MINUTE ITEM
This Calendar Item No. C38 was approved as Minute Item No. 38 by the California State Lands Commission by a vote of 3 to 0 at its 8-19-03 meeting.

CALENDAR ITEM
C38

A 53

S 28

08/19/03
G05-07
J. Lucchesi

CONSIDERATION OF APPROVAL OF PROPOSED EXPENDITURE OF $800,000 OF TIDELANDS TRUST FUNDS BY THE CITY OF OF REDONDO BEACH, PURSUANT TO CHAPTER 1555, STATUTES OF 1971, FOR THE REIMBURSEMENT OF THE CITY'S GENERAL FUND FOR THE PURCHASE OF A COMMERCIAL LEASEHOLD ON THE REDONDO BEACH PIER LOCATED ON GRANTED TIDLEANDS, IN THE CITY OF REDONDO BEACH, LOS ANGELES COUNTY

GRANTEE:

City of Redondo Beach
Harbor Department
P.O. Box 270
Redondo Beach, CA 90277-0270

BACKGROUND:

In March 1995, the Harbor Department of the city of Redondo Beach (City) bought out a commercial leasehold on the Redondo Beach Pier, located on granted tidelands. The leasehold purchase price was $1,500,000. The City spent $249,000 from the tidelands trust funds with the remainder from the City's general fund. It's expressed intent at the time was to reimburse the general fund with tidelands trust funds over a period of years. However, due to staffing changes at the City, the annual transfers of funds from the tidelands trust fund to the general fund to repay the general fund for the purchase of the commercial leasehold did not occur.

The City, as trustee of the State, is now requesting approval for the transfer of $800,000 from the tidelands trust fund to reimburse the City's general fund for the purchase of the commercial leasehold. The Commission has the authority to review the proposed expenditure of tidelands trust funds pursuant to Chapter 1555, Statutes of 1971, which requires Commission review of capital expenditures of trust funds by the city of Redondo Beach in excess of $250,000.

The City's motivation for purchase was to restore the Pier to its former role as a unique cultural and recreational regional resource, providing recreation, commercial and fishing opportunities for residents and visitors. Prior to purchase, the private operator allowed the Pier to deteriorate badly. Since the purchase of the leasehold, the City has invested a significant amount of money and resources to renovate the existing building structures and wooden pier and

pilings, restoring the Pier as a viable visitor serving commercial and recreational center. As a consequence, there has been an increase in public use and access to the waterfront.

Commission staff has reviewed the proposed project and the City's financial status and believes the proposed project is consistent with the public trust and statutory trust under which these lands are held, and recommends that the Commission consent to the proposed expenditure.

OTHER PERTINENT INFORMATION:

1. On February 7, 1995, the city of Redondo Beach completed a Preliminary Environmental Assessment of the commercial leasehold purchase in accordance with Chapter 3, Title 10 of the Redondo Beach Municipal Code, and found that this activity did not require further environmental assessment. The City also found that the transaction is exempt from the California Environmental Quality Act (CEQA) as a project, which does not have the potential for causing a significant effect on the environment per section 15061 of the Guidelines. The City found that this transaction qualified for a Class I exemption under CEQA Guidelines section 15301 as a project which effects continuance of an existing facility with negligible change in use and no impact on the environment. Staff concurs in the City's determination.

2. The Commission, in its consideration of the proposed expenditure of Tidelands Trust Funds, will be acting pursuant to its authority pursuant to Chapter 1555, Statutes of 1971.

EXHIBIT:

A. Location and Site Map

IT IS RECOMMENDED THAT THE COMMISSION:

1. CONCUR WITH THE CITY OF REDONDO BEACH'S DETERMINATION THAT THE ACTIVITY IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) AS: 1) A PROJECT WHICH DOES NOT HAVE THE POTENTIAL FOR CAUSING A SIGNIFICANT EFFECT ON THE ENVIRONMENT PER SECTION 15061 OF THE GUIDELINES; AND 2) A CATEGORICALLY EXEMPT PROJECT UNDER CEQA GUIDELINES SECTION 15301, CLASS 1, "CONTINUANCE OF AN EXISTING FACILITY WITH NEGLIGIBLE CHANGE IN USE AND NO IMPACT ON THE ENVIRONMENT."

2. FIND THAT THE CITY OF REDONDO BEACH HAS SUFFICIENT TIDELANDS TRUST FUNDS FOR THE PROJECT PROPOSED.

3. FIND THAT THE REIMBURSEMENT OF THE CITY'S GENERAL FUND, FOR BUY OUT OF THE COMMERCIAL LEASEHOLD ON THE REDONDO BEACH PIER, IS AN APPROPRIATE TRUST EXPENDITURE FOR A PROJECT THAT HAS RESULTED IN ENHANCED PUBLIC ACCESS, IS CONSISTENT WITH THE PUBLIC'S TRUST NEEDS IN THE HARBOR, AND IS IN THE BEST INTERESTS OF THE PEOPLE OF THE STATE.

4. APPROVE THE PROPOSED EXPENDITURE OF $800,000 OF TIDELANDS TRUST FUNDS BY THE CITY OF REDONDO BEACH FOR THE REIMBURSEMENT OF THE CITY'S GENERAL FUND FOR THE PURCHASE OF THE COMMERCIAL LEASHOLD ON THE REDONDO BEACH PIER ON GRANTED TIDELANDS IN THE CITY OF REDONDO BEACH, LOS ANGELES COUNTY, PURSUANT TO CHAPTER 1555, STATUTES OF 1971.

