestants to make a case on the
19 thing. I do not know that that's the answer, under the
20 A.G.'s opinion or under the practical problem.

21 MR. PEIRCE: The decision rests within our hands, but
22 there is question with respect to the valuation. In other
23 words, if the valuation offshore exceeds 50% of the total
24 valuation of the area to be annexed, our protest as land
25 owners would automatically stop the annexation. Is that true?

26 MR. SHAVELSON: If it equals.

1 MR. PEIRCE: Mr. Holmes.

2 MR. HOLMES: I believe the valuation as concerns the
3 unoccupied territory is land versus land. I don't believe
4 the leases would be a determining factor in the valuation
5 as far as selling the property, because leases have nothing
6 to do with it at all, with the valuation of the property.
7 That is only a by-product of the actual cost. I just want
8 you to keep that in mind. I think what has been brought
9 out about bonuses and all that, that has nothing to do with
10 the valuation of the properties themselves.

11 MR. PEIRCE: Senator Hollister.

12 SENATOR HOLLISTER: Well, on that basis, if the city
13 is fairly certain they have a valuation there, why don't
14 you enter a protest and let the cards fall where they
15 should fall? Why don't you do it that way? There might
16 not be any valuation out there, as Assemblyman Holmes has
17 said.

18 MR. KIRKWOOD: And there might Be \$40,000,000.

19 MR. PUTNAM: And there might be \$40,000,000. Let's
20 find out.

21 MR. KIRKWOOD: Ill get my neck out, John. I think we
22 get it off, whatever way we move. I would move that the
23 Lands Commission protest as to thatpart of the area to
24 be annexed which lies either easterly or westerly of
25 shoreward limits of the city extended out, if you know
26 what I am talking about.

1 MR. PUTNAM: Outside the present city limits.

2 MR. KIRKWOOD: In other words, I would feel the city
3 could move out directly three miles off its shore, both as
4 a matter of policy and comity. We probably, on the basis
5 of the objections the Attorney General points out -- we
6 woud go along on that area, but we would protest on the
7 other parts of it. Now, I would not say that our staff
8 should go down and attempt to justify the valuation. Maybe
9 we should. It seems to me that's up to the people that live
10 along the shore. If we are, however, following consistently
11 the A. G.'s opinion, we would under the circumstances ask
12 our staff to go down and attempt a valuation and make a real
13 protest on our behalf. I am doubtful about going that far.

14 SENATOR HOLLISTER: Would there be any reason for pro-
15 testing unless you have a value there? There would be no
16 reason to protest.

17 MR. KIRKWOOD: Well, the citizens would go in and
18 protest the value.

19 SENATOR HOLLISTER: The only thing that bothers me in
20 the whole thing has nothing to do with Santa Barbara. If
21 every city on the coast went out and annexed tidelands off-
22 shore and could interfere with drilling for oil, there a lot
23 of small places that could incorporate for just that purpose.
24 I know some of the other members of the Legislature are
25 worried about this. They do not care about Santa Barbara.
26 They don't come from there and do not care, but they have

1 worried about what would happen to the whole coast line as
2 these cities annexed. I think you could get in some real
3 trouble statewide. The water plan is depending on this
4 royalty. I am just wondering if the State Lands Commission
5 wouldn't -- that would come under their jurisdiction in
6 any city. They can all do it. I have heard there is one
7 other started already. I haven't heard it corroborated.

8 MR. SHAVELSON: May I make a comment?

9 MR. PEIRCE: Yes.

10 MR. SHAVELSON: As I read the act, I think determination
11 has to be made as to whether or not to file a protest. I
12 don't quite know what the effect will be of filing a pro-
13 test as to the annexation of certain lands and not as to
14 others. I believe that we have to look at the annexation
15 as a whole and either protest or not, as a whole. Certainly
16 that would be a basis -- that might be a basis for protesting
17 against the whole. I believe the protest if filed would
18 be to the whole annexation necessarily, as I read the act.

19 This might raise the question as to whether or not
20 the citizens, or whoever wanted to raise the question on
21 valuation, would have to exclude the value of the terri-
22 tory directly fronting the city. Would that be the intent
23 of such a resolution -- to exclude that value from the
24 computation?

