

54. PROPOSED EXPENDITURE OF TIDELAND OIL REVENUE, CITY OF LONG BEACH; R.M.S. QUEEN MARY - L.B.W.O. 10,248.

During consideration of Calendar Item 56 attached, appearances were made by:

Mr. R. W. Parkin, Deputy City Attorney, City of Long Beach

Admiral John J. Fee, Director, Queen Mary Department

At the request of Lieutenant Governor Reinecke, Admiral Fee explained the requested expenditure by the City of Long Beach. He also replied to Mr. Dwight's question concerning the difference between the original estimated cost of \$8 million for the Queen Mary and the to-date estimated expenditures of \$31 million.

Upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AT THIS TIME INTERPOSES NO OBJECTION TO THE EXPENDITURE PROPOSED ON THE R.M.S. QUEEN MARY OF \$6,532,521 (AS DETAILED ON ATTACHED EXHIBIT "A") BY THE CITY OF LONG BEACH FROM ITS SHARE OF TIDELAND OIL REVENUE, TO CONTINUE CONVERSION OF THE SHIP TO A MARITIME MUSEUM AND CONSTRUCTION OF A BERTHING SITE, PARKING LOTS, AND OTHER LAND SUPPORTIVE FACILITIES, PURSUANT TO THE PROVISIONS OF CH. 138/64, 1ST E.S.; SAID NON-OBJECTION TO BE SUBJECT TO THE CONDITION THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED; AND SUBJECT ALSO TO THE FOLLOWING DETERMINATIONS, CONDITIONS AND AGREEMENT BETWEEN THE CITY AND THE STATE LANDS COMMISSION:

ENGINEERING DATA ARE VOLUMINOUS AND CANNOT BE SUFFICIENTLY REVIEWED WITHIN THE STATUTORY PERIOD SET FORTH IN CHAPTER 138, STATUTES OF 1964, FIRST EXTRAORDINARY SESSION, TO SATISFACTORILY AND FINALLY DETERMINE THAT THE CRITERIA OF SAID STATUTE HAVE BEEN FULLY MET.

THE STATE LANDS COMMISSION DOES NOT OBJECT TO THE EXPENDITURES PROPOSED IN THE CITY'S DESCRIPTION OF OCTOBER 31, 1969, AND NOVEMBER 10, 1969, THOUGH UPON THE CONDITION THAT THE STATE LANDS COMMISSION AND STAFF MAY REVIEW WORK PROGRESS FROM TIME TO TIME TO INSURE THAT THE REQUIREMENTS OF SAID STATUTE ARE MET, AND UPON THE FURTHER CONDITIONS AS HEREINAFTER SET FORTH.

THE PROVISIONS OF SECTION 6(h) OF CHAPTER 138 TO THE CONTRARY NOTWITHSTANDING, IT IS EXPRESSLY UNDERSTOOD THAT THE STATE LANDS COMMISSION'S FAILURE TO INTERJECT AN OBJECTION TO SAID EXPENDITURE WITHIN 60 DAYS OF SAID DESCRIPTION OF OCTOBER 31, 1969, AS SO MODIFIED SHALL NOT CONSTITUTE A WAIVER OR ABROGATION OF ANY AND ALL RIGHTS WHICH THE STATE WOULD HAVE HAD, HAD SUCH NOTICE OF OBJECTION BEEN TIMELY GIVEN. IT IS EXPRESSLY UNDERSTOOD THAT

A 39, 44 & 68
S 32 & 37
B

NOTHING HEREIN SHALL AFFECT THE REQUIREMENT OF PRIOR COMMISSION APPROVAL OF ANY EXPENDITURE PURSUANT TO SECTION 6(g) OF CHAPTER 138, AND NOTHING HEREIN SHALL PRECLUDE THE CITY FROM APPLYING FOR APPROVAL OF ANY EXPENDITURE PURSUANT TO SAID SECTION 6(g).

Attachment

Calendar Item 56 (5 pages)

56.

