MEETING

STATE OF CALIFORNIA

STATE LANDS COMMISSION

STATE CAPITOL

ROOM 447

SACRAMENTO, CALIFORNIA

THURSDAY, NOVEMBER 19, 1987

10:00 A.M.

Vicki X. Medeiros
Shorthand Reporter

ORIGINAL

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
COMMISSIONERS PRESENT
Leo T. McCarthy, Lieutenant Governor, Chairman
Gray Davis, State Controller

STAFF PRESENT
Claire T. Dedrick, Executive Officer
James Trout, Assistant Executive Officer
Robert Hight, Chief Counsel
Jan Stevens, Deputy Attorney General
Lance Kiley, Chief, Land Management and Conservation Division
Lisa Beutler, Chief, Enforcement Division
W.M. Thompson, Chief, Extractive Development Division
Sue Breece, Commission Secretary
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CHAIRMAN MCCARTHY: Good morning, ladies and gentlemen. This is the meeting of the State Lands Commission.

Commissioner Gray Davis is on my left, and I'm Leo McCarthy.

For the convenience of the public, let me mention that the following items are off calendar today: Consent Item 1, and then Items 13, 20, 22, 23, 25, 26, and 32.

Minutes to the last Commission meeting, any problem?

Approved.

EXECUTIVE OFFICER DEDRICK: Mr. Chairman, there is one item I think we should move from the Consent Calendar to the Regular Calendar, Item C6.

CHAIRMAN MCCARTHY: All right. Thank you.

Item C6 is moved to the regular calendar.

We will act now on the rest of the Consent Items minus 1 and 6.

Without objection, they are approved.

Executive Officer's report.

EXECUTIVE OFFICER DEDRICK: Yes, Mr. Chairman, I have two brief items.

The fire season did damage to four of our State Lands.
parcels. One of those parcels -- or three of those parcels were within the National Forests, and the cleanup work is being done in cooperation with the National Forest.

The other parcel, which was a severe fire resulting in injury and death to at least one CDF person, had to be cleaned up before that last series of rains arrived. Under the authority you have delegated to the Executive Officer, I granted a contract for cleaning up the stream beds and so forth so rain damage would not occur there.

We're in the process of going to bid for the harvesting of from the down timber from the fire, what is salvageable, and I'll report back to you probably at the end of winter sometime when we know what has happened out there and come in for some other authorizations in that process.

If there are no questions?

CHAIRMAN MCCARTHY: Go ahead, please.

EXECUTIVE OFFICER DETRICK: The other item, we were directed to report back to you on the progress of the comprehensive study at the November meeting.

We have a brief report. It is before you.

Just to highlight it, the staff's efforts thus far have been largely directed toward collecting and reviewing the masses of existing material. That's a monumental task of pulling together all of the environmental research, coastal plans, all the background material for all of the things that
have been going on related to oil over the last ten years.

We would hope to go forward probably in January. We
would be back to you in January with a recommended program
which we would then request that the Commission put out to the
public for comments before it's finally adopted.

Is that an adequate report to you at this point?.

CHAIRMAN McCARTHY: Commissioner Davis, is that
sufficient to you?

All right. That's fine.

Thank you, very much.

What happened to the rest of the lights in this
place? Are we cutting down the overhead? I thought we had
lights in the back.

Okay. Item what was C6.

Staff report, please.

EXECUTIVE OFFICER DEDRICK: Mr. Chairman, this item
is on the calendar as an approval and staff would now like to
make it a denial. That's why we asked for it to be put on the
regular calendar.

A General Lease for Commercial Use for a proposed
Marina in Alviso Slough. We have not been able to reach the
applicant by phone to notify him of this change nor were we
able to reach him in order to get an 884 Extension if that
were a possibility.

The only alternative really you have today is to
deny, I think.

The issue is that the Conservation and Development Commission has some reservations about this particular lease. We have not had the time to be able to address them.

In addition to which, the applicant has problems with the rent, and I would like to have a chance to review that rent and see if we aren't a little overboard on it.

That's why we would like you to deny it.

CHAIRMAN McCARTHY: What staff is recommending is that we deny without prejudice to the applicant?

EXECUTIVE OFFICER DEDRICK: That is correct, and I have language here which we can introduce.

