opportunity to make a presentation to the Commission opposing this project.

MR. SHAVELSON: Excuse me, Frank. I believe I talked to representatives of Long Beach and they are willing to make a representation to the Commission that they accept this resolution and they accept this principle of apportionment as to this specific project, and I would like before this is finished that that representation be made and it be shown in the minutes.

MR. HORTIG: Mr. Lingle is here, I assume, to make such representation, so I assume it may be appropriate ....

MR. CRANSTON: I believe there is some indication it may be appropriate to put this over to the next meeting.

GOV. ANDERSON: This would be my inclination -- that whenever there is a controversial issue, to hold it in the area where the controversy came up; and if you feel it would be best to hear it at the next meeting, I'd say let's do that.

MR. LINGLE: Of course you gentlemen are the judge of that. I am here only representing the City. We are anxious, obviously, to go ahead and we have been anxious for some time. If you do wish to put it over, I certainly have no control over you. I would urge you to go ahead with it now. We do have problems. As to the reference Mr. Shavelson made, if you do go ahead with it at this meeting, we discussed it and I am the representative that discussed it with him.

MR. CRANSTON: When did this first come before the City Council?

MR. LINGLE: Three years ago.

MR. CRANSTON: Has it been the subject of a number of meetings since that time?

MR. LINGLE: Yes sir. It's been ever since the Marina projects have gone on. It has been continuing on and on as one phase of the Marina construction, sir.

GOV. ANDERSON: Has there been a public hearing on this?

MR. LINGLE: I think at least three. I think there was one in '56 and Mr. Buehler knows better than I. I have not been present in the Council Chambers at those times. It's been my recollection there have been three.

GOV. ANDERSON: According to his letter, there has not been one. That's why I asked.

MR. LINGLE: Well, sir, maybe our interpretation of what a public hearing is - - maybe we are quibbling on terms. It has been at the Council meetings and there certainly has been newspaper publicity; and as I understood it, there were people there. I am prepared to represent to you that there have been three public hearings on it.

MR. CARR: Do we know how many people would want to be heard on this at the next meeting if we delayed it? How controversial is this? I know nothing about it. Is there anyone here that could give us more information as to whether there would be more people present if we held it in the south?

MR. BUEHLER: My name is Herb Buehler and I feel apt to recommend that you do put it over, so we can have a meeting

in the south. My coming here was a last-minute thing and the hearings and things spoken of -- the last hearing or whatever it might be called, Council action, was on September 22nd -- when the Council at that time passed a resolution to request, I believe, this apportionment of money from the State Lands Commission; and the only notice we had to local citizens was two days in the newspaper and the thing has been a very controversial item.

I am representing three different organizations in that area and one of my biggest questions was, if we could, to have this put over so we could have better representation and more time for a specific preparation of the problems that are involved.

MR. CARR: Would you name the organizations?

MR. BUEHLER: Naples Improvement Association (and I have been requested by John Trask, President, to represent him); Marina Improvement Association, which centers sort of in the Belmont Shore area; and the Alamitos North Bay Property Owners Association, who are made up of people along the bit of water in question, which goes along Second Street to the Marina Stadium -- which would be closed over if they closed the Appian Bridge.

MR. CARR: This has nothing to do with the Davies Bridge?

MR. BUEHLER: It does, because it theoretically would carry off some of the traffic from the Davies Bridge around

the Belmont Shore area and as far as our own considerations are concerned, it would put this traffic in a highly residential area which is already crowded, and it is a poorly designed project. I know that our case can be more adequately presented were we to have the right time, and in the area especially.

GOV. ANDERSON: It is the feeling, then, that the matter be put over to the next meeting of the Lands Commission?

MR. ZWEIBACK: Let me ask a question (I am sure the Commissioners would like to prevent an open hearing that might last two or three hours) -- if the people who object to this have had meetings, is there a transcript available of these meetings?

GOV. ANDERSON: My feeling is this -- that the groups concerned should have a spokesman and we should get through it in an hour.