PROPOSED EXPENDITURE OF TIDELAND OIL REVENUE
CITY OF LONG BEACH

CAPITAL IMPROVEMENT PROJECT

R.M.S. QUEEN MARY

New Items of Work

1. Additional firemains and sprinklers.
2. Chilled water and steam lines on ship and land.
3. Protective rock dike around ship.

Increase in Size
of Items

1. Heavier pavement on shore.
2. Increased capacity of utility systems on shore.
3. Larger access facilities.
4. Enlarged areas of beautification on shore.

Increase in Material
and Labor Costs

1. Rising price trends from time of estimate.
2. Requirement for higher land based labor rates over anticipated maritime trade rates.
3. Bids coming in higher than revised estimates.

Amount

1. Increase in conversion costs: \$4,063,511.
2. Increase in berthing site costs: \$2,469,000.
3. Total increase: \$6,532,521.

Staff Analysis of Cost

Voluminous data are under continuing staff review. For City statement of costs of completed portions of the work resulting in net reductions, see Exhibit "A".

STATUTORY REFERENCE

Ch. 138/64, 1st E.S., Sec. 6(c) and Sec. 6(d).

OTHER PERTINENT INFORMATION

Letters from the City Attorney dated October 31, 1969, and November 10, 1969, furnish descriptions of increased costs for the project.

EXHIBITS

- A. City estimates of cost.
- B. Vicinity sketch.
- C. Detail sketch of permanent site.

1.

CALENDAR ITEM 56. (CONTD.)

IT IS RECOMMENDED THAT THE COMMISSION AT THIS TIME INTERPOSE NO OBJECTION TO THE EXPENDITURE PROPOSED ON THE R.M.S. QUEEN MARY OF \$6,532,521 (AS DETAILED ON ATTACHED EXHIBIT "A") BY THE CITY OF LONG BEACH FROM ITS SHARE OF TIDELAND OIL REVENUE, TO CONTINUE CONVERSION OF THE SHIP TO A MARITIME MUSEUM AND CONSTRUCTION OF A BERTHING SITE, PARKING LOTS, AND OTHER LAND SUPPORTIVE FACILITIES, PURSUANT TO THE PROVISIONS OF CH. 138/64, 1ST E.S.; SAID NOMOBJECTION TO BE SUBJECT TO THE CONDITION THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED; AND SUBJECT ALSO TO THE FOLLOWING DETERMINATIONS, CONDITIONS AND AGREEMENT BETWEEN THE CITY AND THE STATE LANDS COMMISSION:

ENGINEERING DATA ARE VOLUMINOUS AND CANNOT BE SUFFICIENTLY REVIEWED WITHIN THE STATUTORY PERIOD SET FORTH IN CHAPTER 138, STATUTES OF 1964, FIRST EXTRAORDINARY SESSION, TO SATISFACTORILY AND FINALLY DETERMINE THAT THE CRITERIA OF SAID STATUTE HAVE BEEN FULLY MET.

THE STATE LANDS COMMISSION DOES NOT OBJECT TO THE EXPENDITURES PROPOSED IN THE CITY'S DESCRIPTION OF OCTOBER 31, 1969, AND NOVEMBER 10, 1969, THOUGH UPON THE CONDITION THAT THE STATE LANDS COMMISSION AND STAFF MAY REVIEW WORK PROGRESS FROM TIME TO TIME TO INSURE THAT THE REQUIREMENTS OF SAID STATUTE ARE MET, AND UPON THE FURTHER CONDITIONS AS HEREINAFTER SET FORTH.