25 MR. KIRKWOOD: I think that would necessarily follow.

26 MR. POWERS: You are just thinking of seaward from

1 the Santa Barbara limits? We have nothing to do with that.

2 MR. KIRKWOOD: We do.

3 MR. POWERS: We have nothing to do with that.

4 MR. KIRKWOOD: I wouldn't want to protest it.

5 MR. HOLLISTER: The only reason I am suggesting that
6 the cities could go off shore a mile and do exactly what
7 they wanted without this taking in of the whole area in
8 both directions -- I just wondered if they wouldn't have
9 another annexation proceeding that would not be

10 MR. PEIRCE: In other words, another corridor?

11 MR. HOLLISTER: They don't have to take the whole thing
12 in. They do not have to bother the beaches there. They
13 could have gone off a quarter mile and had the same thing.
14 I just wondered why they took the whole area and that's
15 what made me fearful of the whole business, which taxwise
16 I think is important.

17 MR. PEIRCE: Any further discussion? Yes, Mr. Sexton.

18 MR. SEXTON: If you do protest and don't appear, how
19 are we, as representative landholders there, not having an
20 interest in the tidelands, going to appear before the Council
21 and be able to establish any values or do anything any more
22 than talk? We would have no authority. Legally, we have
23 no possibility for us to oppose this. That's why we have
24 taken the stand of coming here -- that it is kind of a split
25 deal. We are doing it for one thing and asking you to look
26 at it from another standpoint. We just lack authority. We

1 are having our skirts trimmed off and don't have anything
2 much to say about it.

3 MR. POWERS: That's right, too.

4 MR. PEIRCE: Our position is to take whatever action
5 is deemed necessary in our judgment to protect the State's
6 interests.

7 MR. SEXTON: That's right.

8 MR. PEIRCE: And under the law I do not believe that
9 we have any responsibility with regard to protecting the
10 interests of the land owners on shore. That is your
11 responsibility; with regard to how you protect yourselves,
12 that is something upon which we cannot pass.

13 MR. KIRKWOOD: They can't protect themselves unless we
14 protest. That's the catch.

15 MR. PEIRCE: We are not protesting in their behalf.
16 We are protesting in behalf of the State.

17 MR. KIRKWOOD: Well, are we?

18 MR. HOLLISTER: I think you are -- at least that's my
19 position and it has been my only position up to now.

20 MR. POWERS: There's a gentleman

21 MR. PEIRCE: Yes, Mr. Duncan.

22 MR. DUNCAN: I wish the Commission to fully understand
23 that while we are appearing as Oren says, and I have said,
24 because we have no other place to turn, we would not expect
25 you -- you are not a court of last resort to speak for us.
26 You are not appointed for that, but we realized that our only

1 recourse was to go to the Commission which did have juris-
2 dictions over this land; and it seems to me that it has
3 been amply demonstrated that no matter what eventuates,
4 if this annexation takes place it will adversely affect
5 this Commission's jurisdiction of State lands. Now, it is
6 true I am from Summerland and he is from Hope Ranch, but
7 we are citizens of California and when a set aside group,
8 a municipality separate from us, acquires rights which all
9 of us, rightly or wrongly, assume are inherent -- that is,
10 our riparian rights in front of our properties -- it does
11 seem to us that you are involved in an effort to protect
12 us whether you wish or not, so long as your particular
13 field is invaded. Now, we have been discussing oil. Am
14 I right in assuming that your Commission also has something
15 to do with harbors? Do you?

16 MR. PUTNAM: Yes, we have.

17 MR. DUNCAN: I would like to point out -- it is collateral
18 to this matter -- there has been discussion that has never
19 come to a given conclusion, as to the possibility or desir-
20 ability of a harbor at Goleta. I would think the resolution
21 of the City Council with respect to this particular annexa-
22 tion should be plain enough as to what might possibly happen,
23 what opposition there might be, if you found it feasible
24 to put a harbor in Goleta, because their very resolution,
25 here is the wording in it: that they are the only safe
26 harbor in this area and that it is necessary for them to

1 give constant protection to the small craft venturing
2 forth through that harbor as it proceeds up and down this
3 oil sanctuary, which extends to Goleta; and that they intend
4 to apply regulations to the surface of those navigable
5 waters as regards these small craft.

