MEETING
STATE OF CALIFORNIA
STATE LANDS COMMISSION

ORIGINAL

STATE CAPITOL
ROOM 437
SACRAMENTO, CALIFORNIA

THURSDAY, FEBRUARY 17, 2005
1:00 P.M.

JAMES F. PETERS, CSR, RPR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
APPEARANCES

BOARD MEMBERS

Mr. Cruz M. Bustamante, Lieutenant Governor, Chairperson

Mr. Steve Westly, State Controller, represented by Ms. Cindy Aronberg

Mr. Tom Campbell, Director of Finance, represented by Ms. Anne Sheehan

STAFF

Mr. Paul Thayer, Executive Officer

Mr. Jack Rump, Chief Counsel

Mr. Curtis Fossum, Senior Staff Counsel

Ms. Kimberly Lunetta, Executive Assistant

Mr. Dave Plummer, Regional Manager, Land Management Division

ALSO PRESENT

Mr. Richard Aschieris, Port Director, Port of Stockton

Mr. Dennis Brueckner, ILWU Local's 54, 34, 91, 6

Mr. Lester Denevan

Mr. Alan Hager, Deputy Attorney General

Ms. Jenny Harbine, Natural Resources Defense Council Friends of Riviera Cliffs, Deltakeeper

Mr. Lee Sandahl, International Longshore and Warehouse Union

Mr. J.F. Schneider
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*PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345*
CHAIRPERSON BUSTAMANTE: Why don't we go ahead and call the meeting of the State Lands Commission to order. All the representatives of the Commission are present.

My name is Cruz Bustamante. And joining me today is Cindy Aronberg representing the Controller, as well as Anne Sheehan representing the Department of Finance.

For the benefit of those in the audience, the State Lands Commission administers properties owned by the state as well as its mineral interests. Today we'll hear proposals concerning the leasing and management of those public lands.

The first item of business will be the adoption of the minutes from the Commission's last meeting.

Can I have a motion please?

'ACTING COMMISSIONER SHEEHAN: I will move the minutes. I wasn't here, but I'll go ahead and make the motion.

ACTING COMMISSIONER ARONBERG: Second.

CHAIRPERSON BUSTAMANTE: The motion's been moved and seconded.

Let the record show that the vote is unanimous.

And let's make sure we get Ms. Sheehan a copy of the minutes so she knows what she's voted --
ACTING COMMISSIONER SHEEHAN: I know I have them. But I was not in attendance at the meeting.

CHAIRPERSON BUSTAMANTE: Oh, okay.

The next order of business is the Executive Officer's report.

EXECUTIVE OFFICER THAYER: I wanted to report on two or three items.

The first is, at our last commission meeting, we had a presentation concerning the adoption of best management practices for marinas in California and specifically on State Lands Commission leases. Staff at the direction of the Commission had gone out and reviewed what the marinas were, what the marina best management practices were in other states, to determine if California was up to date and did other investigations to ensure that our marinas were going to be operated as environmentally safe as possible.

There was one -- the Commission was generally satisfied with the best management practices that were presented to it. But a member of the audience asked questions about copper-based paint and whether those would be phased out at this point. I think that that individual -- which this took place in San Diego -- understood that there was still some doubt about whether or not the potential replacement paints existed at a
reasonable cost and whether they were efficient enough to work. And we said we'd look into that.

   We did investigate that, looked at a SEA GRANT study. And we think that at this point those replacement paints aren't really available that will do a good enough job. But we think that that's, as is the case with a lot of environmental issues, something that we'll continue to monitor and watch. And if it appears that replacement paints are feasible, we'll come back to the Commission and ask for a revision to those best management practices.

   Interestingly enough, one of the potential hazards of switching to an alternative paint prematurely, that is, to a paint that doesn't necessarily work, is the potential impact on importation of an invasive species. And as it turns out, ballast water program is in fact going to be participating in a study to look at potential adverse impacts from not using copper paints or not otherwise preventing the attachment of fouling, algae and this kind of thing in foreign ports and then bringing it back to California. So there are potential adverse environmental effects from moving too quickly to non-copper-based points. But we'll get come back to the Commission on that issue.

   The second issue which was raised at our last Commission meeting had to do with the spill of mostly gas,
a little bit of oil, from an offshore oil platform in federal waters which was run by Venoco. And the Commission asked that at the next Commission meeting we return with Venoco so that there'd be an opportunity to talk with Venoco about the cause of that spill and what steps were taken to prevent it from happening again, and whether there were potential similar problems on the platform, Platform Holly, that Venoco operates in state waters.

Regretfully the investigation is not yet complete. It's primarily being run by the Mineral Management Service which is the federal agency that controls federal offshore oil leases. They're doing various tests. We had thought that study might be done as timely as this week. But my understanding as of yesterday it still was not out. So what we propose to do is wait for that study to come out, investigate it further as a staff, review it with Venoco and MMS, and then bring that back potentially to the next Commission meeting if we can get that information, so that we'd be able to -- the Commission would have an opportunity to review the results of that investigation.

ACTING COMMISSIONER ARONBERG: Mr. Chair?

On both items, they were requests of Controller Westly. So on the first item, which is the
environmentally safer leases, I understand they still have one stakeholder group to talk with before fully implementing the program. And the Controller would just ask that that get underway as soon as possible so that these leases get moving. And we realize that there is one on the calendar today, which is great. But we'd love it to be an overall program. And, secondly, on Venoco, as soon as that report can be made, hopefully by next meeting, the Controller would appreciate it.

   EXECUTIVE OFFICER THAYER: Certainly.
   CHAIRPERSON BUSTAMANTE: Any questions?
   ACTING COMMISSIONER SHEEHAN: No.
   CHAIRPERSON BUSTAMANTE: Do you have anything else for your report?
   EXECUTIVE OFFICER THAYER: The last thing I wanted to note was actually two birthdays. Kim Lunetta, who is my assistant, who attends a lot of your meetings here, I think I'm setting up --
   CHAIRPERSON BUSTAMANTE: So, Paul, how old is she?
   (Laughter.)
   ACTING COMMISSIONER ARONBERG: Twenty-five.
   EXECUTIVE OFFICER THAYER: I think it's about 23 or 24. I'm not sure.
   And I have to also notes that I've heard a rumor
that one of the Commissioners, Commissioner Aronberg, just celebrated her birthday. And I don't know how old she is either.

ACTING COMMISSIONER ARONBERG: I'm also about 24.

(Laughter.)

