

1 completely out of line with the actual appraised values of
2 the land and, therefore, would be in a position of not
3 adhering to the Commission's regulation that the minimum
4 price specified will be the current appraised value of the
5 land.

6 MR. WIRSING: May I comment on that, Mr. Chairman?
7 I think this is just a point and I pose it in the form of a
8 question and as possibly the reasonable reason. Gentlemen,
9 you can appreciate the reason for the increase in the valua-
10 tion of the lands is Senator Shaw's past activities. In
11 other words, they may have been the stimuli that has caused
12 the increase.

13 MR. LEVIT: I don't think that has anything to do
14 with it.

15 MR. WIRSING: I merely pose it as a question.

16 MR. LEVIT: Well, the thing that bothers me about
17 this -- I am very fond of Senator Shaw, both in his pro-
18 fessional capacity, his public capacity, and personally;
19 but since I have been on the Commission these things have
20 always come up from the Senator as a last-minute matter.
21 I mean the Commission never has a chance to get on balance
22 on any of these things. It is always the very eleventh
23 hour that we are suddenly told that something has developed,
24 that we have to do something right away quick -- which is
25 not normal procedure and I don't think this is fair to the
26 Senator and I don't think it is fair to the Commission. I

1 am sure that we have no desire to take advantage of the
2 Senator or anyone else and we want to lean over backwards to
3 be perfectly fair.

4 MR. WIRSING: This is a difficult decision -- but I
5 mean, would a medical report be of any help or assistance --
6 the only proof I can give you?

7 MR. LEVIT: If we put this over for thirty days, then
8 in view of what Mr. Horig has said it seems to me that we
9 would probably have to go to a reappraisal on the matter
10 before we could proceed any further.

11 MR. WIRSING: My only concern

12 MR. LEVIT: I don't think it is a matter of the
13 medical report at all. I think we want to be perfectly
14 reasonable about it, whether the Senator is ill or not. He
15 hasn't been ill the last two times this came to my attention.

16 MR. WIRSING: I don't know the circumstances of the
17 previous postponements or delays, Mr. Chairman, but I can
18 assure you with all the vigor that I can muster that in view
19 of legislation and bills he is carrying, that he would not
20 absent himself from the Senate without good and serious
21 cause.

22 MR. LEVIT: That is not involved at all. Nobody ques-
23 tions that, but there is a question as to how long we can
24 keep these items open. That's the real question, and each
25 time I have talked to the Senator about it -- and it's only
26 been when he has made a formal request for extension -- it

1 has always been "This is it. This is going to be settled
2 by the time this extension is over."

3 What would be the normal procedure if we have to make
4 a new appraisal or decide to make a new appraisal on this?
5 That would change the amount of the deposit possibly, would-
6 n't it?

7 MR. HORTIG: That is correct.

8 MR. LEVIT: Is there anything to stop us from going
9 ahead with a new appraisal if we decide to do it?

10 MR. HORTIG: No sir. Are there any second applica-
11 tions pending?

12 MR. SMITH: There are not.

13 MR. HORTIG: There are not, so we can go ahead with
14 the appraisal.

15 MR. LEVIT: Who pays for the appraisal?

16 MR. HORTIG: Senator Shaw.

17 MR. CRANSTON: When was this last appraised?

18 MR. HORTIG: Nine months ago.

19 MR. CRANSTON: How long does it take to make a new
20 appraisal?

21 MR. HORTIG: It is anticipated that complete review
22 appraisal would be in the hands of the Commission within
23 sixty days.

24 MR. LEVIT: If a new appraisal is made.

25 MR. CRANSTON: Has the policy normally been to re-
26 appraise after six months?

1 MR. HORTIG: Yes.

2 MR. CRANSTON: Last time we made an extension this was
3 different from normal procedure?

4 MR. HORTIG: First time was for a modest time, which
5 was going to complete the thing; then it was followed by
6 one or two others. Well, this is the final one, and we
7 are in an almost borderline kind of trap. This time --
8 that is why I have a report before me -- this is the time we
9 have to take the step.

10 MR. CRANSTON: How many extensions have been granted
11 since the six-month period expired?

12 MR. HORTIG: Do you know offhand, Ken?

13 MR. SMITH: I don't recall offhand. The original
14 notice was given Mr. Shaw on November 5th.

15 MR. CRANSTON: Original notice of what?

16 MR. SMITH: Original notice to meet the appraised
17 value of all of the lands in the application including
18 approximately 20,000 thousand acres.