6 That is one of the things that has been mentioned as
7 being one of those things that doesn't have to be spelled
8 out or shouldn't possibly be spelled out. At any rate, it
9 should be apparent in the exercise of your duties towards
10 harbors, that you might well, as you can imagine, that you
11 might find yourselves involved with city regulations and
12 with city regulations in front of Goleta. Goleta, if it
13 did incorporate, or if it didn't, would be in no position
14 to have a good harbor there. That would seem to be only
15 common sense. So from the long view, again I refer to the
16 silly little map I drew, if you don't protest this annexa-
17 tion, later they can get annexation directly offshore. If
18 you do not stop this, I just do not see how it will be pos-
19 sible to prevent a score of these.

20 Why should not Lompoc come out and annex their areas
21 there? You have no leases there, you could not put a
22 value on it. You would have the same definition -- areas
23 without a certain value. They don't become of a certain
24 value until they or adjacent territory is bid on and estab-
25 lishes a certain value. There is no reason whatever to
26 believe that if this annexation takes place you won't have

1 Lompoc and Santa Maria coming out and spreading each way.
2 It's just human nature that they would do that.

3 MR. PEIRCE: If we approve your recommendation,
4 Colonel, is it possible that the matter will have to be
5 resolved in all probability by the courts?

6 MR. PUTNAM: I would think if we got into too much of
7 a dispute as to valuations with the City Council it would
8 have to be resolved by the courts.

9 MR. PEIRCE: What do you think, Mr. Shavelson?

10 MR. SHAVELSON: I agree with the Colonel's statement.
11 Certainly, as you brought out before, it is up to the City
12 Council to make this valuation and should they make a
13 determination with which we did not agree, we would be in
14 the courts. They might have a motivation for doing so.

15 MR. PEIRCE: It is not easy to make this decision.

16 MAYOR RICKARD: Mr. Chairman?

17 MR. PEIRCE: Mayor Rickard.

18 MAYOR RICKARD: May I make a comment on procedure?
19 I believe the law states that the owner of public lands
20 has a right to file a protest with the City Council. The
21 law is cited: "The owner of public land shall either submit
22 evidence of the value of his land...." I don't know
23 whether the Commission believes at the moment that their
24 protest must include the valuation. You might ask your
25 Attorney General whether the law includes

26 MR. PEIRCE: Mr. Shavelson?

1 MR. SHAVELSON: I am glad that has been brought out.
2 There is an unfortunate statement in the first part of our
3 opinion. The actual wording was a little hasty. We didn't
4 mean to state that the State is not qualified to file a
5 protest unless it owns half of the property. The protest
6 is effective only if the State alone or in conjunction with
7 others has more than half of the property. The valuation
8 has nothing to do with the ability to file a protest.

9 SENATOR HOLLISTER: What he means -- if he files a
10 protest without a valuation, it is just academic.

11 MR. SHAVELSON: No, I don't believe it is up to the
12 State Lands Commission at all to consider the question of
13 valuation except as a practical matter in predicting whether
14 or not its valuation is going to be affected. In other
15 words, I think the act says the City Council is to determine
16 valuation and that there is no necessity of the State Lands
17 Commission making any final determination about that.

18 SENATOR HOLLISTER: I am more confused than I was
19 before. Then what is the point?

20 MR. KIRKWOOD: When is the hearing of the City Council?

21 MR. SHAVELSON: The 23rd.

22 SENATOR HOLLISTER: What is the point of putting on a
23 valuation if there is no good -- in other words, the City
24 Council is the only one that can put a valuation on State-
25 owned property.

26 MR. SHAVELSON: No sir. I believe the City Council's

1 evaluation must be based on substantial evidence and will
2 be passed on by a court, giving considerable deference to
3 the city's findings but it nevertheless would have to be
4 a reasonable finding.

5 MR. KIRKWOOD: Where there is uninhabited area that is
6 taken this way, does there have to be a base on shore?
7 This isn't an ordinary strip annexation. You don't have
8 that problem to have that much on shore. Would there be
9 anything to prevent them from going south or east, or whatever
10 it is, another ten miles?

