

1 an additional precedence over other precedences that
2 already exist that might be difficult to overcome in the
3 future, inasmuch as the Deputy feels that some of the prior
4 values established, both by independent appraisers and by
5 Federal court, have been inadequate; however, we are faced
6 with the problem that we have had to relinquish other lands
7 to the Federal government on adjoining areas for the Hunters
8 Point Naval Shipyard at appraised prices for the street
9 areas identical with the appraisals herein contained in the
10 report of the independent appraiser. We also have other
11 independent appraisals and sales which have taken place on
12 the same--

13 MR. KIRKWOOD: How old are those, Frank?

14 MR. HORTIG: The appraisals?

15 MR. KIRKWOOD: Yes.

16 MR. HORTIG: Some of the comparative ones are a matter
17 of a year so so ago, and some back to '53, but they have all
18 been escalated in relation to increased market price and
19 confirm this appraisal herein, and since the Act provides
20 that this is to be conveyed or may be conveyed to the City
21 and County of San Francisco for general statewide interest,
22 including but not limited to public parking, the staff does
23 not feel that there^{is} any basis for any other recommendation
24 at this time other than that the Commission proceed with
25 the authorization for the sale.

26 CHAIRMAN MUGFORD: What would be the Attorney General's

1 office recommendation that we do, defer it?

2 MR. HORTIG: Debate it further, but the City and County
3 of San Francisco have additional commitments, they have
4 other contract commitments to meet. Funds have been appro-
5 priated to pay for these lands and at these appraisals and,
6 as I say, this is not--will not be the first precedent; it
7 is simply an additional precedent to precedents which are
8 already existing in connection with this type of property.

9 GOV. POWERS: This is all within the Hunters Point?

10 MR. HORTIG: It is within the Hunters Point reclamation
11 district.

12 GOV. POWERS: It has nothing to do with the shipyards?

13 MR. HORTIG: This is the Giants stadium parking lot.

14 CHAIRMAN MUGFORD: This is the parking lot for the
15 Giants stadium?

16 MR. HORTIG: Yes.

17 CHAIRMAN MUGFORD: I don't see where any other action
18 is possible.

19 GOV. POWERS: Some of this land lies under water?

20 MR. HORTIG: All of it.

21 GOV. POWERS: All of it is under water?

22 MR. HORTIG: All of it is under water today.

23 GOV. POWERS: This is where Charlie Harney is going to
24 have his industrial subdivision?

25 MR. HORTIG: No, this is strictly for a parking lot
26 for the Giants stadium, the area we have under discussion

1 here.

2 GOV. POWERS: I thought the City of San Francisco
3 then in turn was trading it. I understood under our first
4 application last spring they were to trade with Harney's
5 Construction Company.

6 MR. HORTIG: Yes, sir.

7 GOV. POWERS: Which we couldn't do.

8 MR. HORTIG: Yes. Now the Legislature has authorized
9 us to sell to the City and County of San Francisco.

10 GOV. POWERS: We will sell it to the City of San
11 Francisco and they in turn will trade it to an individual?

12 MR. HORTIG: Not to an individual. Procedure has been
13 established for conveying all of the assets in connection
14 with this operation to a non-profit corporation, who will
15 operate the stadium and the parking lot for a specified
16 period of years, until the bonded indebtedness is retired,
17 and thereafter the proceeds, the profits, the revenues,
18 will go to the City and County of San Francisco.

19 GOV. POWERS: This is the Chavez Ravine of San
20 Francisco.

21 CHAIRMAN MUGFORD: What is your pleasure, gentlemen?

22 GOV. POWERS: I can't understand the Attorney General's
23 comment on it.

24 MR. HORTIG: Our difficulty has been, Governor, and I
25 might amplify a little bit on it, that the court decisions
26 have been, in connection with conveyance of underwater

1 streets, inasmuch as these areas had had imposed a street
2 easement and the State could never use them for anything
3 else, that such areas are worth one dollar. The major
4 portion of this appraisal results from the area of the
5 former 200-foot-wide right of way reserved for railroad
6 purposes, which was not used, which the State does own in
7 fee, and which has no restrictions as this street restriction
8 on it.

9 GOV. POWERS: Actually it isn't of any value at all
10 until they fill it in?

11 MR. HORTIG: No, sir.

12 GOV. POWERS: I think it is all right.

13 MR. HORTIG: And whenever it is brought to the surface
14 it has a street easement on it.

15 GOV. POWERS: The State has never done anything with
16 it, that is for sure.

17 MR. HORTIG: The areas were conveyed and the street
18 easements set up in 1870, so you see they haven't done any-
19 thing.

20 GOV. POWERS: I so move approval.

21 MR. KIRKWOOD: Seconded.

22 CHAIRMAN MUGFORD: It has been moved and seconded and
23 so unanimously adopted.

24 MR. HORTIG: Page 59. Presented briefly in summary,
25 the Commission has two gas leases in the River Island Gas
26 Field covering portions of the Sacramento River and certain

1 other sloughs tributary thereto, and a portion of the
2 Makelumne River, it is the desire of the lessee currently
3 to incorporate a portion of the area under those leases in
4 a unit agreement under which unit agreement a deep test well
5 would be drilled. Under the proposed agreement approximately
6 66 acres of State land would be operated in conjunction with
7 564 acres of lands owned by lessees other than the State.
8 Royalties payable to the State would be in a proportion that
9 the State lands bear to the total unit area, and the royalty
10 rates would be exactly as set out in the original lease
11 agreements. There are two other unit agreements of this
12 same type, involving portions of the lands in the same
13 leases that the Commission has approved heretofore.

14 MR. KIRKWOOD: Move approval.

15 MR. HORTIG: It is recommended this unit agreement be
16 approved.

17 GOV. POWERS: I will second it. Did you move?

18 CHAIRMAN MUGFORD: Yes.

19 GOV. POWERS: I will second it.

20 CHAIRMAN MUGFORD: It has been moved and seconded, and
21 unanimously adopted.

22 MR. HORTIG: We have covered everything else, but if
23 I may suggest, inasmuch as it is now time to raise the
24 question of a determination of the date of the next meeting,
25 in view of the directive for review of the bids on Parcel "B"
26 and arrival at conclusions therefrom, it would be desirable

1 to postpone the setting of the date for the next meeting
2 until the staff can inform you gentlemen as to the necessity
3 for such date.

4 CHAIRMAN MUGFORD: Agreed, gentlemen?

5 MR. KIRKWOOD: Yes.

6 GOV. POWERS: I think that is all right.

7 CHAIRMAN MUGFORD: Very well. There is no further
8 business to come before the Commission?

9 MR. HORTIG: No, sir.

10 CHAIRMAN MUGFORD: The meeting is adjourned.
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REPORTER'S CERTIFICATE

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3 I hereby certify that the foregoing record is a full,
4 true and correct transcription of my shorthand notes taken
5 as official reporter of the meeting of the State Lands
6 Commission held on July 25, 1958, at Los Angeles, California.

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Shorthand Reporter