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MEETING
STATE OF CALIFORNIA
STATE LANDS COMMISSION

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA

THURSDAY, NOVEMBER 19, 1987

10:00 A.M.

Vicki A. Medeiros
Shorthand Reporter

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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

I N D E X
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	<u>Page</u>
Proceedings	1
Items taken off calendar: C1; 13, 20, 22, 23, 25, 26, 32	1
Confirmation of Minutes for the Meeting of October 21, 1987	1
Consent Item C6 moved to Regular Calendar	1
Consent Calendar Items C2- C5, C7- C11	1
Executive Officer's Report	1
Executive Officer's Report- C6	3
Item 12- John K. Hasso (Applicant)	8
Item 13- off calendar	
Item 14- Tenneco Oil Company (Applicant)	5
Item 15- City of Long Beach (Applicant)	8
Item 16- Lunday Thagard Oil Company (Applicant)	6
Item 17- Cal-Jet, Inc. (Applicant)	6
Item 18- City of Long Beach (Applicant)	6
Item 19- Moe Sand Company (Applicant)	7
Item 20- off calendar	
Item 21- Corbin J. Robertson (Lessee)	7
Item 22- off calendar	
Item 23- off calendar	
Item 24- Shell Western E&P, Inc. (Lessee)	8
Item 25- off calendar	
Item 26- off calendar	

INDEX (Continued)

Page

Item 27- Imperial Bank (Party)	8
Item 28 - San Diego LAFCO (Party)	9
Item 29- Orange County Local Agency Formation (Party)	9
Item 30- George Gianulias (Party)	10
Item 31- Fountain Plaza Partnership (Lessee)	11
Item 32- off calendar	
Adjournment	12
Certificate of Reporter	13

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P R O C E E D I N G S

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4 **CHAIRMAN McCARTHY:** Good morning, ladies and
5 gentlemen. This is the meeting of the the State Lands
6 Commission.

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

9 For the convenience of the public, let me mention
10 that the following items are off calendar today: Consent Item
11 1, and then Items 13, 20, 22, 23, 25, 26, and 32.

12 Minutes to the last Commission meeting, any problem?

13 Approved.

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

17 **CHAIRMAN McCARTHY:** All right. Thank you.

18 Item C6 is moved to the regular calendar.

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

21 Without objection, they are approved.

22 Executive Officer's report.

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

25 The fire season did damage to four of our State

1 parcels. One of those parcels -- or three of those parcels
2 were within the National Forests, and the cleanup work is
3 being done in cooperation with the National Forest.

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

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

15 If there are no questions?

16 CHAIRMAN MCCARTHY: Go ahead, please.

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

20 We have a brief report. It is before you.

21 Just to highlight it, the staff's efforts thus far
22 have been largely directed toward collecting and reviewing the
23 masses of existing material. That's a monumental task of
24 pulling together all of the environmental research, coastal
25 plans, all the background material for all of the things that

1 have been going on related to oil over the last ten years.

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

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

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

9 All right. That's fine.

10 Thank you, very much.

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

14 Okay. Item what was C6.

15 Staff report, please.

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

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

25 The only alternative really you have today is to

1 deny, I think.

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

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

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

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

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

13 CHAIRMAN McCARTHY: Is the applicant present?

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

16 CHAIRMAN McCARTHY: All right.

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

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

20 CHAIRMAN McCARTHY: Read the language.

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

24 CHAIRMAN McCARTHY: The Commission unanimously
25 accepts that recommendation, and please so notify the

1 applicant.

2 Item 12.

3 EXECUTIVE OFFICER DEDRICK: Item 12 is a denial
4 without prejudice of an application for use of State-owned
5 land in the Sacramento River, Tehama County.

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

9 CHAIRMAN McCARTHY: Any questions from the audience?

10 Unanimously accepted by the Commission.

11 Item 14.

12 EXECUTIVE OFFICER DEDRICK: Item 14 is an assignment
13 of the pier to Rincon Island from the Bush 1 Company to the
14 Tenneco Oil Company which has taken operational control of
15 that lease.

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

20 CHAIRMAN McCARTHY: Any questions from the
21 audience?

22 COMMISSIONER GRAY: That's fine.

23 CHAIRMAN McCARTHY: Accepted.

24 15.

25 EXECUTIVE OFFICER DEDRICK: Item 15 is the first

1 modification of the Long Beach plan and budget for '87 and
2 '88. It is a transfer of \$99,000 between funds.

3 It does not affect any of the bottomline items in
4 that budget.

5 CHAIRMAN McCARTHY: Any questions from the audience.

6 All right. Recommendation accepted.

7 16.