MR. LINGLE: I'll dig and see what is available. I believe they are in the form of Council minutes. Mr. Buehler's statement that they have only known about the application, that is correct; but as far as the total engineering plan, that has been on for some time. Will the next meeting, then, be in Los Angeles?

GOV. ANDERSON: Los Angeles.

MR. CRANSTON: Los Angeles, the 29th.

MR. HORTIG: Before the Commission resolves finally on this action, may I point out to the Commission a possible additional desirable directive? The Commission's responsibility

in connection with this application is to approve a basis for tidelsand funds to the project. The dispute is on the project per se, as between the residents in the City of Long Beach and Long Beach administration.

I am wondering whether the Commission would care to indicate to those representatives here today that they might undertake to resolve the local dispute in the interim.

MR. LINGLE: I appreciate Mr. Buehler's position on the matter and it may be possible to get 100% agreement. I honestly doubt it. Our Council -- some feel one way, some the other way. Our Council is not usually a close majority, but I wouldn't think it would be very realistic to defer it until there is 100% agreement. I believe there probably will be feelings, as in any sort of public improvement which might make more noise.

MR. CARR: This is a low level bridge, is it not?

MR. LINGLE: Thirteen feet at high tide, eighteen feet at low tide.

MR. CARR: If you put a bridge across there, the beef comes from the people who would be precluded from using masts higher than that many feet at this upper end of the Bay?

MR. LINGLE: Sir, I don't think you can limit it. Their objection, I believe, is noise.

MR. CRANSTON: Traffic flow through a residential area.

MR. CARR: That's the nuisance.

MR. ZWEIBACK: I believe what Frank is trying to get

across here -- Is there a possibility of settling down in Long Beach the aspects of what might be a neighborhood squabble before sending to the Commission for allocation of funds?

MR. LINUM: In a direct question, I don't believe there is.

MR. ZWEIFACH: They submitted a document here demanding a formal hearing. Has there been, indeed, a formal hearing pointed at this situation further than it may have been on the agenda of the Council, which may not have gotten publicity? Of course, all meetings are public.

MR. LINUM: I can't answer that.

GOV. ANDERSON: I think you have heard the wish of the Executive Officer, Mr. Hortig. If they can get together and work out some of their differences, we hope they will at least try prior to the next meeting.

We will then proceed on Item 5 -- 16-inch water mains, Entrance Channel and 20-inch Water Main -- Long Beach Harbor District -- $30,000.

MR. HORTIG: This is an augmentation of a previously approved item by the Commission, a standard project, and no objections. Same is true of items (c) and (d).

GOV. ANDERSON: Item (c) - Roads and Streets, Mitchell Avenue Railroad Tracks -- approval; item (d) Town Lot , Kern Place Pump Station Waste Water Oil Seperator -- approval of expenditure ... there was a question on that I wanted to ask. The question is to the Attorney General. We asked for an

Attorney General's opinion and presently it is not forthcoming. What is the status of that?

MR. SHAVELSON: That was originally assigned to Mr. Friedman of our office, who subsequently became head of the San Francisco office; and then it was transferred to me right in the midst of all of the other work that I have on the Long Beach boundary problem and other work I had; and it's just - it's of such extreme importance that I feel I have to devote a substantial amount of time. The formation of the question was a little unclear to me and I have been in contact with the staff (that is, in Long Beach) to inform me of some of the problems that they anticipate at the time of the final analysis of these Town Lot projects, in order that our opinion will be directed at specific problems rather than stated in the general terms that the request was given to us. I think that will be more useful, and I have received the report within the last week or so, two weeks, and I hope that opinion will be forthcoming soon. It's a little difficult to set aside the required time because of staff problems.

GOV. ANDERSON: I notice we requested the opinion on March 25th and it seemed we were giving approval subject to future findings of the Attorney General.

MR. SHAVELSON: Yes sir. We have written to the City Attorney as to the general criteria we think would be applicable to this problem a couple years ago and so far we haven't reached a meeting of the minds with them on this and a number of other

difficult accounting problems.