EXECUTIVE OFFICER THAYER: Oh, 24. I'm sure that's the case.

But I wanted to note those birthdays.

And that concludes the Executive Officer's report.

CHAIRPERSON BUSTAMANTE: That's a very thorough report.

(Laughter.)

CHAIRPERSON BUSTAMANTE: Any births that --

(Laughter.)

EXECUTIVE OFFICER THAYER: I'll ask my wife.

CHAIRPERSON BUSTAMANTE: The next order of business then, if there's no questions by the Commissioners, and if there's nobody in the audience who'd like to throw stones, we will go ahead and proceed to the adoption of the consent calendar.

Paul, is there any items that have been taken off the consent calendar?

EXECUTIVE OFFICER THAYER: Yes, Mr. Chair, there are five items. They are C 14, C 30, C 43, C 52 and C 54.
And in each of those cases I believe we'll just be bringing those back at a succeeding Commission meeting.

CHAIRPERSON BUSTAMANTE: Okay. You think they'll be ready by the next meeting?

EXECUTIVE OFFICER THAYER: I believe so. But it's a question of making sure -- in each case there's a different situation -- making sure they're addressed before we bring them back.

CHAIRPERSON BUSTAMANTE: Is there any other items that the Commission would like to pull from the consent calendar?

ACTING COMMISSIONER SHEEHAN: No.

CHAIRPERSON BUSTAMANTE: None.

Is there anyone in the audience, or if there's any Commissioners that'd like to speak on anything on the consent calendar, not just pulling anything off, but speak on anything or in general?

Anyone in the audience would like to speak on any of the consent calendar items?

Don't all rush up at once.

Seeing none. If there is none, I'll take a motion to approve the consent calendar.

ACTING COMMISSIONER SHEEHAN: I'll move adoption of the consent calendar.

ACTING COMMISSIONER ARONBERG: Second.
CHAIRPERSON BUSTAMANTE: A motion's been made to accept the consent calendar, and a second.
Let the record show that it's a unanimous vote.
Moving on to the regular items on the calendar.
We have Item No. 55?
EXECUTIVE OFFICER THAYER: Yes, Mr. Chair.
This item has to do with the Port of Stockton.
The Commission has had several previous serious hearings on this matter, and at the last hearing, in December, the Commission did approve a lease for the bridge at the Port of Stockton subject to the conditions laid out in the staff report; but, in addition, adding an oral condition, which had to do with a truck air quality program. It requested that the Commission staff draft -- or document the condition that the Commission had attached and bring it back for the Commission's approval. And we've got that for you today.

Dave Plummer is the staff person who's working on this from the Land Management Division and he'll make the presentation.

REGIONAL MANAGER PLUMMER: Good afternoon, Chairman Bustamante, Commissioners. My name's Dave Plummer, Regional Manager for the Land Management Division.

As Paul told you, at the last meeting the lease
and the assignment were approved on the condition that we have a truck replacement program that was funded by a percentage of the Port's profits attributable to the West Complex expansion area.

The Commission directed that the program be consistent and equitable when compared to the programs of the other ports and that the program have flexibility that monies could be dedicated -- that were dedicated to the program could be spent in other areas if you got a better emissions reduction.

In order to compare the programs, staff contacted the Port of Los Angeles, the Port of Long Beach, and the Port of Oakland about their truck replacement programs in order to form a description that was in compliance with the condition imposed by the Commission on December 9th.

The Three ports have all contributed money, but they've all been fixed sums. Not one of the ports was based on a percentage of profit or any other percentage.

The Port of Long Beach made a one-time contribution of a million dollars. That money was allocated towards clean diesel fuels technology rather than truck replacement.

The Port of Los Angeles agreed as part of its litigation settlement NRDC, stemming from the China Shipping terminal, to contribute $10 million over a
five-year period to replace or retrofit trucks serving the port. Additionally, the port allocated separately from the litigation approximately $17 million over a four-year period. That could be used for truck modernization and diesel particulate filter installation.

The Port of Oakland has made a one-time allocation of $1.48 million. And that was in connection with two specific terminal projects.

So in order to satisfy the Commission's direction that it be based on a percentage and it be comparable, staff looked at what had been allocated by those three ports, looked at what we could compare it against that would be equitable.

In order to get a common denominator, staff looked at net operating revenues as the common denominator found in all the audited reports, all consistently reported, all had the same elements.

And then we looked at what had been contributed. Because the settlement monies from the China Shipping was spread out over five years and the additional allocation by the Port of Los Angeles was four years, we looked at five years as being a number we could spread the contributions out to have consistency in the programs.

The resultant percentage allocations are before you in the staff report.
If you look at the Port of Long Beach, I did it two ways actually in the staff report. One, if you just took $1 million and did it on a one-year allocation, it was three-quarters of 1 percent. And if you spread it out over five years, less than two-tenths of a percent.

The Port of Los Angeles, if you look at the non-litigation monies, which was $17.12 million, if you spread that over five years it's a 2.21 percent allocation against their operating -- net operating income.

If you used the China Shipping litigation settlement, which staff doesn't believe is really an accurate reflection -- that was monies derived from litigation. The Port of Stockton is currently in litigation. We don't know really what's going to come out of that litigation. But if you looked at the China Shipping litigation, monies spread over five years, that was about a 1.3 percent allocation.

And if you looked at the combined allocations by the port, the litigation monies and the non-litigation monies by the Port of Los Angeles, that was about a 3.5 percent allocation.

The Port of Oakland spread over five years against their -- what I put in the staff report was maritime operating income. And the reason I did that was I excluded income from the airport, because the Port of
Oakland has an airport. That didn't seem to be consistent. It was a 1 percent allocation on a five-year basis.

So as you can see, we have a spread. If you eliminate Long Beach, because that's even less than 1 percent, and just looked at Oakland and the Port of Los Angeles, you have a spread of 1 percent to 2.21 percent if you don't include the China Shipping monies. And if you look at the China shipping monies, then you have a range of 1 percent to 3.5 percent, with the average contribution being 2.25 percent.

So it was on that basis that staff and the Port of Stockton worked to describe what we have called the West Complex Air Emissions Reduction Program. That requires the Port of Stockton to establish an air emissions reduction account, and at a minimum deposit for a period of five years 2.3 percent of the net operating profit derived from the West Complex in compliance with the direction given by the Commission.

