MEMBERS PRESENT

Leo McCarthy, Lieutenant Governor, Chairman

Jim Tucker, Commissioner-Alternate for Gray Davis.
State Controller

Mark Hill, Commissioner-Alternate for Thomas Hayes,
Director of Finance

Staff

Charles Warren, Executive Officer
Robert C. Hight, Chief Counsel
Lance Ailey, Chief, Division of Land Management
and Conservation
Curtis Fossum, Senior Staff Counsel

Also Present

Jan Stevens, Supervising Deputy Attorney General
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**Regular Calendar**

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**PETERS SHORTHAND REPORTING CORPORATION**

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CHAIRMAN MC CARTHY: Welcome, ladies and gentlemen. My apologies for the late beginning of the State Lands Commission meeting.

Any amendments to the minutes of the last meeting; if not, they're approved as read.

The consent calendar is before us. And that consists of Items 1 through 7. None of them, Mr. Warren, are pulled off the calendar? They all remain on?

MR. WARREN: All of them remain on.

CHAIRMAN MC CARTHY: All right. Thank you. Without objection, the consent calendar is approved.

Let's go to Item No. 8.

MR. FOSSUM: Mr. Chairman, members of the Commission, Item No. 8 presented to you is a proposed land exchange agreement of property in the City of Long Beach. The property involved is a strip of land, tide and submerged land in the City of Long Beach. Those lands were filled some time ago as part of the harbor that exists in the City of Long Beach. In 1981, the city redesigned some of their traffic patterns in the area and severed a portion of the tidelands from adjacent properties rendering it useless for purposes of the trust in that area. At that same time, the city and the property owner...
across Seaside Way from the tidelands entered into a long-
term lease of the property. However, neither one of them
have put the property to use as yet.

What they have asked the State Lands Commission
to do -- because the city lacks authority under the
statute -- is to assist them in exchanging the tidelands
property for property that would be useful for the trust
that now lies adjacent to the trust property.

And if you'll look on Exhibit D in the packet,
you'll see the situation from the standpoint of how the
tidelands were severed from the adjacent property.

The exchange calls for Parcel 1 and Parcel 2,
which are presently tidelands, be transferred to the
State Lands Commission, and the State Lands Commission, under
the authority of the 6307 of the Public Resources Code,
would then exchange the lands that are depicted in Exhibit
C with Pike Properties. The city would then lease from
the State Lands Commission the Exhibit C land that the
State Lands Commission acquires, and would use them for
purposes of the public trust.

Because the relative value of the properties
are not equal, the Commission would be asking also, as the
Kapiloff Land Bank, and would be accepting a sum of
$675,000 for purchase of trust property, which would be
beneficial to the present uses in the vicinity.
CHAIRMAN MC CARTHY: Questions by members of the Commission? We have one witness --

MR. CAMERON: (From the audience.) Only if needed.

CHAIRMAN MC CARTHY: -- only if needed. Any questions? Approved as recommended. Item 9.

EXECUTIVE OFFICER WARREN: Well, Mr. Kiley will present Item No. 9. Mr. Kiley is Chief of our Land Management and Conservation Division.

MR. KILEY: Mr. Chairman, members of the Commission, this is a proposal by Homewood High and Dry Marina to dredge 3500 cubic yards of material to achieve a navigable depth of 6217 feet -- the navigable elevation, 6217 feet.

It's proposed to do some innovative construction methods to prevent turbidity of the water in Lake Tahoe.


EXECUTIVE OFFICER WARREN: Mr. Hight will present Items 10 and 11.

MR. HIGHT: Mr. Chairman, Item 10 is a one-year removal of a salvage permit for the Department of Parks and Recreation to salvage a clipper ship that sank in about 1850 off the coast of Mendocino.
CHAIRMAN MC CARTHY: Questions by members of the Commission?

Anybody in the audience wish to comment on this item?

If none, the recommendation is approved.

Item 11.

MR. HIGHT: Item 11, Mr. Chairman, is the authorization for the cession of concurrent criminal jurisdiction at Fort Irwin.

The Commission staff, pursuant to your authorization last month, held a public hearing at Fort Irwin, and there were no responses.

We would ask that you approve this item conditioned upon receipt of approval from the County Board of Supervisors, which we believe is coming. But it has not yet been received.

CHAIRMAN MC CARTHY: Questions by members of the Commission?

Anyone in the audience wish to speak on this item?

The recommendation is approved.

That's all I have.

EXECUTIVE OFFICER WARREN: That concludes the calendar, Mr. Chairman. We do have an executive session.