THE PROVISIONS OF SECTION 6(h) OF CHAPTER 138 TO THE CONTRARY NOTWITHSTANDING, IT IS EXPRESSLY UNDERSTOOD THAT THE STATE LANDS COMMISSION'S FAILURE TO INTERJECT AN OBJECTION TO SAID EXPENDITURE WITHIN 60 DAYS OF SAID DESCRIPTION OF OCTOBER 31, 1969, AS SO MODIFIED SHALL NOT CONSTITUTE A WAIVER OR ABROGATION OF ANY AND ALL RIGHTS WHICH THE STATE WOULD HAVE HAD, HAD SUCH NOTICE OF OBJECTION BEEN TIMELY GIVEN. IT IS EXPRESSLY UNDERSTOOD THAT NOTHING HEREIN SHALL AFFECT THE REQUIREMENT OF PRIOR COMMISSION APPROVAL OF ANY EXPENDITURE PURSUANT TO SECTION 6(g) OF CHAPTER 138, AND NOTHING HEREIN SHALL PRECLUDE THE CITY FROM APPLYING FOR APPROVAL OF ANY EXPENDITURE PURSUANT TO SAID SECTION 6(g).

Attachment: Exhibit "A"

EXHIBIT "A"

CITY ESTIMATE
OF
INCREASED COST OF CONVERSION
AND BERTHING SITE FOR QUEEN MARY

TABLE I - CONVERSION

1.	Additional firemans and sprinklers to provide maximum fire protection.	\$ 1,000,000
2.	Price increases from time of estimate (May, 1968) to time of award of bid (April, 1969).	1,110,807
3.	Necessity to use land based labor rates rather than the anticipated maritime trade rates.	1,377,681
4.	Cost of chilled water and steam loops.	587,000
5.	Bids coming in higher than revised estimates.	928,512
6.	Reduction due to redesign of Museum.	<u>(1,051,000)</u>
	<u>Net Added Cost of Basic Conversion</u>	\$ 3,953,000
7.	Price increases from time of estimate (May, 1968) to time award of bid (April, 1969) for Museum and Tour Appointments and Outfitting.	106,000
8.	Completed exterior sandblasting and prime painting.	<u>4,521</u>
	TOTAL - Increase in Ship Conversion Cost	<u>\$ 4,063,521</u>

EXHIBIT "A" (CONTD.)

CITY ESTIMATE
OF
INCREASED COST OF CONVERSION
AND BERTHING SITE FOR QUEEN MARY

TABLE II - SITE AND BERTHING FACILITIES

1.	Price increases from time of original estimates.	\$ 473,000
2.	Requirement for heavier pavement in parking lot areas and increased size of plaza.	200,000
3.	Requirement for increased capacity for utility systems.	136,000
4.	Requirement for larger access facilities (towers, overpass, etc.) to accommodate visitors safely and conveniently.	487,000
5.	Beautification of enlarged plaza and under-tree lighting to enhance the attractiveness of the site.	<u>83,000</u>
		\$ 1,379,000
6.	Savings on wharf and mooring due to protective rock dike.	<u>(410,000)</u>
		\$ 969,000
7.	New Items:	
	a. Protective rock dike.	\$ 900,000
	b. Chilled water and steam lines from ship to central plant	<u>600,000</u>
	TOTAL - Increase in Berthing Site Costs	<u>\$ 2,469,000</u>

EXHIBIT "A"

PROJECT NET SAVINGS REPORTED TO STATE LANDS COMMISSION

	<u>SLC APPROVAL</u>	<u>ACTUAL</u>	<u>DIFFERENCE</u>
Cruise and Delivery	\$ 1,113,740	\$ 365,025	\$ (748,715)
Import Duties	345,000	45,662	(299,338)
Temporary Berth	36,000	93,004	57,004
Preliminary Engineering for Site & Conversion	250,000	725,000	475,000
Drydocking	906,915	708,162	(198,753)
Mud Ballast	275,000	244,276	(30,724)
Engineering Site and Mooring	300,000	360,000	60,000
Land Fill			
5/68	1,265,000		
10/68	292,000		
10/68	456,000		
Subtotal Land Fill	<u>\$ 2,013,000</u>	<u>\$ 1,956,000</u>	<u>\$ (57,000)</u>
TOTALS	<u>\$ 5,239,655</u>	<u>\$ 4,497,129</u>	<u>\$ (742,526)</u>

Several of the above listed phases of the Project have been completed at lower costs than submitted to the State Lands Commission in the net reduced amount of \$742,526.

November 13, 1969
City Council Letter - October 21, 1969