GOV. ANDERSON: Now, then, the next one was (e) under Item 5 -- drilling and operating contracts -- approval of amendatory agreement to each of the six drilling and operating contracts. Do you want to comment on any of this?

MR. HORTIG: Only as to item (e) and it is summarized in the proposed authorization, in that it is desirable that the existing operating contracts be broadened so that operations necessary to the water injection program can be carried on efficiently and expeditiously and be fully accounted for to the State.

MR. CARR: What are the principal points?

MR. HORTIG: Primarily to permit surfacing water injection wells on areas outside of those under the contracts but bottomed under the contract areas; or, conversely, to permit surfacing on the contract areas and bottomed under areas seaward of the various areas even though some of the small strips of the area are not now under current lease; neither would there be any oil produced from these areas -- it would simply be used as the locus for water injection wells and these weren't originally authorized under the contracts because none of the types of operation were envisioned at the time of the contracts.

GOV. ANDERSON: Is there a motion for the approval of the items under "g"?

MR. CARR: Any controversy about it?

MR. HORTIG: No sir. This is agreed to by the operating contractor, the Long Beach Oil Development Company, the Board of Harbor Commissioners, and the staff of the State Lands Division.

MR. CARR: Move it be approved.

MR. CRANSTON: Second.

GOV. ANDERSON: Then the motion is on all items of Item 5, with the exception of item (a) which will be delayed until the next meeting of the Commission. Moved and seconded, no objection, so ordered.

Proceeding on to Item 6, sales of vacant State school lands:

Applicant (a) Clarence L. Brown; applicant (b) California State Park Commission; item (c) Farris Dillard; item (d) Robert A. Ellsworth and Harold Ensley; (e) Robert A. Ellsworth and Harold Ensley; (f) Harry Friedland, William Manson, and Harry Krisman; item (g) Furnmen, Inc.; item (h) John B. Gibson -- and, incidentally, note that difference, the difference between the appraised value $2900 and the bid, $7200. We are very happy getting more than the appraised value. We asked you to give us a little further information.

MR. ZWEIBACK: I have it. I have them both here. There is another one on the calendar on page 52. This is on page 38, item 58 here. The justification for the appraisals here - - I was somewhat concerned why the appraisal (this was a difference of 4380 on the sale price; the other one -

appraised value 12,800, bid 21,045) -- whether it was possible we might have had an inexperienced appraiser out there who appraised it too low in the first place. There is no indication on these reports to indicate how long this appraiser has been there, but apparently they are reviewed by two other experienced appraisers. Apparently these people want this land desperately.

GOV. ANDERSON: We will proceed, then, with (i) - applicant is Otto Grossman; (j) applicant - David T. Holtz; (k) applicant - William M. Hubler; (l) - applicant - Leonard L. M. Jones; (m) applicant - Andrew Kay; (n) applicant - C. D. LaMoree; (o) applicant - Louis Mattis; (p) applicant - Robert G. Nicklas and Louis Mattis; (q) applicant - Katherine Sage; (r) applicant - Herman Schneiderman; (s) applicant - Michael Slatinsky and T. S. Goodman; (t) applicant - Ira William Weiner; (u) applicant - C. R. Wilson; (v) - applicants Rose C. Zucca and Chester Zucca.

MR. HORTIG: Mr. Chairman, referring back to item (e) in your index, the appraised value is shown 2,660, should be 2,560. The item is correctly reported on page 35 of the calendar.

GOV. ANDERSON: That will be corrected in our index. Is there a motion to approve the items under Item 6?

MR. CRANSTON: So move.

MR. CARR: Second.

GOV. ANDERSON: Moved and seconded. Further discussion?

No objection, so ordered.

Item 7 is the sale of Federal land pursuant to regulations and cancellation of applications as requested by applicants. Applicant (a) H. L. MacTaggart; (b) George McCarthy; (c) Andrew J. Moore; (d) M. Penn Phillips; and (e) M. Penn Phillips. Any comment on these, Mr. Hortig?

