

MINUTE ITEM

5/27/75
RCH(NGT)

9. PROPOSAL OF THE CITY OF LONG BEACH TO EXPEND TIDELAND OIL REVENUES FOR THE PURCHASE OF CERTAIN BEACH LOTS IN THE EAST BEACH AREAS OF THE CITY OF LONG BEACH, LOS ANGELES COUNTY - W 503.659, W 10244.

After consideration of Calendar Item 7 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. DETERMINES THAT THE EXPENDITURE OF \$260,000 BY THE CITY OF LONG BEACH FROM ITS SHARE OF TIDELAND OIL REVENUES, FOR THE PURCHASE OF THE ABOVE-DESCRIBED LOTS OF HANSEN AND MATTHEWS AND GATES IN THE EAST BEACH AREA OF THE CITY OF LONG BEACH IS IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 138/1964, 1ST E.S.; SUBJECT TO THE CONDITION THAT THE PURCHASE CONFORM IN ESSENTIAL DETAILS TO THE INFORMATION HERETOFORE SUBMITTED TO THE COMMISSION.
2. AUTHORIZES THE STAFF AND OFFICE OF THE ATTORNEY GENERAL TO EXECUTE THE SETTLEMENT AGREEMENT BETWEEN THE CITY OF LONG BEACH, MATTHEWS AND GATES AND THE STATE, A COPY OF WHICH IS ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF.
3. AUTHORIZES THE STAFF AND OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL ACTIONS NECESSARY TO IMPLEMENT THE FOREGOING INCLUDING, BUT NOT LIMITED TO, LITIGATION.

Attachment:
Calendar Item 7 (3 pages)

CALENDAR ITEM

5/75
RCH(NGT)
W 503.659

7.

PROPOSAL OF THE CITY OF LONG BEACH TO EXPEND
TIDELAND OIL REVENUES FOR THE PURCHASE OF
CERTAIN BEACH LOTS IN THE EAST BEACH AREAS
OF THE CITY OF LONG BEACH, LOS ANGELES COUNTY

On April 27, 1967, the State Lands Commission determined that the expenditure of \$2,125,000 from the City of Long Beach's share of tideland oil revenues for acquisition of beach lots in the East and Central Areas of the City was in accordance with the provisions of Chapter 138, Statutes of 1964, 1st Extraordinary Session (provided that the purchases conform in essential details to the information submitted to the Commission).

Upon acquisition, the City stated the lots would be devoted to beach, game and other leisure and recreational activities. Specific authority for such acquisitions is set forth in Sections 6(d) and 6(f) of said Chapter 138.

Following the 1967 Commission action, the City (between 1968 to 1970) commenced a series of legal actions to establish the precise boundaries of certain of the lots and in one instance acquired one of the lots through a condemnation proceeding. The State has been a party to the litigation as required by statute. One action has gone to final judgment. The remaining litigation is now at the judgment phase and appeals have been filed or are expected to be filed if settlements cannot be reached.

Hansen Parcel: At its preceding meeting (April 1975), the Commission authorized the Attorney General to execute a stipulation for settlement and dismissal of one of those cases -- City of Long Beach v. Hansen (see 4/75 Calendar Item No. 15). The City is presently requesting a determination that the expenditure of \$130,000 from the City's share of tidelands oil revenue for the acquisition of the Hansen parcel (Lots 9 and 10, Block 48, Alamitos Beach Townsite) is proper pursuant to Section 6 of Chapter 138. The estimated value of the Hansen parcel based upon an appraisal obtained by the City at the time of the 1967 Commission action was \$95,000. As a result of concurrent settlement negotiations, the City retained an independent appraiser to make an appraisal of the present market value of the Hansen property. That appraiser has completed his report and concluded that the 1975 value of the Hansen property is \$130,000. The Estate of Hazel Hansen has agreed to the value and obtained judicial approval to sell the property at that price to the City. The City has submitted the current appraisal report to the staff for review. The staff has reviewed the report and has concluded that the amount reasonably reflects the present worth of the property.

A 52, 57, 58
S 27, 31

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Matthews and Gates Parcel: No legal action was pursued by the City as to the Matthews and Gates five beach lots included in the 1967 Commission determination. Through an agreement reached between the City and Matthews and Gates about two years ago, the City acquired four of the lots. The City now desires to acquire the remaining Matthews and Gates lot (Lot 8, Block 44, Alamitos Beach Townsite) with funds from the City's share of tideland oil revenues and a Commission determination as to the propriety of the expenditure pursuant to the provisions of Chapter 138 is also sought by the City at this time. The estimated value of the remaining parcel in 1967 was \$88,500. As a result of current settlement negotiations, the City has obtained an appraisal of the 1975 market value of the property which states that said value is now \$115,000. Matthews and Gates refused to sell the property to the City at the appraised value. There is no agreement regarding the boundaries of the subject lot or extent of any rights of the public by reason of implied dedication. Prior to City acquisition of the property, extensive litigation would be required to determine title and boundary problems as well as the fair market value of the property. In the one case (involving a single East Beach lot) which has gone to final judgment, forty-three days of actual trial time was consumed and a value higher than that estimated by the City was found to be the value of that lot. The costs of the City and State in a similar type of case in the Alamitos Bay area of Long Beach was over \$70,000. Matthews and Gates have indicated a willingness to enter into an agreement fixing the boundary and implied dedication rights in conformity with the State's position as to those matters if the City agrees to pay them \$130,000 for the lot. The staff has reviewed the 1975 appraisal report prepared for the City and the proposed agreement and agrees that the overall settlement is reasonable. The Office of the Attorney General has reviewed this matter and concurs with the staff's conclusion.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

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