

Station No. 207; thence at right angles north $49^{\circ} 21' 24''$ east a distance of 1000 feet, more or less, to the point or place of beginning; containing 71.2 acres of submerged land, of U. S. Naval Station (Destroyer Base), San Diego, California.

Also, beginning at Government Station No. 300 on the U. S. Bulkhead Line, as said Bulkhead Line is now established for the Bay of San Diego; thence south $40^{\circ} 38' 36''$ east along the said Bulkhead Line a distance of 899.38 feet to a point; thence at right angles south $49^{\circ} 21' 24''$ west a distance of 1000 feet, more or less, to an intersection with the U. S. Pierhead Line, as said Pierhead Line is now established for the Bay of San Diego; thence north $40^{\circ} 38' 36''$ west along the said U. S. Pierhead Line a distance of 756.96 feet, more or less, to Government Station No. 207; thence north $41^{\circ} 15' 04''$ east a distance of 1010.07 feet, more or less, to the point or place of beginning; containing 19.0 acres of submerged land, being a part of the U. S. Naval Station (Destroyer Base), San Diego, California.

The lands hereinabove described are more particularly delineated upon Harbor Department Drawing No. PL 891-B-13 dated March 11, 1949, a copy of which is attached hereto marked Exhibit "A" and by this reference made a part hereof.

THAT THE CONDITIONS PRESCRIBED IN SUBDIVISION (a), (b) AND (c) OF SECTION 126 OF THE GOVERNMENT CODE OF THE STATE OF CALIFORNIA HAVE BEEN FOUND TO HAVE OCCURRED AND TO EXIST AND THAT SUCH ACQUISITION IS IN THE INTEREST OF THE STATE; ALSO THAT THE EXECUTIVE OFFICER BE DIRECTED TO FILE A CERTIFIED COPY OF THIS FINDING IN THE OFFICE OF THE SECRETARY OF STATE AND HAVE ONE RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN DIEGO.

15. (AUDIT REPORT, STATE LANDS COMMISSION, JULY 1947 TO JULY 1949, RENTAL FOR PURPRESTURES TIDE AND SUBMERGED LANDS - W.O. 738) The Commission was informed as follows: On page 10, item 2, in the Summary of Recommendation, Division of Audits states "An Attorney General's Opinion should be requested on Leases P.R.C. 139, 153, 187, 218 and 220, regarding occupancy of the premises prior to the lease payment without payment of rental".

This recommendation appears to involve a matter of policy. Discussions have been held with the Attorney General's office who has confirmed that it is a matter of policy. As the Commission is aware, there are many places within the State where there are purprestures but even at this date no lease arrangements have been made with the occupants. This condition is the result of lack of legislation giving authority to any sub-divisions of the State to lease such lands, which authority was conferred upon the State Lands Commission by the State Lands Act of 1938. The other condition that with the limited staff of the Commission, these situations are being cleared up just as rapidly as possible. One condition that has influenced this problem is the earlier lack of policy of the Commission as to effective date of leases and the changes in this policy as that have developed since the passage of the State Lands Act.

The fundamental policy followed in the issuance of leases is that the lease takes the date of the Commission action unless there are qualifications considered at the time of the Commission action. A modification of this first policy was the action of the Commission of April 14, 1948, item No. 15 thereof.

This modification was brought about by the Division of Audits raising the particular question of rentals for purprestures prior to lease date.

In brief, Leases P.R.C. 139, 153, 187 and 218, were issued as of the date of the Commission action. In case of Lease P.R.C. 220, because of conditions which were before the Commission at the time of its action, this lease took the date of February 20, 1946, whereas the Commission action thereon was May 10, 1946.