11 MR. SHAVELSON: No sir, it has to be contiguous.

12 MR. KIRKWOOD: It has to be contiguous but is not one
13 of those situations where you have to reach out and have a
14 certain area at the end of annexation?

15 MR. KIRKWOOD: No sir, having the airport

16 MR. SHAVELSON: If the airport weren't here they could
17 still

18 MR. SHAVELSON: That's right.

19 MR. POWERS: I think we will have to protect the State,
20 so I make the motion that we accept the recommendation.

21 MR. PEIRCE: Governor Powers has moved that the recom-
22 mendation of the staff be approved.

23 MR. KIRKWOOD: Well, I am inclined to think with the
24 A. G.'s opinion that we don't have much discretion as to
25 what to do. I will second.

26 MR. PEIRCE: Motion has been seconded by Mr. Kirkwood.

1 Is there any further discussion? The recommendation is
2 approved.

3 MR. SHAVELSON: May I?

4 MR. PEIRCE: Mr. Shavelson.

5 MR. SHAVELSON: Do I understand, then, that this protest
6 will be by the State of only all of the lands within the
7 area to be annexed which are under the jurisdiction of the
8 Lands Commission? Is that correct?

9 MR. KIRKWOOD: That's my understanding. You say we
10 have no choice.

11 MR. SHAVELSON: What I meant to say, that the protest
12 would have to be to the entire annexation. Perhaps the
13 State may well segregate its interests and protest to the
14 entire annexation but only as owner of certain areas. For
15 example, only of those areas that are not fronting the
16 city. That may be a possibility. That was all I meant to
17 say, but the protest has to be to the entire annexation.

18 MR. PUTNAM: That was the recommendation.

19 MR. PEIRCE: All right.

20 MR. PUTNAM: We have a few land problems here. Not
21 problems

22
23 (continued on page 83 -

24 Page 82 completes portion
25 re Santa Barbara Annexation)
26

1 MR. PUTNAM: Page 3 is standard - a standard sale.

2 MR. PEIRCE: Any questions on Page 3, gentlemen? Page
3 3 is a standard recommendation. Is it O.K.

4 MR. KIRKWOOD: Yes, I guess so.

5 MR. PEIRCE: All right. The recommendation on page 3
6 is approved. Page 4?

7 MR. PUTNAM: Page 4 -- the only difference there is
8 that the applicant don't want to pay \$9.25 an acre -- all
9 he wants to pay is \$8 an acre and he was given an opportunity
10 to appear. So, what's the recommendation, Ken?

11 MR. SMITH: Recommendation is that the extensions here-
12 tofore granted to May 13, 1957, during which the applicant
13 is allowed to meet the appraised value of the land, be
14 confirmed; and, further, that the Commission determine that
15 it is to the advantage of the State to select the land;
16 that the Commission find the said land is not suitable for
17 cultivation; that the Commission approve the selection and
18 authorize the sale to James K. Stonier, the applicant, at
19 \$5,407.93, subject to all statutory reservations including
20 minerals. In the event the applicant does not meet the
21 appraised value, it is recommended that the Commission
22 determine that it is to the advantage of the State to select
23 the land and approve the selection, and authorize the sale
24 thereof pursuant to the rules and regulations governing the
25 sale of vacant state school land on the conveyance of the
26 land to the State by the Federal Government.

1 MR. PUTNAM: Boiled down, if the guy doesn't put up
2 his \$1.25 per acre by this evening

3 MR. SMITH: That's about it.

4 MR. PUTNAM: If this approved, why the State would
5 select and he would have a chance to I might point
6 out Calendar Item 13, Page 13. There is a sale of identical
7 land at \$10 an acre and those lands are contiguous and adjoin
8 the lands in the particular application we are discussing,
9 and the applicant has put up the total appraised price of
10 \$10.