The program funds consistent with that direction shall be applied towards reducing diesel truck emissions. But the program does have flexibility to allow monies, subject to the approval of the executive officer and in consultation with the local air control district and the State Air Resources Board, that if there's a greater air
quality benefit to be achieved by spending money on
something other -- by truck air emissions, that that
program will allow for that.

We have set the program up that the program would
actually start at the opening of the bridge to traffic.
The NRDC argued that, you know, it was a bridge that was
bringing the traffic. Well, we didn't necessarily --
staff didn't necessarily agree with that nexus. If you
accept that premise, opening of the bridge seemed to be
the proper time to implement the program.

Staff recommends that acknowledgement of the West
Complex Air Emissions Reduction Program before you
satisfies the condition imposed by the Commission through
its approval of the lease to the Port of Stockton.

Do you have any questions?

CHAIRPERSON BUSTAMANTE: In the proposal, it
indicated a minimum of five years.

Is there any indication --

REGIONAL MANAGER PLUMMER: It's for five years as
a minimum -- a minimum of five years. That's correct.

CHAIRPERSON BUSTAMANTE: So is it renewable after
five years or does it sunset after five years?

REGIONAL MANAGER PLUMMER: It's a five-year
program, but we would look -- you know, the port has
ability to continue that program if they want. You know,
part of what -- yeah, existing environmental document requires that as the port implements programs that brings truck traffic to the West Complex as part of their development, that they still have to look at truck emissions. They can keep this account open and make other contributions. Our requirement is that there be 2.3 percent of the net operating income for five years. But they may continue that.

CHAIRPERSON BUSTAMANTE: But there's no requirement?

REGIONAL MANAGER PLUMMER: No.

CHAIRPERSON BUSTAMANTE: Okay. Any questions by the Commissioners?

Is the port director here? Why don't you come forward. And you've asked to be able to speak on this item?

MR. ASCHIERIS: Thank you, Mr. Chairman. My name is Richard Aschieri and I'm the Port Director of the Port of Stockton, California.

I just wanted to thank your staff. We worked very hard on this since the last meeting. And I am essentially here to answer any questions you might have.

CHAIRPERSON BUSTAMANTE: You're in support of the proposal? You've worked it out?
MR. ASCHIERIS: Yes, sir.

CHAIRPERSON BUSTAMANTE: You have no concerns or questions at this time?

MR. ASCHIERIS: No, I do not.

CHAIRPERSON BUSTAMANTE: Could you -- before we go into other questions and comments from the audience, could you explain for the record why it was that we needed to have a meeting regarding this particular issue during this month in order to be able to go forward on your construction and the kinds of costs that you'd indicated would be borne by you if we did not have this meeting?

MR. ASCHIERIS: Yes. Thank you, Mr. Chairman.

The port is very interested in moving ahead with the Daggett Road Bridge project. We would like to get the bids out on the street, so to speak, as quickly as possible. We think we still have a window of opportunity to get very competitive bids. We're very concerned that if we delay further, that a lot of the companies that would bid on our project would be busy on other projects and would likely bid it, but those bids would very likely be higher.

And we actually anticipate the ability to save at least a few hundred thousand dollars, which for a port our size -- our annual budget is, in a good year, about $24 million. That is very significant to this project,
particularly in light of some construction materials already increasing.

CHAIRPERSON BUSTAMANTE: We had planned to delay the meeting until March. But at your urging, we moved up the meeting schedule to accommodate it because of what you had indicated would have been a substantial savings to the port.

MR. ASCHIERIS: And the Port of Stockton particularly appreciates your accommodating us on this important issue.

CHAIRPERSON BUSTAMANTE: But that, in fact -- I just want to make sure that for the record that -- because otherwise we were not going to meet until March. And I just want to make sure that for the record we have it stated that it was at your urging and it was the potential several hundred thousand dollars to the port that would have cost had we not gone ahead with this meeting.

MR. ASCHIERIS: That is correct, Mr. Chairman.

CHAIRPERSON BUSTAMANTE: Any other questions by the members of the commission?

Please.

ACTING COMMISSIONER ARONBERG: Following on the Chair's earlier comment, would you have a problem with continuing the project for more than five years?

MR. ASCHIERIS: Well, as stated, our
environmental impact report that was certified by our board of port commissioners last June does call for accommodations for increased traffic. So I don't -- I do not foresee a problem with that. I would of course -- you know, that's more than the port director's decision. I have a board of port commissioners that I would go to and consult with. But we are -- we have made commitments in our environmental document to improving the air and having an air program for the Port of Stockton and particularly the West Complex.

ACTING COMMISSIONER ARONBERG: Then you wouldn't have a problem with, if, let's say, instead of five year or 10 years or --

MR. ASCHIERIS: That point, it works out well. And we're -- you know, I personally don't see any.

ACTING COMMISSIONER ARONBERG: Thank you.

CHAIRPERSON BUSTAMANTE: Any other questions by the Commissioner?

We also have two other people who've asked to speak, I believe also in support.

Is Dennis Brueckner here?

Please come forward.

And Lee Sandahl, you're on deck.

Go ahead and state your name for the record and --
MR. BRUECKNER: Dennis Brueckner.

Thank you, Lieutenant Governor and members of the Commission. I'm Dennis Brueckner. I'm the president business agent for the longshore workers at the Port of Stockton. And I speak in support.

This is going to create a lot of new living wage jobs in our area, not just for the longshore workers, but will also, you know, go out into the community, you know, for more work. And this is really important to our local -- you know, the small ports up and down the coast are slowly disappearing because of lack of -- because of the containerization. And this gives us an opportunity to grow. It's a very unique opportunity for the Port of Stockton. And we're very happy to have gotten this property from the Navy so that we can expand and expand our workforce.

I also currently serve on the Coast Safety Committee for the ILWU for the whole West Coast. And we're currently doing a diesel emission test at the workplace to protect our workers, and I am directly involved with that.

CHAIRPERSON BUSTAMANTE: Thank you.

MR. BRUECKNER: Thank you very much.

CHAIRPERSON BUSTAMANTE: Perhaps you can -- you can send a copy of the report to the staff so we can also
monitor it.

     MR. BRUECKNER: Most definitely.
     CHAIRPERSON BUSTAMANTE: Thank you.
     MR. BRUECKNER: Thank you.
     CHAIRPERSON BUSTAMANTE: Lee.
     And Jenny Harbine, you'll be up next.
     MR. SANDAHL: Members of the Commission, good afternoon. My name is Lee Sandahl, and I am a member of and I am speaking for the International Longshore Warehouse Union. I am before you today to ask your support for the permit process for the new Daggett Road Bridge construction process at the Port of Stockton's Rough and Ready Island facility.