CHAIRMAN McCARTHY: Is the applicant present?

EXECUTIVE OFFICER DEDRICK: No, the applicant is not present.

CHAIRMAN McCARTHY: All right.

EXECUTIVE OFFICER DEDRICK: We have the language, if you'll adopt this language.

Bob, would you handle this so that it's legal?

CHAIRMAN McCARTHY: Read the language.

MR. HISHT: Staff believes that the project should therefore be denied without prejudice and notify the applicant of his rights to reapply.

CHAIRMAN McCARTHY: The Commission unanimously accepts that recommendation, and please so notify the
EXECUTIVE OFFICER DEDRICK: Item 12 is a denial without prejudice of an application for use of State-owned land in the Sacramento River, Tehama County.

We also would like authorization to collect rental payment for the period of time that the applicant has trespassed on State lands.

CHAIRMAN McCARTHY: Any questions from the audience? Unanimously accepted by the Commission.

EXECUTIVE OFFICER DEDRICK: Item 14 is an assignment of the pier to Rincon Island from the Bush Oil Company to the Tenneco Oil Company which has taken operational control of that lease.

Fifty percent of the value, I apologize. Tenneco has bought fifty percent of the value of that lease, and this would assign fifty percent of the obligation on the pier to Tenneco.

CHAIRMAN McCARTHY: Any questions from the audience? COMMISSIONER GRAY: That's fine.

CHAIRMAN McCARTHY: Accepted.

EXECUTIVE OFFICER DEDRICK: Item 15 is the first
modification of the Long Beach plan and budget for '87 and '88. It is a transfer of $99,000 between funds. It does not affect any of the bottomline items in that budget.

CHAIRMAN McCARTHY: Any questions from the audience. All right. Recommendation accepted.

EXECUTIVE OFFICER DEDRICK: Item 16 is an award for Royalty Oil Sales Contract to Lunday Thagard Company. The price is 48.5 cents. The location of the oil is Ellwood in Santa Barbara County.

CHAIRMAN McCARTHY: Any questions? All right. The recommendation is accepted.

EXECUTIVE OFFICER DEDRICK: 17 is another sell-off. Cal-Jet is the winning bidder, 36.53. This is a track in the Wilmington field.

CHAIRMAN McCARTHY: Questions from the audience? Recommendation is accepted.

EXECUTIVE OFFICER DEDRICK: 18 is a Notice of Intent by the City of Long Beach to spend 148,500 of tideland oil revenues for erosion at Aquatic Park.

CHAIRMAN McCARTHY: Any questions from the audience? Recommendation is accepted.
19.

EXECUTIVE OFFICER DEDRICK: 19 is the renewal of a Mineral Extraction Permit in San Francisco Bay by the Moe Sand company.

CHAIRMAN McCARTHY: No controversy on this?

EXECUTIVE OFFICER DEDRICK: No, sir.

CHAIRMAN McCARTHY: Any questions?

Approved.

20.

20 is off calendar.

21.

EXECUTIVE OFFICER DEDRICK: 21 is the approval of an amendment to an oil and gas contract in San Joaquin County. It's primarily kind of technical changes in the amendment.

CHAIRMAN McCARTHY: Any questions?

Approved as recommended.

21.

EXECUTIVE OFFICER DEDRICK: 21, we're into the legal items.

Mr. Hight, would you carry those, please.

I'm sorry. I made a mistake.

There are so many gone on that page that I got mixed-up.

Item 24 is the next item.

CHAIRMAN McCARTHY: I don't have 21 removed.
EXECUTIVE OFFICER DEDRICK: It's not. We just acted on 21.

I apologize, Mr. Chairman. I really fouled you up.

CHAIRMAN McCARTHY: 24.

EXECUTIVE OFFICER DEDRICK: 24 is the next item.

It's a deferment of the drilling for the Shell Oil Company on a lease in Ventura County through the sixth of August, 1988.

CHAIRMAN McCARTHY: Any questions?

Approved as recommended.

27.

EXECUTIVE OFFICER DEDRICK: Now we're into the legal items.

Mr. Hight, would you?

I apologize.

MR. HIGHT: 27, Mr. Chairman, is the authorization to expend Kapiloff Land Bank funds for the acquisition of a parcel in Malibu.