With respect to the first four leases, the facts relating thereto were as follows:

P.R.C. 139

Applicant: Standard Oil Company
Date of Application: June 28, 1944, amended: January 29, 1948
Date of Commission action authorizing lease: March 4, 1947, amended
June 25, 1948, and August 19, 1948
Effective date of lease: March 4, 1947

P.R.C. 153

Applicant: Tidewater Associated Oil Company
Date of Application: June 23, 1944
Date of Commission action authorizing lease: March 24, 1947
Effective date of lease: March 24, 1947

P.R.C. 187

Applicant: Tidewater Associated Oil Company
Date of Application: May 31, 1945
Date of Commission action authorizing lease: December 19, 1946
Effective date of lease: December 19, 1946

P.R.C. 218

Applicant: Clifford M. Hewitt
Date of Application: November 6, 1945
Date of Commission action authorizing lease: April 13, 1946
Effective date of lease: April 13, 1946

In each of the foregoing cases, long delays in negotiations were encountered due to lack of sufficient staff to complete the necessary preliminaries. At that time, it was the policy of the Commission to fix the effective date of the lease as that of Commission action in cases of this character. This policy was modified on April 14, 1948, to cover purprestures of various kinds, but in general most leases are effective the date of Commission action.

P.R.C. 220

Applicant: California & Hawaiian Sugar Refining Corporation
Date of application: April 5, 1946
Date of Commission action authorizing lease: May 10, 1946
Effective date of lease: February 20, 1946

There are many conditions that influence the issuance of leases on purprestures which may be stated as follows:

1. Was the purpresture built with any authority of law, for example, under the Harbors and Navigation Code by the Board of Supervisors' franchise, or by City Council franchise?
2. Was such franchise still in force at the time of enactment of the State Lands Act?
3. Was the purpresture built under the old theory of law that a littoral owner had the right to wharf out without any authority of any department of the State?
4. Is the particular structure now owned by the original builder thereof?
5. Is the State the actual owner of these structures?
6. Would the asserting of ownership in these structures be in the interests of the State because in most cases their maintenance is a liability?
7. Is not the best interest of the State served by entering into an agreement lease as of a definite date without involving questions of back rental and/or ownership of the structures?

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AS FOLLOWS: THE COMMISSION WILL ADHERE TO THE POLICY OF ISSUANCE OF THE LEASE AS OF THE DATE OF ITS ACTION EXCEPT AS CIRCUMSTANCES WARRANT THE USE OF AN EARLIER DATE UNDER POLICY ESTABLISHED ON APRIL 14, 1948; WITH RESPECT TO THE LEASES WHICH ARE THE SUBJECT OF THE DIVISION OF AUDITS' RECOMMENDATION THE EFFECTIVE DATE THEREOF SHALL BE THE DATES AS AUTHORIZED BY THE COMMISSION AND THAT NO BACK RENTAL PRIOR TO THAT DATE IS TO BE COLLECTED; THE DIVISION OF AUDITS OF THE DEPARTMENT OF FINANCE IS TO BE NOTIFIED ACCORDINGLY.

16. (APPLICATION FOR LEASE OF TIDE AND SUBMERGED LANDS AT SANTA CATALINA ISLAND, GRAHAM BROTHERS, INC. - W.O. 589, P.R.C. 558 AND 559) The Commission was informed as follows: Graham Brothers, Inc. have requested a lease for five years of four sites for mooring buoys southeasterly of Blue Cavern Point, Santa Catalina Island, the mooring buoys to be used in a commercial project of quarrying rock and loading on barges. Each site is very minor in area indicating the minimum annual rental of \$50.00 for all four sites. A minor structure permit for two mooring buoys at Empire Landing for mooring small non-commercial craft is also requested, such permit is provided for by the action of the Commission on April 28, 1950, permit fee being established at \$15.00 for a five year maximum period. Filing fee, permit fee and expense deposit have been paid. The Santa Catalina Island Company as littoral owner has approved the application.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO ISSUE TO GRAHAM BROTHERS, INC. A LEASE COVERING FOUR MOORING BUOY SITES SCOUTHEASTERLY OF BLUE CAVERN POINT, SANTA CATALINA ISLAND FOR A PERIOD OF FIVE YEARS AT AN ANNUAL RENTAL OF \$50.00 NO PERFORMANCE BOND BEING REQUIRED AND TO ISSUE TO GRAHAM BROS. INC. A MINOR STRUCTURE PERMIT FOR THE INSTALLATION AND USE OF TWO NON-COMMERCIAL MOORING BUOYS AT EMPIRE LANDING. SANTA CATALINE FOR A PERIOD OF FIVE YEARS AT THE REGULATORY PERMIT FEE OF \$15.00.