

MINUTE ITEM
35

1/27/83
W 503.1166
G 09-02.2
W 7227
Small

CITY OF NEWPORT BEACH
DEVELOPMENT OF OIL AND GAS RESOURCES
ON TIDE AND SUBMERGED LANDS
GRANTED IN TRUST

Calendar Item 35, attached, was pulled from the agenda
prior to the meeting.

Attachment: Calendar Item 35.

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CALENDAR ITEM

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CITY OF NEWPORT BEACH
DEVELOPMENT OF OIL AND GAS RESOURCES
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On April 29, 1981, the Commission authorized the Chief Counsel to execute a Joint Powers Agreement between the City of Newport Beach and the Commission for the purpose of condemning privately-owned upland drillsites which were being used for oil and gas production operations on the Newport Beach tidelands grant.

In conjunction with the condemnation proceedings which were filed by the City, the City pursued independent proceedings to quiet title and specifically enforce a contract with the City's former oil and gas operator, Armstrong Petroleum Company. The City has obtained a judgement in the contract proceedings in its favor.

In the condemnation proceedings a proposed Statement of Decision has been rendered which basically states that the City and the Commission do not have the authority to condemn the subject private property for the purposes of tideland oil and gas development. A trial date of February 15, 1983 has been set to determine the amount of damages.

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CALENDAR ITEM NO. 35 (CONTD)

The City and Armstrong Petroleum Company and Beeco, Ltd., have entered into separate settlement agreements. These agreements basically provide for the settlement of the condemnation proceedings, and provides the City with the use of the subject upland parcels for oil and gas development from the granted tidelands.

Furthermore, as part of the proposed settlement agreements, stipulations and orders for the dismissal of the condemnation action and waivers of all eminent domain damages against the City and Commission are proposed.

The legal staff has been involved in the condemnation proceedings and has reviewed the proposed settlement agreements and stipulations.

AB 884: N/A.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. AUTHORIZE THE LEGAL STAFF TO EXECUTE THE STIPULATIONS NECESSARY TO DISMISS THE EMINENT DOMAIN ACTION FILED PURSUANT TO THE JOINT POWERS AGENCY AGREEMENT BETWEEN THE CITY OF NEWPORT BEACH AND THE STATE LANDS COMMISSION. THE STIPULATIONS SHALL PROVIDE FOR A WAIVER OF ALL EMINENT DOMAIN DAMAGES AGAINST THE STATE.

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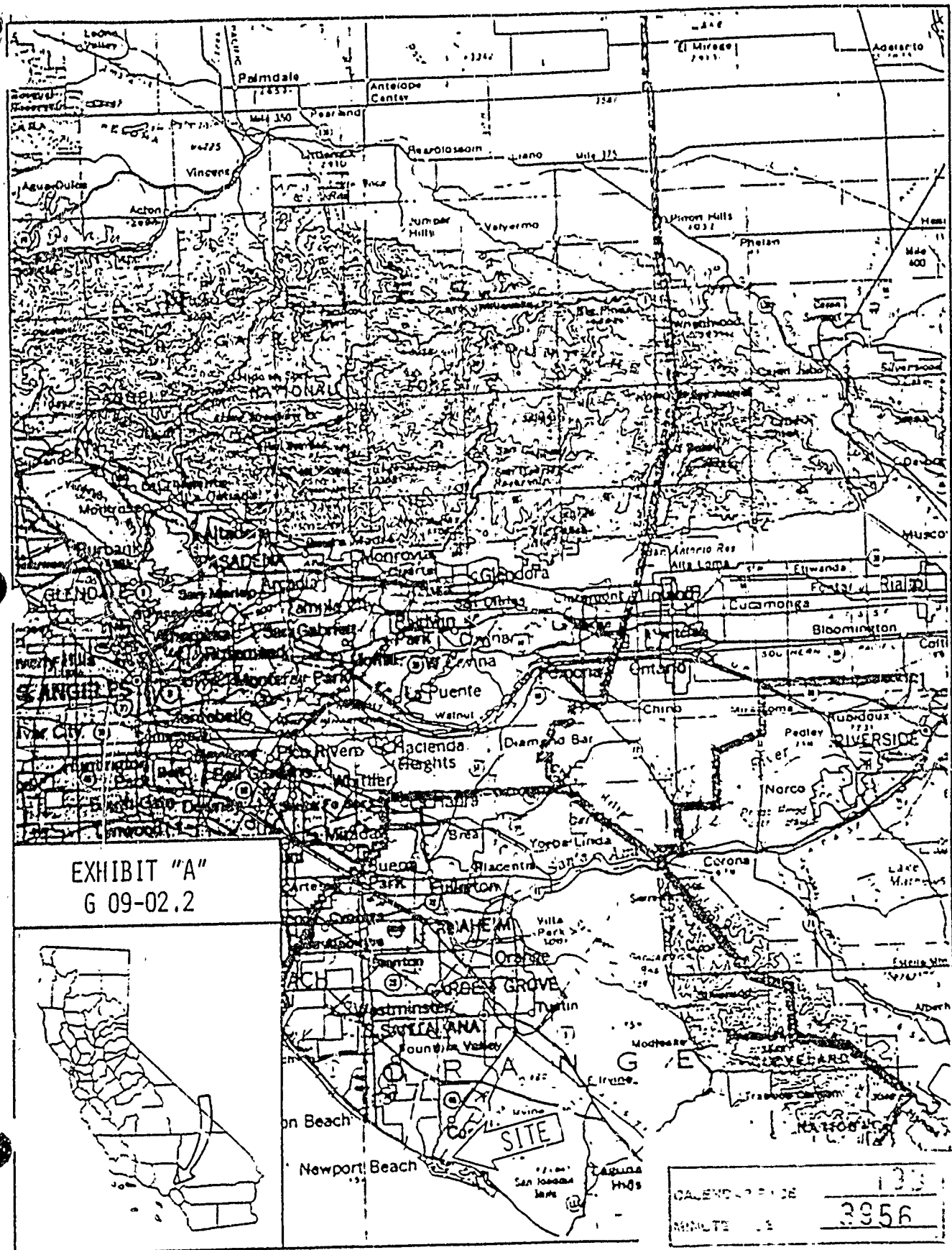


EXHIBIT "A"
G 09-02.2



SCALE 1:33
MAP SHEET 3956