The Commission would be spending $1,000 to purchase the interest of Imperial Bank and then purchase the remaining interest in back taxes from the county.

You'll be acting as Land Bank Trustees in addition.

EXECUTIVE OFFICER DEDRICK: We don't know the exact dollar figure on the taxes yet, but it's below $35,000.

It's a good value.

CHAIRMAN McCARTHY: Okay. Acting as Land Bank
Next item, 28.

MR. HIGHT: 28, Mr. Chairman, the authorization to reorganize the land adjacent to Encinitas and Solana Beach, and it will be annexed to the City of Solana Beach.

The Commission's role here is in approving the description and approving as a landowner.

CHAIRMAN MCCARTHY: The land involved is only in those two cities.

MR. HIGHT: That's correct.

CHAIRMAN MCCARTHY: Okay. Any questions?

Approved as recommended.

MR. HIGHT: 29 is the authorization to annex land to Dana Point.

Last night, LAFCO -- there are two parcels. LAFCO decided that one parcel should go to Dana Point, and could not decide whether the other parcel should go to Dana Point or Laguna Niguel.

It is staff's recommendation that the Commission authorize as landowner the Parcel A going to Dana Point, and that the Commission authorize as landowner the legal description of Exhibit B but not approve as landowner the annexation of that area because LAFCO at this point has not decided to which entity it should go.
There is supplemental language in your calendar which will accomplish that effect.

CHAIRMAN McCARTHY: What is on the white sheet?

MR. HIGHT: Yes.

CHAIRMAN McCARTHY: 3 and 4?

MR. HIGHT: Yes.

CHAIRMAN McCARTHY: All right.

Moved by Commissioner Davis. I second it.

Any questions from the audience?

Approved as recommended.

30.

MR. HIGHT: 30, Mr. Chairman, is a proposed title settlement in the City of Vallejo. This parcel consists of about four acres of land. The state will be receiving $15,000 for its interest in the parcel.

This is a settlement and will allow for the sale of the property. We have received two letters from local area people concerned about the fact that Mr. Gianulise -- they're questioning, I suppose, his general good citizenship in the area.

While staff does not have an opinion on that issue, we believe that this settlement, as a whole, is in the best interest of the State. It's a very good settlement for the State.

The staff of the Commission will be looking very
closely at any other activity that Mr. Gianulias has, and if
appropriate, we'll bring any other action as necessary.

CHAIRMAN McCARTHY: The applicant is here and
apparently prepared to answer questions if we wish him to do
so. Is there anyone in opposition to this?

Yes, Commissioner Davis.

COMMISSIONER DAVIS: I assume you're saying that
notwithstanding any other disputes that might exist in this
particular matter between the Commission and the applicant,
you recommend approval on this particular item.

MR. HIGHT: That's correct.

CHAIRMAN McCARTHY: All right.

Any other pending disputes are to be settled one by
one, independently?

MR. HIGHT: Correct.

CHAIRMAN McCARTHY: Any other comments on this?

All right.

Approved as recommended.

31.

MR. HIGHT: 31, Mr. Chairman, is the proposed
termination of an existing lease at Seal Beach and the
issuance of a new lease to Mr. Chang, doing business as Seal
Beach Gateway.

This is for a hotel which will be placed on the
State's property in Seal Beach. In addition, this settlement
is a settlement of a long standing problem. We have had a
lease in the area for sometime, and hopefully, this new
arrangement will allow the area to be built and used
productively for the State.

CHAIRMAN MCCARTHY: Questions from the audience?

All right.

The recommendation is approved unanimously.

EXECUTIVE OFFICER DEDRICK: That's the calendar, Mr.
Chairman.

CHAIRMAN MCCARTHY: That looks like it.

Any other business before the Commission today?

If not, this Commission is concluded.

Thank you all very much.

EXECUTIVE OFFICER DEDRICK: Thank you, Mr. Chairman.
(Thereupon the hearing was adjourned
at 11:06 a.m.)

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CERTIFICATE OF SHORTHAND REPORTER

I, VICKI L. MEDEIROS, a Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person therein; that the foregoing hearing was reported in shorthand by me, Vicii L. Medeiros, a Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of December, 1987.

VICKI L. MEDEIROS
Shorthand Reporter