     The construction of the new bridge will help facilitate the creation of many new jobs. These new jobs will come from new commerce that will be attracted to the port by improved access the new bridge will provide.

     The impact of these new jobs will have a far-reaching effect in the region. Historically port jobs provide living wage standards. The addition of the new jobs, together with the higher wage standards, will have a rippling effect that the Union feels will more than double the economic benefit to the area.

     Upon completion of the new bridge project, the port will redirect its Rough and Ready Island traffic,
making Daggett Road its primary gateway. This will remove a lot of the traffic that now exists and is traveling through local neighborhoods.

I think it's easy to see how construction of this new bridge will go a long way in addressing the critical economic concerns that now exist in this area.

It is for these reasons that the Union urges the Commission to support the new Daggett Road Bridge project.

Thank you.

CHAIRPERSON BUSTAMANTE: Thank you.

Any questions of Mr. Sandahl?

Jenny.

MS. HARBINE: Hi. My name is Jenny Harbine. I'm from the Law Firm of Shute, Mihaly & Weinberger. I'm speaking today on behalf of NRDC, who couldn't be here, DeltaKeeper and Friends of Riviera Cliffs.

We're concerned that the truck replacement program that is set forth in the staff report doesn't meet the Commission's intent to create a meaningful program to benefit air quality because the staff report provides no information on the actual amount of money that will be contributed to the program. And because the port has apparently refused to project its net operating profits, there's no guarantee that this will be a meaningful program at all.
I'm concerned that this has been portrayed as a case of jobs versus air quality. And that's certainly not the case. Many ports in this state who are doing fabulous business have adopted similar programs without jeopardizing their ability to create jobs.

Moreover, the Commission expressed its intent to create an equitable program. And the most equitable thing that the Commission can do I believe is to require the -- not to put the port at a competitive advantage over ports that have chosen to mitigate their air quality impacts.

The years in which the program will be implemented will be relatively early years in the project's life and won't represent the West Complex's highest years of net operating profits. For example, if the program were implemented today, 2.3 percent of the net operating profits would be $11,000 per year. Over five years you could purchase two trucks at $24,000 a truck. And we don't believe that is a meaningful program. And over the life of the project, where eventually the port projects that 1.2 million truck trips will be generated by the West Complex.

We have three potential solutions to this dilemma we see. One is to require the port to pay a backstop payment of a million dollars per year if the percentage of their net operating profits falls below that amount.
The second option would be to have the port project it's net operating profits at full project build-out and tier the percentage payment to that amount rather than the years in which the project is actually implemented.

And the third and enter the less desirable option would be to have the port ascertain which years will have the greatest truck traffic and implement the program during those years, which will both insure that the port is contributing to the program during the years where its air pollution impacts are greatest and also will insure that the program is adequately funded.

But we'd prefer the backstop payment system.

CHAIRPERSON BUSTAMANTE: Thank you.

Any questions of any of the speakers by the Commission members?

Any additional public comment?

Seeing none.

I am willing to entertain a motion.

ACTING COMMISSIONER SHEEHAN: I will move the --

let's see --

CHAIRPERSON BUSTAMANTE: -- the staff recommendation?

ACTING COMMISSIONER SHEEHAN: -- the staff recommendation on the West Complex Air Emissions Reduction
CHAIRPERSON BUSTAMANTE: Is there a second?
I'll make the second.
Then we'll -- why don't we go ahead and call the roll.

SECRETARY LUNETTA: Cindy Aronberg?
ACTING COMMISSIONER ARONBERG: Aye.
SECRETARY LUNETTA: Cruz Bustamante?
CHAIRPERSON BUSTAMANTE: Aye.
SECRETARY LUNETTA: Anne Sheehan?
ACTING COMMISSIONER SHEEHAN: Aye.
CHAIRPERSON BUSTAMANTE: The motion passes unanimously by roll call vote.
And I guess we're ready for Item No. 56.

EXECUTIVE OFFICER THAYER: Mr. Chair and members of the Commission, Item No. 56 has to do with a proposed reduction in the fee for the Ballast Water Program. Maurya Falkner, who heads up that program for the Commission will make the presentation.

(Thereupon an overhead presentation was Presented as follows.)

MS. FALKNER: Good afternoon. It's been a while since I've seen all of you.
Today the Commission item is actually related to reducing the fee amount. But Paul asked me to give you a
brief overview of the program. And I will try to be brief.

CHAIRPERSON BUSTAMANTE: Is there any industry people here to say "hurray" or anything?

MS. FALKNER: I'm kind of disappointed. I'll --

CHAIRPERSON BUSTAMANTE: Yeah, you're saving them a hundred bucks a shot, right?

MS. FALKNER: Yeah. But Jay was supportive of the --

CHAIRPERSON BUSTAMANTE: -- the reduction, I would imagine.

MS. FALKNER: Yeah, thank you.

So if it's okay with you, I'll just give a little bit on the fee and then a tiny small portion on the rest of what's going in the program.

CHAIRPERSON BUSTAMANTE: Sure. Go ahead.

MS. FALKNER: Okay. Great.

--o0o--

MS. FALKNER: And all this. Oh good.

We've got several rules that are two-rule packages and several reports that we're being required develop in the program. And so I'm going to go briefly over just a couple rules in the reports and then on to a couple other things.

--o0o--
MS. FALKNER: This is specific to the amendment that we're looking at today to reduce the fee. And we're going through emergency amendment just so we can get it going. But based -- if you guys may remember, in end of 2003 we got together, we raised the fee to $500 per voyage based on estimates on the number of voyages and program costs and the compliance rate. We got together with the technical advisory group in December of 2004 and reevaluated those numbers. The voyages annually were pretty close. The percent paying was actually higher than 95 percent. We're looking at -- 98 percent of the industry is paying the fee every single time. That's a pretty -- that's very positive for them. They should be very proud of themselves.

A big factor in being able to decrease the fee amount was the surplus that we had in the fund on July 1st, 2004. And that was as a result of a number of things, but primarily funds were not released to us to run the program for the first six months of 2004. So we have a nice surplus.

We reran the numbers using the new variables, and determines that we can easily drop the fee down to $400 per voyage, and that would still leave us, all other things being equal, with a surplus at the end of the program that would cover uncertainties that might come up.
Brought that to the TAG. They approved it. And we will come back to the TAG at the -- in a year approximately, rerun the numbers again in case there are any changes. But we think actually we probably will be able to drop the fee again; the programs are going quite well.