The executive session will be held in this room.
CHAIRMAN MC CARTHY: I want to thank the members of the audience who have attended the public session.

EXECUTIVE OFFICER WARREN: Mr. Chairman, I'm sorry. I have a brief Executive Officer's report.

CHAIRMAN MC CARTHY: All right.

EXECUTIVE OFFICER WARREN: And I've been advised by counsel that I should do that in the open session. So, before we proceed with the --

CHAIRMAN MC CARTHY: The floor is yours.

EXECUTIVE OFFICER WARREN: I'll take just a few minutes to add to my last report. The first is on the cut. As you know, the agency absorbed a 10 percent reduction for 90-91 and a 4 percent reduction for '91 and '92, without changes in operations.

However, we have been advised that, besides the current reductions for 91-92 and beyond, of up to 25 percent in the general fund agencies. If they implemented a 25 percent cut for our agency, it would be more than $3 million, which would cause the termination of roughly 50 Commission positions.

Our actions seek to make known to decision-makers that the State Lands Commission is an exempt agency based on its revenue collection responsibility. Documentation is already prepared, which describes our activities, and will be distributed tomorrow to the
Governor, legislative leaders, and all other decision-makers.

Secondly, insofar as our budget is concerned, in the Senate and Assembly Budget Committees, the proposed budget for the agency’s oil spill prevention responsibilities have been attacked by industry representatives. It has been suggested that the 3 million budgeted and approved by Finance should be reduced to 2.1 million based on some understanding that is held with somebody during the course of the negotiations of the bill.

The matter, I think, has been satisfactorily addressed. But the item is in Conference Committee, as we understand, presently. So we still have that before us. We think we can successfully deflect that.

COMMISSIONER TUCKER: I never heard of such an agreement.

CHAIRMAN MC CARTHY: I haven’t either.

EXECUTIVE OFFICER WARREN: Three, AB 350, which would establish the parkway program, it was approved by the Ways & Means Committee. I understand there was one person who suggested it be put on suspense. But the suggestion was not approved. So that bill is now on the floor.

CHAIRMAN MC CARTHY: It’s up on the floor right
now. It's on call.

EXECUTIVE OFFICER WARREN: I wasn't aware of that. I'll leave for there just as soon as this is over.

The Administration representatives have adopted the program and its funding, and we're close to agreement.

On the Delta project, as you know, we released the report this weekend, and a report on the appearance of the report's release, and a presentation by the Chairman to the Bay Estuary Conference sponsored by EPA is in the folder before you.

I would like to take this opportunity to congratulate the Project Manager, Elizabeth Patterson; Dwight Sanders and his staff for the promptness with which they prepared the report.

It will be based—it will be used for further action by this Commission on the Delta.

Fifthly, on the (unintelligible on tape), at Senator Bradley's hearing in Sacramento recently, President Pro Tem of the Senate David Roberti, and Assemblyman Phil Isenberg, and others spoke in support of the proposal, and said that that was the result of the Chairman's support of this reclamation.

At Lake Tahoe, for public access, which is clearly understood as a problem, I've been contacted by Senator Boatwright. I've had past discussions with the
Senator about this issue. As a result of our conversations, he's agreed to propose that the State Lands Commission, through Senator Davis -- that Senator Davis include cease and desist authority for the State Lands Commission in his bill, much like the Coastal Commission has authority. Senator Davis' bill is in the Assembly.

Senator Boatwright and Senator McCorquodale have repeated their willingness to propose to Jackie Speier, Assemblywoman Speier, that her bill, which would provide -- which would allow us to use up to 50 percent of the proposed new revenue for enforcement activities.

We have discussed cease and desist authority, and Senator Boatwright suggested that we should go ahead and tear the fences down. I said I'd be more comfortable doing that if we had some cease and desist authority. And with that, he volunteered to think about a separate amendment.

On the terminal rents, we will have a proposal for circulation to the Commissioners within seven days setting forth a new rent -- a proposed new rental structure for marine terminals.

That concludes my executive report, and we can now go into executive session.

CHAIRMAN MC CARTHY: This concludes the end of the public session, and we'll now go to the executive
session.

Thank you for attending.

(Thereupon, the public session of the State Lands Commission meeting was adjourned at 4:30 p.m.)

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I, Nadine J. Parks, a shorthand reporter of the State of California, do hereby certify that I am a disinterested person herein; that the foregoing proceedings were transcribed from tape to the best of my ability into typewriting.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of May, 1992.

Nadine J. Parks
Shorthand Reporter