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P. Thayer
M. Howe
J. Reischman

CONSIDERATION OF STAFF REPORT ENTITLED QUEENSWAY BAY DEVELOPMENT PLAN AND THE LONG BEACH TIDE AND SUBMERGED LANDS, CITY OF LONG BEACH AND REQUEST BY COMMISSIONER CONNELL FOR A STAFF AUDIT OF THE CITY OF LONG BEACH'S MANAGEMENT OF GRANTED TIDE AND SUBMERGED LANDS

At the February 8, 2000, meeting of the California State Lands Commission (CSLC), Lester Denevan, resident of the City of Long Beach, raised concerns about the Queensway Bay Development Plan in Long Beach and the various land uses proposed, including a commercial/ retail development.

At the April 20, 2000, CSLC meeting, approximately seven Long Beach residents raised concerns about the Queensway Bay Development Plan, including requests for an audit of the management of the tide and submerged lands granted in trust to the city of Long Beach. The Commission directed staff to hold a public workshop in Long Beach to gather more information about the issues being raised. The Commission also directed staff to prepare a report containing the analysis of these issues and recommendations for Commission consideration.

On July 20, 2000, CSLC staff held the public workshop in Long Beach, California to hear questions, concerns, and comments on the Queensway Bay Development Plan. At the workshop, the CSLC staff heard from approximately forty-five participants, both for and against the project, with comments, concerns and questions ranging from the history of the Long Beach tide and submerged lands and their development by the City of Long Beach to the present state of these tidelands and surrounding areas. Staff also accepted written testimony for two weeks following the workshop.

At the February 5, 2001, CSLC meeting, a request by Controller Connell that staff audit the City of Long Beach's management of granted tide and submerged lands was discussed. The Commission delayed action of this item until the staff report on the Queensway Bay Development Plan was completed.

The staff report has been completed and submitted to the Commissioners. Staff analyzed the Queensway Bay Development Plan within the scope of the Public Trust

Doctrine, the legislative statutes that affect the Long Beach tidelands grant, the authority/jurisdiction/responsibility of the CSLC, the jurisdiction/responsibility of the City of Long Beach in managing their legislatively granted tide and submerged lands, and addressed specific issues such as alleged mismanagement of City owned marinas.

The project area for the Queensway Bay Development Plan is 319 acres. Phase I of the Plan, now completed, includes among its features a new commercial harbor, the Queen Mary, an events park, aquarium, and a public parking structure. Phase II of the Plan, previously approved by the Coastal Commission, involves an 18-acre project area. Along the waterfront of the site, the uses are traditional visitor serving uses incidental to public access. The limited three acres of visitor serving retail/commercial/entertainment uses, which have been the focus of many of the issues raised by the project opponents, is cut off and separated from the waterfront portion of the project by a four lane expressway.

Within the context of the Queensway Bay Development Plan, the report concluded that Phase II land uses are not barred by the granting statutes or the Public Trust Doctrine, but may be considered incidental to the enjoyment of public tidelands. Staff recommends that the Commission take no further action on this matter. The Office of the Attorney General has informally reviewed this report and concurs in its analysis and conclusions.

Staff also analyzed the concerns expressed about aspects of the City of Long Beach's management of its trust lands, other than the Queensway Bay Development Plan, and found no evidence of fraud, collusion, *ultra vires* acts or other actions that justify further investigation or Commission action. Responses to the issues raised are included within the report.

In the past the CSLC has conducted various types of audits; including fiscal, management, and a combination of both. Issues discussed in this report are similar to those that would be addressed in a management audit. Staff recommends that no additional action by the CSLC be taken at this time.