11 MR. PEIRCE: The point is you are not going to sell
12 this land for less than appraised value?

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

14 MR. PEIRCE: Bob? MR. KIRKWOOD: Yes.

15 MR. PEIRCE: The recommendation is approved.

16 MR. PUTNAM: There's a bunch of them coming up here --
17 all standard -- two batches of them. No dispute, no trouble.

18 MR. PEIRCE: Any questions concerning them? If not,
19 they will stand approved.

20 MR. PUTNAM: Now turn to Page 15. Just read the
21 recommendation.

22 MR. SMITH: It is a request for withdrawal of vacant
23 school land in view of a right of way granted and not
24 identified (?). Under the Public Resources Code we must
25 reserve the areas embraced in rights of way and it is to tie
26 this down specifically. It is recommended

1 MR. KIRKWOOD: Move the recommendation.

2 MR. PEIRCE: O.K.? MR. POWERS: Yes.

3 MR. PEIRCE: Recommendation approved.

4 MR. PUTNAM: Anything special about this Knight
5 application?

6 MR. SMITH: Yes, that's a conflict with the Bureau of
7 Reclamation.

8 MR. PUTNAM: Oh, that's where the Bureau want to
9 move in. Just read the explanation.

10 MR. SMITH: It is recommended that the Commission
11 reject the application of Knight to purchase the 80 acres
12 in Glenn County and authorize refund of deposits except the
13 \$5 filing fee which was earned at the time the application
14 was filed. It is further recommended that the Commission
15 withdraw said lands from public sale until December 31, 1958
16 and authorize the executive officer to undertake negotiations
17 with the appropriate Federal agency to work out an exchange
18 of the land for other vacant Federal lands.

19 MR. PUTNAM: That's that little piece of land at the
20 upper end of a lake.

21 MR. SMITH: A partly submerged dam site.

22 MR. PEIRCE: Any recommendation?

23 MR. KIRKWOOD: M-m-mh.

24 MR. PEIRCE: Recommendation is approved.

25 MR. HORTIG: Page 17. The Commission previously
26 authorized the termination of a small commercial lease for

1 small craft berthing, but we did not include in the recom-
2 mendation specific date of termination. In order to clear
3 accounting records we need to add "June 13, 1956."

4 MR. KIRKWOOD: Moved.

5 MR. PEIRCE: Correction is approved.

6 MR. HORTIG: Page 18, Calendar Item 5. The Commission
7 heretofore is authorized in their statutory reservation for
8 an exchange of lands adjoining the Corte Madera Canal.
9 There are two conditions of performance in connection with
10 that exchange which the Commission must approve.

11 The first recommendation appears on Page 18. It is
12 recommended that the executive officer be authorized to
13 consent to the deed of Schultz Construction Co. to the State
14 of California of the property that is to be conveyed to the
15 State. At the top of Page 20, it is further recommended
16 that in exchange for the land above described and the payment
17 of \$2860, which has been received, for value in excess of
18 the value of the lands to be conveyed by Schultz, issuance
19 of a patent to Schultz Construction Co. be approved; and
20 on the lower portion of Page 24, as a condition of this
21 exchange, wherein a portion of former Corte Madera canal
22 has been deeded to Schultz Construction Co., they have dredged
23 a new channel and will convey the title to the new channel
24 in lieu of the old. It is recommended that the executive
25 officer be authorized to accept the exchange of the new
26 channel.

1 MR. PEIRCE: Any objections?

2 MR. PUTNAM: This is in accordance with the statutory
3 specifications.

4 MR. KIRKWOOD: Moved. MR. POWERS: Second.

5 MR. PEIRCE: Recommendations are approved.

6 MR. HORTIG: Crescent City.

7 MR. PUTNAM: This is another long deal.

8 MR. PEIRCE: Any controversy?

9 MR. PUTNAM: Not a bit. It has been through the
10 Attorney General's office in San Francisco for several years
11 and it's just authorization of the exchange of lands.

12 MR. KIRKWOOD: Move it

13 MR. POWERS: Seconded.

14 MR. PEIRCE: Moved and seconded. The recommendation
15 is approved.

16 MR. HORTIG: Page 28. A tideland survey has been
17 re-surveyed by the State Lands Division and it is recommended
18 the executive officer be authorized to approve the re-survey
19 and amended description and have it recorded in accordance
20 with standard procedure authorized by law.