NO SCALE

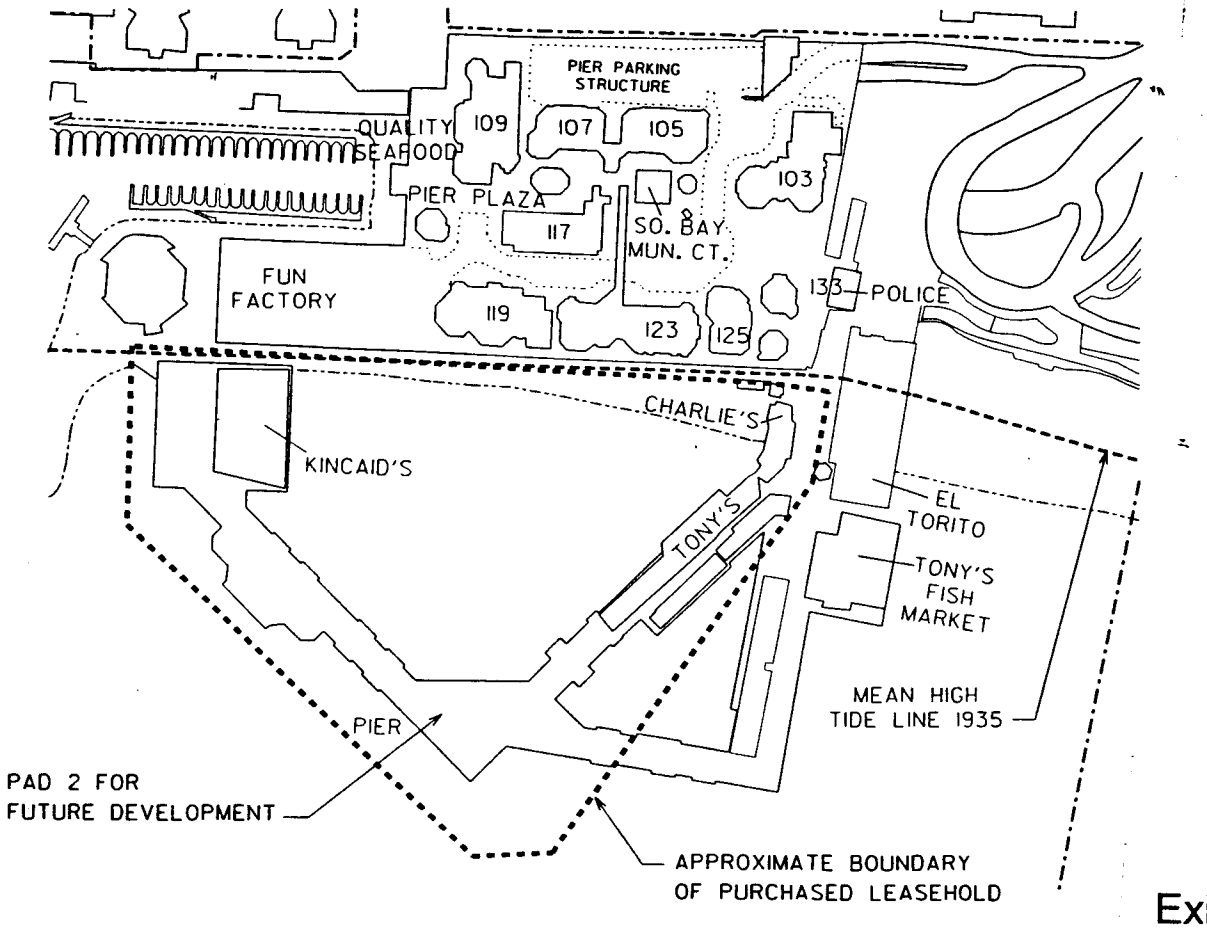
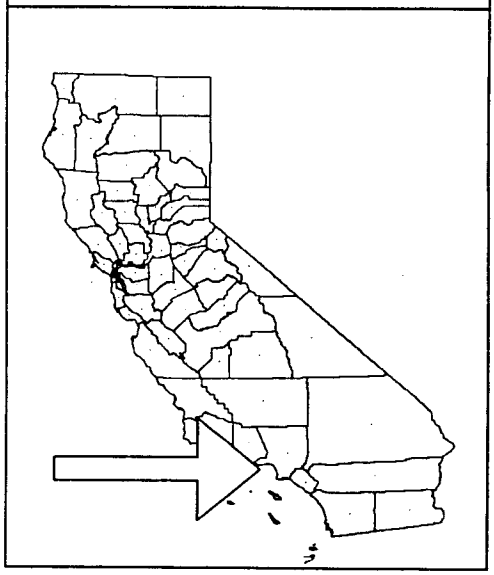


Exhibit A
Location and Site Map

LOCATION AND SITE MAP
G05-07
REDONDO BEACH PIER
COMMERCIAL LEASEHOLD
CITY OF REDONDO BEACH
LOS ANGELES COUNTY



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This Exhibit is solely for purpose of generally defining the lease premise, is based on unverified information provided by lessee or other parties, and is not intended to be, nor shall it be construed as, a waiver or limitation of any state interest in the subject or any other property.

J.L. 8/18/03