So that's the amendment for today's item.

--o0o--

MS. FALKNER: We have one other rule-making package that has gone into the Office of Administrative Law, and it will be published tomorrow. And it covers the coastal ballast water rules. The law required us to start addressing those voyages. Currently we only deal with vessels coming -- in terms of managing ballast water, we only deals with vessels coming from foreign ports. This rule would specifically address vessels that operate between Cooks Inlet in Alaska and Baja, California, coastally, so within 200 nautical miles.

And the idea is, you know, we're -- vessels come into San Francisco that have 250 minimum nonindigenous species. They pick those species up with that water and transport it to Long Beach or down to San Diego. We want to minimize the transfer of those organisms along the coastline and from other ports along the coast.

So we met with the industry, had four meetings with the industry over the course of two years,
specifically brought in experts on oceanography and
currents and things, and they met with marine biologists
and came up with the current rule-making package, which is
going to require vessels that operate along the West Coast
of North America to avoid port-to-port transfers; meaning
that if they pick up water in San Francisco and intend to
discharge that or need to discharge that in L.A., they'll
have to go out 250 nautical miles and conduct an exchange.
The distance offshore was based on best available
information that the oceanographers and the marine
biologists had for us. It also goes nicely with the
U.S -- excuse me -- with the International Maritime
Organization's resolution that was passed in February of
2004.

So that meets up nicely with that, gets published
tomorrow. If everything goes well, the -- they have two
public hearings in April, the rule will be signed and go
into effect 180 days after it's signed. That will allow
the industry and our staff to adequately educate everybody
and implement the program fairly.

CHAIRPERSON BUSTAMANTE: So that's some form of
aquacide, is that --

MS. FALKNER: I wish. We still don't have an
adequate aquacide out there. We're working on it, working
with technology vendors in the international and federal.
But it's an exchange process.

CHAIRPERSON BUSTAMANTE: I know. But how does it work? Is it because it distributes the organizes and disperses them in a way that they don't --

MS. FALKNER: Exactly. Picking up high concentrations of organisms in port waters and exchanging that water for near coastal, out 50 nautical miles or beyond.

CHAIRPERSON BUSTAMANTE: Is the water colder and, as a result, these --

MS. FALKNER: Probably it's colder, it has less organisms in it, it has a different salinity. The organisms picked up in port are less likely to survive out there. It's the same -- similar principle as the 200 nautical mile --

CHAIRPERSON BUSTAMANTE: Is there any information with respect to this exchange of organisms that having been able to survive the 15 mile --

MS. FALKNER: There is not. But the Department of Fish and Game is required and is going to be starting biological surveys along the coastline this summer that will be looking at some of those questions.

In addition, we are contracting with the Smithsonian Environmental Research Center, using the Carnival settlement funds, which I was going to discuss a
little bit, to do some ballast water exchange verification work that will look at the differences between near coastal, coastal, and further offshore waters in terms of a bunch of chemical, physical, as well as biological parameters. So we'll have a better idea of what are the key differences between those areas and what's the likelihood -- can we put a probability of likelihood of survival of an organism? We're hoping.

But it is a new issue. As we all know, this is a very new area of science, and we're all kind of learning as we go, trying to do the best we can.

So the idea is that port-to-port transfers should be minimized. So transferring water from San Francisco to L.A. or San Diego to San Francisco or Seattle, that should be avoided as much as possible, because those waters are more likely to act as nurseries for these non-indigenous organisms.

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MS. FALKNER: We also have two reports that we're looking on. And I'll go just real briefly. One is on performance standards. We're working with Coast Guard, International Maritime Organization folks, state and other federal agencies, as well as stakeholders, the maritime industry, ports and stuff, to look at what's currently known about performance standards for treatment systems.
If you put a treatment system on a vessel, how well should it act? And we have a report due to the Legislature in January of 2006. So our first meeting for that is March 7th of next month. And so we're moving ahead on that, and people are quite excited about that meeting, attending that.

The other important report that we're working on, and it actually kind of relates back to what Paul was talking about earlier in the copper-based paints, is this other ship-mediated vector study, whole fouling organisms. We've actually teamed up with the SEA GRANT folks who did the original whole fouling study that Paul referred to earlier. And we're going to be working on putting together a workshop, bringing in experts from the whole fouling community, the technology developers, shipper industry, et cetera, to look at what's the risk of whole fouling on commercial vessels. The SEA GRANT folks are interested in recreational vessels. But the mechanisms are very similar, so we thought we'd bring everybody together, do a workshop and come up with how should California proceed with regards to other ship-mediated vectors in the future. So that report's coming out as well.

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MS. FALKNER: Research. Those of you who have
been around for a bit remember the West Coast
demonstration project. It was a project that was funded
in part by the U.S. Fish and Wildlife Service and the Port
of Oakland, and then the State Water Resources Control
Board got -- also helped out with some of the shipboard
technology studies themselves.

We finally got the report from the Moss Landing
folks on the research. It wasn't like, "Wow, this is the
greatest thing in the world and we're going to" -- you
know -- "we're going to approve this system for all
vessels. But it's a start.

We are summarizing the several reports that we
have. We hope to have a final report to go out to the
public and to the Commission and to the funders in March.

As a mentioned, we have a ballast water exchange
verification project that we are going to be funding. And
that will be using the Carnival settlement dollars that is
currently in a capital off-land bank fund. It's going to
be with the Smithsonian Environmental Research Center.
And I'm working on a contract right now to get the
deliverables taken care of.

We also received three proposals from various
scientific community -- or scientific folks, two on
experimental treatment technologies. Both of these
technologies have a lot of promise. But we have told the
scientists themselves that what we would like is to --
when they identify -- if and when they identify a vessel
that they would like to put this system on, that the
vessel themselves come and we work with them on trying to
assist in -- financially assist to a certain extent in
getting those systems put on board the vessel. So we're
waiting to hear back. Both of these companies are
courting Matson Navigation and Crowley and a few other
companies. So the vessels have a few choices here.

Finally, again the Smithsonian Research Center in
Portland State University we received a proposal on whole
fouling. And that's -- we haven't made a decision on that
yet.

And that's kind of what's going on in a nutshell.
Are there any questions?

CHAIRPERSON BUSTAMANTE: Please.

