

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

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

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

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

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

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

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

1 MR. LINGLE: Three years ago.

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

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

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

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

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

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

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

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

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

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

14 MR. CARR: Would you name the organizations?

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

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

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

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

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

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

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

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

22 GOV. ANDERSON: Los Angeles.

23 MR. CRANSTON: Los Angeles, the 29th.

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

in connection with this application is to approve a basis for tideland 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. GRANSTON: Traffic flow through a residential area.

MR. CARR: That's the nuisance.

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

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

4 MR. LINCOLN: In a direct question, I don't believe  
5 there is.

6 MR. SWELINSON: They submitted a document here demand-  
7 ing a formal hearing. Has there been, indeed, a formal hearing  
8 pointed at this situation further than it may have been on the  
9 agenda of the Council, which may not have gotten publicity?  
10 Of course, all meetings are public.

11 MR. LINCOLN: I can't answer that.

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

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

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

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

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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 these types of operation were envisioned at the time of the contracts.

GOV. ANDERSON: Is there a motion for the approval of the items under "5"?

MR. CARR: Any controversy about it?

1 MR. HORTIG: No sir. This is agreed to by the operat-  
2 ing contractor, the Long Beach Oil Development Company, the  
3 Board of Harbor Commissioners, and the staff of the State  
4 Lands Division.

5 MR. CARR: Move it be approved.

6 MR. CRANSTON: Second,

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

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

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

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

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

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

18 MR. HORTIG: Mr. Chairman, referring back to item (e)  
19 in your index, the appraised value is shown 2,660, should be  
20 2,560. The item is correctly reported on page 35 of the  
21 calendar.

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

24 MR. CRANSTON: So move.

25 MR. CARP: Second.

26 GOV. ANDERSON: Moved and seconded. Further discussion?

1 No objection, so ordered.

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

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

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

17 MR. CARR: So move.

18 (Mr. Cranston nodded affirmatively)

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

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

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

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

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

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

19 MR. CARR: Moved,

20 MR. CRANSTON: Second.

21 GOV. ANDERSON: Moved and seconded -- so ordered.

22 Item 9 -- recommendation that application of Ideal Cement  
23 Company for extraction of oyster shells be rejected; statutory  
24 requirements be referred to the Legislature for comment and  
25 clarification. Any comments?

26 MR. HORTIG: The Commission is generally aware of the

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

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

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

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

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

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

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