21 MR. KIRKWOOD: M-m-mh. MR. POWERS: O.K.

22 MR. PEIRCE: Recommendation is approved.

23 MR. HORTIG: Audits contract -- Page 29. Do you want
24 to take that, Colonel?

25 MR. PUTNAM: The Commission will recall that in con-
26 nection with our Long Beach operations we have had a service

1 contract with the Division of Audits to bring us down to
2 an audit certain and also to resolve some of the problems
3 attendant on set-up of a regular accounting set-up in the
4 operation. The Audits Division has, out of force of necessity
5 and the tremendous scope of the project, run out of both time
6 and money, and it is recommended that the executive officer
7 be authorized to execute an amendment to the service contract
8 of the Division of Audits to increase the amount of the
9 contract to a total of \$15,000, which would be an increase
10 at this time of \$5000, which it is hoped will give sufficient
11 time to complete all phases of the operation desired.

12 MR. PEIRCE: Any discussion?

13 MR. KIRKWOOD: In the budget, do we have an audit
14 setup?

15 MR. HORTIG: Yes, we have an audit staff of two.

16 MR. KIRKWOOD: This is just the close-out.

17 MR. PUTNAM: This is just the close-out, that came
18 up behind us.

19 MR. PEIRCE: For this year. O. K., Butch?

20 MR. POWERS: Yes.

21 MR. PEIRCE: Recommendation approved.

22 MR. HORTIG: Once upon a time we had a right of way
23 issued for a pipe line in Imperial County and the corporation
24 who had the easement, the corporation was dissolved and
25 in order to get the title clouds off our lands we had to
26 get a quitclaim and we found a remaining surviving officer

1 who was willing to sign; and we are recommending the Com-
2 mission accept the quitclaim in order to clear title.

3 MESSRS. POWERS and KIRKWOOD: O.K.

4 MR. PEIRCE: Recommendation is approved. The others
5 are all routine transactions?

6 MR. PUTNAM: These are all little pesky things.

7 MR. PEIRCE: Any discussion? O.K. Butch?

8 MR. POWERS: M-m-mh.

9 MR. PEIRCE: Bob? MR. KIRKWOOD: M-m-mh.

10 MR. PEIRCE: All right. Recommendation approved.

11 MR. HORTIG:: If I may summarize, gentlemen, from 47 on
12 is the report on status of legislation other than the oil and
13 gas items already covered. At Page 78 is listed a number of
14 bills which had not heretofore been reported to the Commission
15 as probably affecting administrative cognizance and there-
16 fore it is recommended that the Commission authorize the
17 staff for the purpose of reporting facts and administrative
18 procedure relative thereto, in an identical manner in which
19 the Commission has authorized before.

20 MR. PEIRCE: Extends the list.

21 MR. HORTIG: Extends the list. I have one comment.

22 A.B. 2073, which appears on Page 67 is Assemblyman Brown's
23 bill which was discussed at length at the last Commission
24 meeting, which would require making meetings and records of
25 the State Lands Commission open to the public, Pursuant to
26 the State Lands Commission's directive, I consulted with

1 Assemblyman Brown and he agreed to and did amend his bill
2 as to open records. There is no reference to it in the bill
3 as it stands now.

4 MR. KIRKWOOD: What's happened on similar bills? Is
5 the provision going in?

6 MR. HORTIG: They are variable, depending upon whether
7 the particular agency discussed it ... several other agencies
8 have had the provision with respect to records removed from
9 their bills, I don't know exactly what others.

10 MR. KIRKWOOD: Haven't they incorporated in some of
11 these a provision that if the matter is one which by law
12 has to be kept confidential, that then the board can cover
13 it in executive session? Do we have any things that would
14 be affected by that, or don't we need that?

15 MR. HORTIG: No sir.

16)Off the record discussion(

17 MR. PEIRCE: Any further business? Mr. Shavelson.

18 MR. SHAVELSON: I don't want to delay everybody but I
19 would just like to say that it is my understanding on the
20 Santa Barbara resolution that the staff is authorized to
21 file a protest but is not authorized to bring evidence as
22 to value before the City Council?

23 MR. PUTNAM: No.

24 MR. KIRKWOOD: No, we approved the recommendation of
25 the staff. Regretfully, I might say.

26 MR. SHAVELSON: The right to protest

1 MR. PEIRCE: Will include the valuation figures.

2 *****

3 ADJOURNED AT 1:15 P. M.
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