ACTING COMMISSIONER ARONBERG: Ms. Falkner, when
will we know? How many years from now will we be able to
determine whether we've been successful in reducing these
invasive species?

MS. FALKNER: That's a good question. The
Department of Fish and Game conducted their first round of
surveys, put out their report. They are going to be
continuing with those surveys. Unfortunately, this kind
of work is kind of -- it requires long-term studies.
Unless you're looking, you don't know what's coming in and what's not coming in.

We have been working with Smithsonian, San Francisco State, other folks, to look at what's going on inside of ballast water tanks. And we're waiting to hear back from those studies to see what is exchange doing. Is it minimizing? How much is it reducing the number of organisms in a tank? That of course doesn't tell us whether or not those organisms are going to be able to survive and then establish. But it gives us a better indication. So I don't have a really good -- you know, I'd love to be able to say in ten years, but I really can't honestly say that.

CHAIRPERSON BUSTAMANTE: Is there any coastal water sampling taking place?

MS. FALKNER: That's what the Smithsonian is going to be doing. There are various groups around. The SCWRT, the Southern California Water Resources -- something project, down in southern California. They deal with the bite -- southern California bite. They've been doing quite a bit of work on coastal chemistry and physical properties. We're working with them. They're going to be part of this -- some of these groups that we're going to be working with. They gave us comments on the coastal rule that we put together.
So there are people doing it. It hasn't been as coordinated an effort as maybe, you know, it should be. But --

CHAIRPERSON BUSTAMANTE: Okay. Any other questions?

I believe we need a motion.

ACTING COMMISSIONER SHEEHAN: I'll move the staff recommendation on the fee schedule for marine invasive species control --

CHAIRPERSON BUSTAMANTE: Is there a second?

ACTING COMMISSIONER ARONBERG: Second.

CHAIRPERSON BUSTAMANTE: Let the record show that the vote is unanimous to reduce the fees from $500 to $400.

Okay. I believe that's the last item on our regular calendar; is that correct?

EXECUTIVE OFFICER THAYER: Yes, it is.

CHAIRPERSON BUSTAMANTE: And so we're going to be going to public speaking and comments, and then we'll go to closed session?

EXECUTIVE OFFICER THAYER: (Nods head.)

CHAIRPERSON BUSTAMANTE: We have two people who would like to comment today.

J. F. Schneider. Is that correct?

MR. SCHNEIDER: Yes, sir.
CHAIRPERSON BUSTAMANTE: Come forward.
You have your three minutes, sir.

MR. SCHNEIDER: Thank you, sir. Jeff Schneider.
I leave in Sacramento on the Garden Highway.

I just wanted to bring something very minor in
the scheme of things to you. And the dollar amount
wouldn't even qualify as budget dust. But over the last
years I think what happened this last week has forced me
to come and make my three-minute comment.

We have a -- the house that I purchased ten years
ago had a dock. And when -- soon after we moved in,
within weeks we suffered the floods of '94-'95, which was
a gubernatorial declared disaster in all but I think three
counties in California at the time. It took about 10 or
12 feet of our riverbank. We applied for and went through
with an eight-month process of getting a permit to replace
the damage that was caused by that, and then put bank
protection over it so it wouldn't happen again.

And among the difficulties that happened at that
time were -- all of the permits and all the process you go
through went through swimmingly except for Lands
Commission, which despite the project being statutorily
exempt from environmental review, Lands Commission staff
told me, "No, we're going to do an environmental review
regardless." And I spent a lot of my money until we get
the Governor's office involved to get the permit issued.

In renewing the permit, I -- it was on today's consent agenda. It was pulled after discussions with Mr. Thayer. My experience -- granted, it's only been ten years the Lands Commission has been talking to all my neighbors -- is that these little recreational permits which fly through with no input from the Commission -- rightfully so, they are ministerial actions in probably 99.9 percent of the cases -- it's been our experience, and I'm speaking both for myself and with my experience in talking with my neighbors, they seem to be enforced either arbitrarily or capriciously at times. And an example is the amount of money that's charged differs from person to person for the exact same permit, the requirements that are on the permits differ.

And what happened this week is I got my package and looked at it Tuesday night in the mail, noticed there was something strange about it, compared it yesterday to what I had submitted and it was different, that staff had actually changed my application without bothering to mention it to me and sent it to me for signature.

CHAIRPERSON BUSTAMANTE: How so?

MR. SCHNEIDER: The drawing was changed and had -- the dock has a -- well, it's been there about 20 years -- has brackets on it for pilings. It was currently
put in with cables. And the intent all along was to put
in pilings or move the temporary cables that were holding
it. But with things like the four floods that have
happened in the ten years that I've lived there, our
budget has gone to dealing with that instead of putting
the pilings in to date. It is still our intention to put
those in in the near future.

And, that is, that the brackets that are on the
dock and that were noted in the drawings were removed.
The notations that locations for future pilings at the
homeowner's -- I forget the exact wording, but the
notation that these would be put in at a future date were
all removed.

When I called the staff person and asked what had
happened, I was told that, "Oh, we just moved it to a new
form on the drawings." And when I mentioned, "Well, you
know, it's been changed. You've removed a whole bunch of
things very specifically." It was -- you can even see
where it had been whited out. I got an interesting
response that had absolutely no logic to it.

I talked to Mr. Thayer and we agreed that it
should be pulled from the agenda until we could deal with
it.

But my concern is that this is in our -- again,
it's a minor thing. It's a ministerial action that should
probably never have to come to the commission. I understand in talking to Mr. Thayer that staff believes that it has to come to the Commission, even on a consent calendar, even though these little permits go through the same process through multiple agencies and none of them go to a governing board, that I know of, except for here; that the authority within set specifications is granted to executive director to grant, for example, a renewal of an existing permit where no conditions have changed; that we spend a whole lot of money for something that we really shouldn't have to.

One neighbor is required to put on a half million dollar liability policy, while the next one down is not required to. One neighbor pays $400. One neighbor pays a thousand dollars for the same thing. And then you let all that go because it's minimal. But today when I found that staff changed my application and then lied to me when I called her on it, makes me come and speak to you.

And I think this whole issue predates Mr. Thayer. I have a lot of respect for Mr. Thayer.

But given the years and years that I've talked to all my neighbors that this has been their experience on an ongoing basis, so I just wanted to bring it to the Commission's attention if you cared about it or not.

But there's my three minutes.
CHAIRPERSON BUSTAMANTE: I appreciate it. Thank you.

MR. SCHNEIDER: Thank you.

