

LITTLE HOOVER COMMISSION – OCTOBER 25, 2011- ROOM 437 CAPITOL  
STATE PROPERTY MANAGEMENT AND UTILIZATION HEARING CALIFORNIA

STATE LANDS COMMISSION STAFF PRESENTATION

I. History

- A. 1849 – 1929 Surveyor General (statewide elected) – State Land Office
  - a. 1850 - Sovereign Lands – 4 million acres
  - b. 1850 – Federal Grant -- Swamp & Overflowed Lands -- 2 million acres
  - c. 1853 – Federal Grant – School Lands – 4 million acres
- B. 1929 – 1938 Division of State Lands – Department of Finance
  - a. 1930's Oil turmoil – Supreme Court / how to lease? / leg / referendum
  - b. Corruption
- C. 1938 – Independent State Lands Commission created
  - a. Lt. Governor (statewide elected)
  - b. Controller (statewide elected)
  - c. Director of Finance (Governor's appointee)

II. Commission Mission

- A. Manage the State's Sovereign Public Trust Lands – Waterways and also School Lands
- B. Maximize Non-Tax Revenue to State General Fund
- C. Maximize Non-Tax Revenue to State Teachers Retirement System
- D. Protect Public Access to and Use of the Waterways of the State
- E. Balance Economic Development with Environmental Protection
- F. Conduct all Business in a Noticed Public Meeting - Transparency

III. Types of Property Interests

- A. Tide and Submerged Lands and Beds of Navigable Waters (3 Miles Offshore of the Coast and Islands, Bays, Lakes, Rivers, etc.) 1879 Const.
- B. School Lands - 469,000 acres/790,000 min. rts.-1921 1/16<sup>th</sup> / '38 100%) +

IV. Commission Staff Structure and Activities - Brochures Describe in Detail

- A. Land Management Division – Negotiations & Processing Land Leases – 4100 (Indust. / Commercial / Gov't. / Recr.) / Boundaries / Trust Grants
- B. Mineral Resource Management – Mineral Leasing – Oil, Gas, Precious Metals, Sand & Gravel / Geothermal / Offshore Oil Spill Prevention / Audits / Engineering (Petroleum, Structural, Process) / Hazards Removal
- C. Marine Facilities Division – Marine Terminal Oil Spill Prevention (50+) / Safety / Marine Invasive Species (Ballast Water and Vessel Bio-fouling)
- D. Division of Environmental Planning and Management – CEQA / GIS
- E. Administrative and Information Services – IT, Billing, H. R., Records
- F. Legal Div. – Leases, Litigation, Title Settlements, Contracts, Compliance

V. Revenue Generation – Not Treated as such for Staff reductions

- A. \$10,000,000,000 (See attachment #1) / 2010-11 \$429,000,000
- B. Oil and Gas – General Fund \$396 M (60s - Water Project / Univ. of Calif.)
- C. Land Leasing of Sovereign Lands – General Fund \$18 Million
- D. School Lands – STRS (Solar, Wind, Geothermal, Rights of Way, Grazing, Timber, etc.) \$5 Million

VI. Examples of Past and Current Projects

- A. Offshore Oil & Gas – Santa Barbara, Ventura, Los Angeles, Orange
  - a. 3 Platforms, 5 Man-made Islands, from Shore
  - b. No New Offshore Leases Since 1968 - Sanctuary
  - c. Maximize Development of Resource and Revenue of Existing Leases – Renegotiate Terms to Reflect Current Conditions – Sliding Scale / Incentivize Increased Production
- B. Alternative/Clean Energy Generation
  - a. Geothermal – Geysers, Salton Sea, Sierra
  - b. Solar – Several Lease Applications, DRECP, AB 982 (Skinner), Exchanges with BLM
  - c. Wind – Applications
  - d. Wave – Application Withdrawn – other opportunities
- C. MOTEMS – Oil Spill Prevention – AB 1112 (Huffman) 1 ½ □
- D. Title Settlements and Exchanges – Urban Waterfront Renewal
  - a. Ports of Los Angeles, Long Beach, San Diego, San Francisco, Oakland
  - b. Cities of San Diego, Eureka, Sacramento

VII. Challenges

- A. Loss of 74% of General Fund Supported Staff since 1991
  - a. 242 now 62 – Revenue Generating & Comp. Positions – All Other Staff Special Funds or Reimbursements
  - b. 1 Appraiser – 4.5 Million Acres
  - c. 3 Auditors – to Monitor Revenue of over \$400 Million
  - d. 1 Granted Lands Agent – 85 Local Governments, 300+ Statutes, Billions of \$ in revenues and investments
  - e. Mineral Management Staff – Revenue Generating General Fund Positions Reduced from 53 to 23
  - f. Legal Staff -- Reduced from 16 Attorneys to 8; and 5 Support to 1
  - g. Recruitment/Pay/Positions – Engineers, Oil, Structural (MOTEMS)
- B. Sea Level Rise – Impacts to Coastal Development
- C. Legacy Toxics – Abandoned Mines, Oil Wells, Mercury, Heavy Metals
- D. Great Opportunities for Increasing Non-Tax Revenue to General Fund and STRS
- E. Great Opportunities to Develop Clean Alternative Energy to Reach 33% Goal in 9 years