8 EXECUTIVE OFFICER DEDRICK: Item 16 is an award for
9 Royalty Oil Sales Contract to Lunday Thagard Comapny.

10 The price is 48.5 cents. The location of the oil is
11 Ellwood in Santa Barbara County.

12 CHAIRMAN McCARTHY: Any questions?

13 All right. The recommendation is accepted.

14 17.

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

18 CHAIRMAN McCARTHY: Questions from the audience?

19 Recommendation is accepted.

20 18.

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

24 CHAIRMAN McCARTHY: Any questions from the audience?

25 Recommendation is accepted.

1 19.

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

5 CHAIRMAN McCARTHY: No controversy on this?

6 EXECUTIVE OFFICER DEDRICK: No, sir.

7 CHAIRMAN McCARTHY: Any questions?

8 Approved.

9 20.

10 20 is off calendar.

11 21.

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

15 CHAIRMAN McCARTHY: Any questions?

16 Approved as recommended.

17 21.

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

20 Mr. Hight, would you carry those, please.

21 I'm sorry. I made a mistake.

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

24 Item 24 is the next item.

25 CHAIRMAN McCARTHY: I don't have 21 removed.

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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, 1968.

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 Kapileff 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

1 Trustees, approved.

2 Next item. 28.

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

6 The Commission's role here is in approving the
7 description and approving as a land owner.

8 CHAIRMAN McCARTHY: The land involved is only in
9 these two cities.

10 MR. HIGHT: That's correct.

11 CHAIRMAN McCARTHY: Okay. Any questions?

12 Approved as recommended.

13 29.

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

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

20 It is staff's recommendation that the Commission
21 authorize as landowner the Parcel A going to Dana Point, and
22 that the Commission authorize as landowner the legal
23 description of Exhibit B but not approve as landowner the
24 annexation of that area because LAFCO at this point has not
25 decided to which entity it should go.

1 there is supplemental language in your calendar
2 which will accomplish that effect.

3 CHAIRMAN McCARTHY: What is on the white sheet?

4 MR. HIGHT: Yes.

5 CHAIRMAN McCARTHY: 3 and 4?

6 MR. HIGHT: Yes.

7 CHAIRMAN McCARTHY: All right.

8 Moved by Commissioner Davis. I second it.

9 Any questions from the audience?

10 Approved as recommended.

11 30.

12 MR. HIGHT: 30, Mr. Chairman, is a proposed title
13 settlement in the City of Vallejo. This parcel consists of
14 about four acres of land. The state will be receiving \$15,600
15 for its interest in the parcel.

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

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

25 The staff of the Commission will be looking very

1 closely at any other activity that Mr. Gianulias has, and if
2 appropriate, we'll bring any other action as necessary.

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

6 Yes, Commissioner Davis.

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

11 MR. HIGHT: That's correct.

12 CHAIRMAN McCARTHY: All right.

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

15 MR. HIGHT: Correct.

16 CHAIRMAN McCARTHY: Any other comments on this?

17 All right.

18 Approved as recommended.

19 31.

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

24 This is the for a hotel which will be placed on the
25 State's property in Seal Beach. In addition this settlement

1 is a settlement of a long standing problem. We have had a
2 lease in the area for sometime, and hopefully, this new
3 arrangement will allow the area to be built and used
4 productively for the State.

5 CHAIRMAN McCARTHY: Questions from the audience?

6 All right.

7 The recommendation is approved unanimously.

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

10 CHAIRMAN McCARTHY: That looks like it.

11 Any other business before the Commission today?

12 If not, this Commission is concluded.

13 Thank you all very much.

14 EXECUTIVE OFFICER DEDRICK: Thank you, Mr. Chairman.

15 (Thereupon the hearing was adjourned

16 at 11:06 a.m.)

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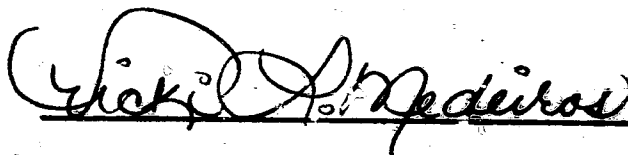
CERTIFICATE OF SHORTHAND REPORTER

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2
3 I, VICKI L. MEDEIROS, a Shorthand Reporter of the
4 State of California, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing hearing was reported in shorthand by me, Vicki L.
7 Medeiros, a Shorthand Reporter of the State of California, and
8 thereafter transcribed into typewriting.

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

12 IN WITNESS WHEREOF, I have hereunto set my hand this
13 10th day of December, 1987.

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18 VICKI L. MEDEIROS
19 Shorthand Reporter
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