CHAIRPERSON BUSTAMANTE: Paul, do you have any comments?

EXECUTIVE OFFICER THAYER: Yes, I do. Of course I was not a member of the Commission in '94 and '95 and I don't have all the information about what happened in this particular lease. Mr. Schneider and I have discussed that before in terms of -- when he talks about statutory exemption for environmental review, he's referring I believe to the CEQA provision that allows for reconstruction in the area where there's been a declaration of emergency by the Governor.

And I understand that staff was not -- did not review that very fully when he was making that claim.

But since then, and more recently, to deal with some of the other issues that he's talking about. As the Commission knows, the recreational leases -- or piers, the statutes prohibit the Commission from assessing any rent. But there is a specific requirement that we do recover our costs. And even though most leases -- most of these piers are very similar and present the exact same issues, the costs do vary occasionally. And so people are going to be charged different amounts because it takes a different amount of time to process those as similar as they are.
The applicants are generally asked to make a deposit. It's been generally $600. There's been recently some effort to perhaps move that to a thousand dollars because we're finding that our staff costs have gone up. In fact, our costs are now 70 percent higher than they were in 1990 when we originally set the deposit amount at $600, just because of all the overhead that we do, even if the hours are exactly the same.

Then the practice is to keep track of the hours that are spent on evaluating the application and refund the difference. And so most people who pay $600 or a thousand dollars usually get some portion of that back.

The problem with insurance has been that the state has some liability. There have been court cases which have found the state liability from the permits facilities on into land and somebody's injured. And so we generally try and -- or we do require rec pier lessees and all the other lessees to obtain insurance which indemnifies the state against claims like third parties.

It has occasionally been the case that we have found for very small piers that the applicant has been unable to get that insurance. His or her insurance company's refused to issue it. And in some of those cases we've not pursued it further. This has not meant that we have an uneven application. It's more of trying to be
realistic and not to try an impose undue hardship on rec
pier owners who have a very small development.

But we do our best to require that of all of
them.

With respect to this particular application, as
Mr. Schneider and I discussed earlier, his original -- the
original leases described a development which was never
put in. As he's described, there's been a couple pilings
that were never put in. Instead the dock is controlled by
what are called dead men. They're concrete or other
anchors that are on shore, and then you carry a cable out
to prevent the dock from moving downstream and that kind
of thing.

The Commission has a general policy of requiring
that if -- or issuing leases for a specific development.
And amendments are required if you change your
development. So, for example, a lessee has a small dock
and wants to put in a bigger dock, then they come back in
and get an amendment. Similarly, if someone comes in and
proposes a particular kind of project, we require that
that project usually be completed within a certain period
of time. With respect to rec piers, it really doesn't
matter that much. But on the larger projects the theory
is that if someone's got a 20-year lease for some
development and it's valid and they're paying the rent and
they never put in the improvement, we are foreclosed from using that property for anything else. And so the theory is we shouldn't be renting the public's land for some theoretical project that's going to occur down the road.

What should have happened in this case -- staff was in error. I think what happened was the staff noted that this lease showed that there were going to be two pilings in there for the last 20 years and they were never put in. So from staff's perspective it seemed inappropriate to issue a lease for a development that hadn't occurred and hadn't occurred for this long period of time. The staff should not have unilaterally removed -- at least my understanding of what happened -- unilaterally removed those piers. Instead we should have approached Mr. Schneider, "Look, there's a choice here. You haven't put it in for 20 years. Are you really going to do it? If not, we should just take it off. That isn't the development you really have. If you contemplate putting it in, then what we should do" -- and what we should have offered was the alternative, which is to say, "Okay, we will put that on your lease. We'll authorize that development if that's what you want to do. But we'll put the same sort of deadlines and requirements that we put on other leases that you perform that work within a reasonable period of time."
CHAIRPERSON BUSTAMANTE: Your three minutes are going to be up in five seconds.

CHAIRPERSON BUSTAMANTE: And I think I've covered all the issues that he raised.

Mr. Schneider and I discussed this earlier this week -- or early today. And he raised the possibility that he didn't want to go forward with it with this confusion as to what was on there and suggested we take it off. And I agreed. And I'd like to sit down and talk with him to see how we can straightened all this out.

CHAIRPERSON BUSTAMANTE: One minute rebuttal.

MR. SCHNEIDER: You know, I have a lot of respect for Mr. Thayer and I hope to work with him. My concern was principally that I -- that the homeowners, there's about 200 of us that have these piers, and when we get together we all tell these same war stories that come back to the Commission running up our bill for something that should be a ministerial action.

Granted, it's a tiny amount of money. I've even -- someone in this room even mentioned to me that "it's a $600 tax you pay every ten years. Pay it and move on with your life." And that is the reality of life, I guess, but not really how it's supposed to happen.

And I'd really appreciate if the Commission could find a way to just make this, as the Rec District and the
Reclamation Board and the Water Resources people do, is
that on a ministerial function of renewing an existing
permit, that if you meet a set bit of standards, that the
Commission approves those and gives the executive director
authority to do that, the money that's cost -- the staff
money to run this up is not to review these. Having been
an executive director of a government agency before, it's
preparing the document and coming and bringing it to you,
putting it on the website and --

CHAIRPERSON BUSTAMANTE: Oh, I see what you're
saying. You're saying you could lower the cost to you by
not bringing it to the Commission?

MR. SCHNEIDER: Exactly, that the Commission
gives the executive director authority within set
parameters, the executive director reports back; if
their's anything out of the ordinary, then it comes to
you.

CHAIRPERSON BUSTAMANTE: Got it. Okay.

MR. SCHNEIDER: Thank you very much.

CHAIRPERSON BUSTAMANTE: Thank you.

One other person who wanted to speak is Lester
Denevan.

CHAIRPERSON BUSTAMANTE: This is regarding the
Queensway Bay?

MR. DENEVAN: Yes.
CHAIRPERSON BUSTAMANTE: You have your three minutes, sir.

MR. DENEVAN: Lester Denevan done, urban planner, resident of Long Beach.

The Queensway Bay project was approved by the Lands Commission somewhat more than a year ago, or perhaps two. And that called for a shopping center on the former beach at Long Beach in the downtown area. And so the project was built and has opened.

And we have a large project here, $140 million project, on many acres of former public beach and parkland. And of course the Commission's responsibility is for oversight of the project, that the terms are complied with.