19 MR. LEVIT: That is five months.

20 MR. SMITH: And normally twenty days are allowed to
21 applicants after receipt of notice and it has been extended
22 since that time up to this time.

23 MR. CRANSTON: You don't have the dates of the other
24 extensions?

25 MR. HORTIG: Yes, we have it here. During what would
26 have been the normal twenty-day period or starting with the

1 normal twenty-day period, after November 3rd the applicant
2 requested and was granted three extensions

3 MR. CRANSTON: When?

4 MR. HORTIG: One of thirty-one days, the second ...

5 MR. CRANSTON: What dates were these?

6 MR. SMITH: That would be twenty days after the date
7 of November 3rd ...

8 MR. HORTIG: November 23rd...

9 MR. SMITH: ... then thirty-one days after that.

10 MR. LEVIT: That would be about December 25th.

11 MR. CRANSTON: But the extension was granted on what
12 date?

13 MR. SMITH: It would be prior to the expiration of the
14 first thirty-one day period.

15 MR. CRANSTON: Prior to December 23rd?

16 MR. HORTIG: Second one of fifteen days and a third
17 one twelve days; and here we have a takeoff point -- the
18 Commission by resolution of February 24th confirmed the
19 prior extensions of time to February 24th and then author-
20 ized the further extension to March 6th, subsequently author-
21 ized a further final extension of time until five p.m. April
22 19th, and then by letter to the staff authorized a further
23 final extension to April 30th.

24 MR. LEVIT: That was the one I granted.

25 MR. HORTIG: That you authorized and the other Com-
26 missioners also requested.

1 MR. LEVIT: That's right, yes. Well, it is true we
2 can't get away from the fact that the Senator is ill. Would
3 you suppose that if we -- and I am not attempting to speak
4 for the Commission on this -- that if we granted an additional
5 ten-day extension that the Senator would understand that this
6 is final and that unless he acted, why, the time would defin-
7 itely expire?

8 MR. WIRSING: I am sure that would be greatly appre-
9 ciated, Mr. Chairman.

10 MR. LEVIT: I'd be inclined to go along ...

11 GOV. ANDERSON: For ten days?

12 MR. LEVIT: ... We are over six months anyway and in
13 view of the illness it seems to me ten days won't make any
14 difference.

15 MR. HORTIG: Under those circumstances, may I recom-
16 mend for approval of the Commission the establishmen^t at
17 this time of item (c)?

18 MR. LEVIT: We are not talking about anything except
19 item (b).

20 MR. HORTIG: No. Item (c) is still hanging.

21 MR. CRANSTON: No. We approved that.

22 MR. HORTIG: You have approved it?

23 MR. LEVIT: Yes, we are talking about item (b) only.

24 MR. HORTIG: I wanted to be sure. We would need it to
25 process item (b).

26 MR. CRANSTON: I move.

1 GOV. ANDERSON: Second.

2 MR. WIRSING: Thank you very much.

3 MR. LEVIT: You don't have any objection to going
4 ahead with item (a)? The deposits are all up. We have
5 accepted the bid. That hasn't been acted upon.

6 MR. CRANSTON: Move the approval of that item.

7 GOV. ANDERSON: Second that. You are not asking for
8 an extension of item (a).

9 (Recess 11:15-11:25 a.m.)

10 (Mr. Levit left the meeting and Gov. Anderson
11 took over as Chairman)

12 GOV. ANDERSON: The meeting will reconvene and just so
13 we know where we are, then, it is my understanding that
14 under item 7 we approved now item (a); we gave an extension
15 of ten days on item (b); and we adopted the policy of item
16 (c). Is this right? So this brings us, then, up to item
17 (d) -- the Henri A. Camin purchase. I imagine the policy
18 is just to go through these. If there is no objection we
19 will go right down.

20 MR. HORTIG: The tabulation of the items is for vacant
21 State school lands, are all equal to or in excess of the
22 appraised value of the land.

23 GOV. ANDERSON: These would be item (e) - J. D. Rippy;
24 item (f) Harry A. Forest; item (g) Elvin Gene Streeter; item
25 (h) Lionel Levinson; item (i) Ralph C. Dills; (j) Frank
26 Wuscher; (k) Ruth M. Blender.

1 Do you want to make any further comments on any of
2 these?

3 MR. HORTIG: There are no objections.

4 GOV. ANDERSON: If there is no objection, then, do
5 you want to make a motion?

6 MR. CRANSTON: Approve.

7 GOV. ANDERSON: It has been moved and seconded --
8 no objection.

9 Item 8 is approval of sale of vacant Federal lands in
10 accordance with State Lands Commission regulations. Do you
11 want to comment on this?