MR. HORTIG: No sir. These are lands which will be acquired by the State from the Federal government, selected in the first instance on application of an individual, who, when the procedure had gone far enough and the lands were available for listing from the Federal government, decided the appraised values of the lands were too high; and, therefore, it is recommended that the Commission proceed with the selection, obtain these lands, and place them on the vacant land list for sale in accordance with the standard procedure.

GOV. ANDERSON: Is there a motion to approve Item 7?

MR. CARR: So move.

(Mr. Cranston nodded affirmatively)

GOV. ANDERSON: It has been moved and seconded. No objection -- so ordered.

Item 8 -- Approval of sale of mineral reservation in Lot 83, City of Los Angeles. Any comment on this?

MR. HORTIG: This is an unusual item in terms of numbers to come before the Commission, but is standard and arises from the fact that for many years the Controller's office, in connection with the lands escheated to the State,

was required to sell these lands with the mineral reservation to the State. For several years past, approximately ten, the law changed to provide that such lands can be sold without the mineral reservation and it has been the practice of the Controller's office to so do. However, this left outstanding prior sales, even as this one small city lot, where there is a mineral reservation to the State. The purchaser even has difficulty in getting bank financing because of the mineral reservation.

Under the law the Commission has to evaluate the land to determine if there is value to the mineral reservation. If it is of value they can be sold at public bidding; if it is not, it can be sold for a fee -- minimum $10.

In this instance, this is in the middle of a city lot, where there are zoning restrictions, no oil fields for three and a half miles; and, therefore, it is recommended that this mineral reservation be sold to the owners in accordance with previous practice of the Controller.

MR. CARR: Moved.

MR. CRANSTON: Second.

GOV. ANDERSON: Moved and seconded -- so ordered. Item 9 -- recommendation that application of Ideal Cement Company for extraction of oyster shells be rejected; statutory requirements be referred to the Legislature for comment and clarification. Any comments?

MR. HORTIG: The Commission is generally aware of the

fact that there have been two major grants of tide and submerged lands by the State of California to the City of Oakland, one in 1955, and an augmenting grant in 1957. The 1955 grant also provides, in addition to mineral reservations to the State, that any operations by the State under the mineral reservation, according to the opinion of the Attorney General, may not be conducted in such manner to be incompatible with the original purposes of the grant, to wit, airport purposes; and, therefore, to accept any application which the Commission has before it for the dredging of oyster shells, which would dig holes in the floor of San Francisco Bay which would subsequently have to be filled in whole or in part in the event of airport construction, could be determined to be an incompatible use; and, therefore, as to such area for which the City of Oakland has plans for constructing an airport, the Commission should not and may not issue a mineral extraction lease.

Outside of that area in the 1955 grant, outside of the development area, there remains an area for which the City of Oakland and their airport crowd do not have prospective plans for development. However, the Commission staff has been unable to get an unqualified agreement from the City of Oakland that there would not be objections even to conduct of mineral extraction operations in such area which is not currently proposed for airport development. Further, the 1957 grant, which is not conditioned as to use incompatible with the primary purpose of the grant, is also not included in any current airport program;

but we have been unable to have agreement or any assurance that the Commission might proceed to offer the area for lease for mineral extraction without objections on the part of the City of Oakland -- that is, legal objections in the form of litigation in the form of estoppel.

This left the State in the position that we could not unqualifiedly recommend to you gentlemen the acceptance of the mineral extraction lease application which we have before us and which the potential bidders are aware might be the source of litigation, all because we are unable to reach a determination with the grantee as to what the terms and conditions and restrictions of these tidelands grants are.

Therefore, we have recommended that the Commission consider rejecting the application for mineral extraction lease at this time and to refer to the Legislature for clarification these difficulties in interpretation of the statute and differences of opinion in interpretation of the statute, and have the Legislature designate what the intent was in clear, unequivocal language, so the Commission could then proceed to carry out its statutory responsibilities however the Legislature says they should be carried out.

In this connection, there are representatives from the City of Oakland here today, particularly Mr. Kerwin Rooney, attorney for the Port of Oakland, who I am sure will want to speak.

MR. ROONEY: Mr. Chairman and members of the Commission,