And the project is an a lot of trouble because they haven't been able to find enough tenants. And I went down recently and counted 27 vacant shops. And so the developer has a problem, but also the city and the state, because both public entities are involved in this project. And one of the major project problems is the parking garage, built for a private shopping center, and it was built with public money derived from the sale of $43 million of bonds. So now we have a public parking garage, it doesn't have enough traffic, they can't pay off the bonds.
And so the question is: Well, who's going to pull the city out of this mess? And if you read the local newspapers or if you've seen some of my communication with your legal staff, they're talking about going into the city's general fund on the one hand, my taxpayer's dollar -- and, by the way, this was supposed to be at no cost to the taxpayers or the State of California.

So one is to go into the city general fund and the other is to dip into the tideland revenue fund. And that's the point I want to bring up. I don't want to go into details now. I would ask only that you put it on your agenda for a future meeting, perhaps next month. Or perhaps if you're meeting in southern California, be able to come down to Long Beach or some other southern city, and maybe even take a look at the project.

So my concern is about the risk of the tideland revenue funds being squandered on this parking garage. So that's the matter that I'd like to have you consider very carefully, and your staff.

And in conclusion I'd like to say that I think it was a poor decision on the Lands Commission staff to approve the project in the first place on a former public beach.

And so I hope that perhaps you could put this on the agenda for public hearing. And I'll try to attend
that meeting at that time.

Thank you.

CHAIRPERSON BUSTAMANTE: Thank you. Three
minutes on the dot. You're good.

Paul, what kind of jurisdiction do we really have
at this point in this project, with a parking garage or
anything else?

EXECUTIVE OFFICER THAYER: I think that's a good
way to analyze it, that our primary jurisdiction's to make
sure the uses at Queensway Bay are consistent with the
Public Trust Doctrine. Whether or not any particular
project is a financial success is something that we don't
pretend to have the expertise in and we don't have the
jurisdiction over.

The parking lot was allowed by the Commission,
approved by the commission as a public trust use because
it provides for parking opportunities for the people using
the area.

So when -- I think when Mr. Denevan refers to the
public trust fund, he's talking about the Long Beach
public trust revenues that have to be put into that if
they don't sell enough parking spaces or they don't get
enough rent from cars.

That can be a decision by a local entity. You
know, as I say, if the parking lot is considered to be a
public trust use, it's eligible for these funds. This may
not have been what the city originally wanted to do or
what the taxpayers would prefer that it do with the public
trust funds.

But there's not really a public trust issue
though, I don't think. And the fact that the city may
have to put general funds into that again, it's not good
for the city. I know that city's in a deficit situation.
But it's not illegal. And, in effect, they're making a
decision as to how they want to develop their money in the
same way they decide whether they want to put the money in
schools or whatever.

CHAIRPERSON BUSTAMANTE: So there shouldn't be
confusion when it says Long Beach Public Trust Fund as to
indicating that somehow our review of the public trust is
somehow involved with this particular fund?

EXECUTIVE OFFICER THAYER: That's right. We
didn't review that project as to whether or not it was the
best project or whether it was of the appropriate -- or
whether it was the best fiscally, but whether or not it
qualified for use of these funds. The individual decision
though pursuant to the grant, the Legislature basically
assigned management responsibilities to the city as to
what they wanted to do with its land.

CHAIRPERSON BUSTAMANTE: And this fund is not
under our jurisdiction?

EXECUTIVE OFFICER THAYER: No, it is not. The only jurisdiction we have is the same as we do generally over granted lands, which is to make sure it's not being spent for non-trust purposes.

CHAIRPERSON BUSTAMANTE: As far as we know, do we have staff here who can talk very, very briefly about the point that if there has been any misuse of public trust lands or if there is any deviation from the original authorization that was given to Long Beach for the use of these properties?

EXECUTIVE OFFICER THAYER: Curtis Fossum is here, who's the attorney that's worked on this. But I think I can answer that question directly.

There's two instances that I know of where things are working out differently from originally planned. The first one is there's a site, I think it's where the IMAX was proposed, that they're now proposing -- IMAX Theater, that they're now proposing to make into a hotel. And this is one of the areas from which the trust was lifted. And the Commission assessed -- or imposed a condition on its approval of lifting this trust, that if the uses were ever put to trust use instead of a non-trust use, then the trust would reattach. And a hotel would be a trust use. And the city -- we've been in conversations with the city
and the developer, and they understand fully that if they want to change this use to a trust use, and that a hotel is a trust use, that the public trust will reattach to this property. So this is change is consistent with the Commission's action.

The one place where I believe there has been a violation is that a T-Mobile One use was put into one of the buildings where there was supposed to be trust uses. We don't regard a T-Mobile One cell phone outlet as being a trust use. This could occur anywhere. It's not water related. And the developer has said they weren't aware of the issue and have promised to relocate it within six months or something like this. We felt that was a reasonably timely solution and they will correct that problem.

CHAIRPERSON BUSTAMANTE: So will we send him then a list to refresh his memory on all of the public trust uses that he can do and --

EXECUTIVE OFFICER THAYER: The developer?

CHAIRPERSON BUSTAMANTE: Yeah.

EXECUTIVE OFFICER THAYER: Yes. We met with the developer -- I can't remember exactly when it was -- it was some time last year, and went over some of this.

The city has -- not to make excuses, but the city has been through a change in attorneys, and Jim McCabe,
the guy that did most of their public trust doctrine, has left. And they have some new attorneys. And in our meetings with them, they've become much more familiar with the public trust doctrine. We hope they forestall some of that.

CHAIRPERSON BUSTAMANTE: Okay. Any other questions --

MR. DENEVAN: May I respond just very briefly?
The Commission had the hearings on the project and approved the project. And during the discussions it was made very clear by staff that public monies, certainly not state monies, would be used to subsidize the private development. And so that's the key matter.
You're committed on this matter of protecting the public funds, because part of that draws your supporting private shopping center.
Thank you.

CHAIRPERSON BUSTAMANTE: Okay. Anything else?
No other public comment?
Then we'll close the public portion of the meeting and we'll go into closed session.
Thank you all for coming. And we'd like to ask everyone to please move quickly toward the exits so we might be able to conduct our closed session.
Thank you.
(Thereupon the California State Lands
Commission meeting adjourned at 2:12 p.m.)
CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, and Registered Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing California State Lands Commission meeting was reported in shorthand by me, James F. Peters, a Certified 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 meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of March, 2005.

JAMES F. PETERS, CSR, RPR
Certified Shorthand Reporter
License No. 10063