12 MR. HORTIG: In both item (a) and (b) relating to 240
13 acres in San Bernardino County and 80 acres in Mariposa
14 County, applications were filed with the United States De-
15 partment of the Interior to have these lands transferred to
16 the State, ultimately to be sold to the original applicant.
17 In each instance, after appraisal and it was determined how
18 much the lands were worth, the applicants withdrew. It is
19 recommended that the Lands Division proceed with the process-
20 ing of the applications, place them on the land list, and
21 advertise them for sale for the advantage of the State.

22 GOV. ANDERSON: So ordered?

23 MR. CRANSTON: Yes.

24 GOV. ANDERSON: So ordered. Sale of vacant swamp and
25 overflowed lands - item 9.

26 MR. HORTIG: Swamp and overflowed lands are sold under

1 the same rules and regulations pertaining to public competi-
2 tive bidding as are used with reference to the sale of vacant
3 State school land. The two parcels proposed to be sold to
4 Kenneth D. Fobes -- as is obvious from the tabulation, the
5 bid received was equal to the appraised value in each in-
6 stance and it is recommended that the parcels of land be
7 sold subject to all statutory reservations including minerals.

8 GOV. ANDERSON: I notice going through several of these
9 that there was only one bid. Now, is there any reason for
10 this -- any comment you might make?

11 MR. HORTIG: They have been advertised under the stand-
12 ard procedures in newspapers of general circulation in the
13 county in which the lands are located -- the same maximum
14 circulation newspapers which are used for all our advertis-
15 ing. People who are interested in acquiring State lands fol-
16 low these things regularly and in these instances we devel-
17 oped interest only on the part of the original applicant and
18 no other competitive bids were developed as a result of the
19 advertising.

20 GOV. ANDERSON: Do you move item 9?

21 MR. CRANSTON: Yes.

22 GOV. ANDERSON: So ordered. Item 10 -- approval of
23 map of grant to the City of Vallejo, vicinity of Mare Island,
24 pursuant to Chapter 483, Statutes 1947.

25 MR. HORTIG: Proposed approval of the grant map, of
26 the type which I discussed with Senator Dolwig this morning.

1 In this instance the Statutes of 1947, amended '57, required
2 a survey of the granted lands at the cost of the grantee.
3 The map has been completed and it is desired that it be
4 approved for filing and recordation in order to complete the
5 transaction.

6 GOV. ANDERSON: Do you move the authorization?

7 MR. CRANSTON: Yes.

8 GOV. ANDERSON: Moved and seconded.

9 MR. HORTIG: Item 11, Governor, if I may -- the staff
10 request deferment of consideration. This was another map...
11 In this case to the City of Sausalito; but on rereview of
12 the calendar item it appears that possibly a recheck should
13 be made. In any event, the time of filing is not critical
14 and, therefore, we propose deferring item 11, which appears
15 as Calendar Item 19 on page 56.

16 GOV. ANDERSON: You are withdrawing this for action
17 at this time?

18 MR. HORTIG: That's right.

19 GOV. ANDERSON: All right. There is a recommendation
20 that they withdraw item 11 at this time. If there is no
21 objection we will so withdraw item

22 MR. KREFT: Item 11.

23 GOV. ANDERSON: Item 11 -- too many numbers. Item 12.

24 MR. HORTIG: The Division has heretofore completed maps
25 of survey of the mean low water line and the ordinary low
26 water mark along Carquinez Strait and Mare Island Strait in

1 Solano County to determine the waterward boundary of private
2 ownership along the shore, where we have had to determine
3 these boundaries to determine what areas are leasable by the
4 State; and it is recommended that the Commission approve the
5 maps for recordation in the county where they are located.

6 MR. CRANSTON: So move.

7 GOV. ANDERSON: If there is no objection, so ordered.
8 Item 13.

9 MR. HORTIG: Item 13, page 58, is somewhat unique.
10 The City of Long Beach has requested the concurrence of the
11 office of the Attorney General with respect to a boundary
12 agreement as between the City of Long Beach and private up-
13 land owners of the easterly portion of the downtown area of
14 Long Beach in settlement of litigation. It is strictly a
15 legal question and the Attorney General's office has deter-
16 mined that they will inform the City of Long Beach that they
17 see no legal objections; however in view of the fact that the
18 Attorney General's office is the counsel to the Lands Commis-
19 sion in connection with this matter, the Attorney General's
20 office did not desire to inform the City of Long Beach on
21 the legal question until they had first informed the Lands
22 Commission of their intent to so do.

23 Therefore, this is an informative report to the Commis-
24 sion, requires no action on the part of the Commission, and
25 subsequent to this information to the Commission the Attorney
26 General will correspond with the City of Long Beach, stating

1 no legal objection to the proposed settlement, compromise
2 settlement of the case of Long Beach Amusement Company vs.
3 the City of Long Beach, in view of the fact the boundary
4 lines therein proposed and the fiscal operations proposed
5 have been evaluated by the State Lands Division and recom-
6 mended to be satisfactory.

7 MR. CRANSTON: Just pass it over?

8 GOV. ANDERSON: Pass it over. Item 14, then.

9 MR. HORTIG: Item 14 is a report of status of major
10 litigation. As the Commission will recall, the Alamitos Bay
11 quitclaim litigation relates to a 2200-foot strip of tide
12 and submerged lands quitclaimed to the State of California
13 for park purposes, which probably should be developed for oil
14 and gas, but the City of Long Beach contends that in the
15 quitclaim they did not intend to give the State the oil and
16 gas. So this has had to be set for trial to get a judicial
17 determination, and the case has been set for June 10, this
18 year.

19 Orange County's suit for declaratory relief against the
20 State of California, claiming that all the tidelands in
21 Orange County were given to the county by a broad interpre-
22 tation of an act of the Legislature in 1919, remains in
23 court, with both sides taking depositions from various
24 individuals -- primarily a matter of perpetuation of testi-
25 mony for fear the people won't be around when their testimony
26 is needed because many of them are rather aged, because a

1 a lot of the problems will involve on what the intent was in
2 1919 and the people involved at that time who are still
3 around are all rather aged.

4 In the meantime, the opposition in Orange County con-
5 tinues to be an administrative problem to the State Lands
6 Division because in connection with the discovery procedures
7 now permitted in pretrial procedures, we are almost weekly
8 in receipt of voluminous requests for data. The last one,
9 we reported to the court, would involve 1,250,000 sheets of
10 paper in the State Lands file and this is the reason we
11 can't give an immediate reply. Whether this is for harass-
12 ment or whether it is necessary we give them some information
13 they should have, we don't know; but pretrial procedures,
14 which we understand from counsel were designed to expedite
15 litigation, turn out in this case to be one year of expedit-
16 ing before we even get started.

17 The third item -- complaint by one Mr. Carl Whitson --
18 is the second in a series of actions which Mr. Whitson has
19 brought. He first contended last fall that neither the State
20 nor the City of Long Beach were entitled to any revenues from
21 the tidelands, that the constitutionality of the Federal
22 quitclaim act was in question, and all the money should go
23 to the United States Treasury in Washington, D.C. The
24 Federal District Court dismissed that action, so Mr. Whitson
25 is taking this second action, stating that the State of Cali-
26 fornia is not entitled to any proceeds from the tidelands,

1 only the City of Long Beach is; and this was under submis-
2 sion with the court at the date of the preparation of this
3 calendar item and the court's indication to Mr. Whitson is
4 that his second action is being dismissed.

5 We await with interest whether he takes the third and
6 obvious step, which in the next case would have the State as
7 the only party entitled to the proceeds. He has had two,
8 so we think he will probably go to court and say the State
9 is entitled to everything.

10 GOV. ANDERSON: No action?

11 MR. HORTIG: No action.

12 GOV. ANDERSON: The next is item 15.

13 MR. HORTIG: ... which is a summary report which the
14 Commission can read at its leisure and is the status of
15 legislation possibly affecting the Commission's jurisdiction.
16 Ranging from S.B.233 to S.B.385 are those bills previously
17 authorized by the Commission, to be introduced as depart-
18 mental legislation and inclusive of A.B. 904 also, and of
19 which group six bills have now reached the Governor's desk.

20 GOV. ANDERSON: This completes the items on the
21 calendar. Is there anything further -- any further business
22 you want to bring up?

23 MR. HORTIG: Not to the knowledge of the staff.

24 MR. CRANSTON: Move that the rules and regulations re-
25 lating to lands sales procedure be calendared for the July
26 meeting.

GOV. ANDERSON: Second.

CERTIFICATE OF REPORTER

I, LOUISE H. LILLICO, reporter for the Division of Administrative Procedure, hereby certify that the foregoing eighty-two pages contain a full, true and correct transcript of the shorthand notes taken by me at the meeting of the State Lands Commission of the State of California at Sacramento, California on April 30, 1959.

Dated: Sacramento, California, May 2, 1959.

Louise H. Lillico