

MINUTE ITEM

This Calendar Item No. C18 was approved as Minute Item No. 18 by the California State Lands Commission by a vote of 3 to 4 at its 2/2/04 meeting.

CALENDAR ITEM  
**C18**

A 35

02/02/2004

S 18

G15-01.4

J. Lucchesi

**CONSIDERATION OF APPROVAL OF AN AMENDMENT TO A PRIOR APPROVAL OF EXPENDITURE OF TIDELANDS TRUST FUNDS BY THE CITY OF SANTA BARBARA FOR THE SANTA BARBARA CHANDLERY BUILDING ADDITION / REMODEL PROJECT ON LEGISLATIVELY GRANTED TIDELANDS, IN THE CITY OF SANTA BARBARA, SANTA BARBARA COUNTY PURSUANT TO CHAPTER 193, STATUTES OF 1975**

**GRANTEE:**

City of Santa Barbara  
Waterfront Department  
P.O. Box 1990  
Santa Barbara, CA 93102-1990

**BACKGROUND:**

On August 19, 2003, the California State Lands Commission (Commission) approved the expenditure of approximately \$3,000,000 in tidelands trust funds by the city of Santa Barbara for the remodel and addition to the Santa Barbara Chandlery Building. The Commission specifically approved the proposed expenditure of tidelands trust funds amounting to \$1.5 million from the Waterfront Department's Capital Reserve Fund and a repayment of a \$1.5 million loan from the City's general fund amortized for 30 years at a 6% interest rate.

The project consists of a 3,468 square foot addition, and a complete remodel, to the existing 6,280-square foot two-story building located within the Santa Barbara Harbor Commercial Area (Exhibit A). The improvements include architectural changes to the entire building shell, including both the interior and exterior of the structure, seismic reinforcement, mechanical equipment, and electrical systems. The project also includes new exterior storage and a new concrete walkway east of the building. The building is currently occupied by the Santa Barbara Harbor Patrol, a yacht brokerage and a marine supply retail store. When the project is complete, the building will also house the Waterfront Department administrative offices.

The City recently received construction bids for the project with the low bid exceeding the previous approval project costs by approximately \$375,000. The

000074

CALENDAR PAGE

000095

MINUTE PAGE

CALENDAR ITEM NO. C18 (CONT'D)

City has agreed to accept the low bid and the project will now be funded with an additional \$175,000 from the Waterfront Department's Capital Reserve Fund and an additional \$200,000 loan from the City's general fund amortized for 30 years at a 6% interest rate. The final project costs amount to approximately \$1,675,000 from the Waterfront Department's Capital Reserve Fund and approximately \$1,700,000 loan from the City's general fund amortized for 30 years at a 6% interest rate.

Pursuant to Chapter 193, Statutes of 1975, Section 6, the City is now seeking Commission authorization to amend the prior approval of expenditure to spend an additional \$375,000 plus the 6% interest rate on the \$200,000 loan from the City's general fund, on the Santa Barbara Chandlery Building addition / remodel. The Commission has the authority to review the proposed expenditure of tidelands trust fund pursuant to Chapter 193, Statutes of 1975, section 6, which requires Commission review of capital expenditures of trust funds by the City of Santa Barbara in excess of \$250,000.

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 11, 1999, the City of Santa Barbara Planning Commission approved a Development Plan and a Coastal Development Permit (CDP) for the Chandlery Building addition and remodel (MST97-00503). On January 11, 2001, the Planning Commission approved a two-year time-extension of the CDP to coincide with the four-year approval of the Development Plan. On February 6, 2003, the Planning Commission approved a one-year time extension of the CDP and the Development Plan for the proposed project (Resolution No. 005-03). The City of Santa Barbara, the CEQA lead agency, determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Guidelines Section 15301, Class 1 – Existing Facilities. Staff concurs with the City's determination.
2. In taking action on this staff recommendation, the Commission is acting pursuant to its authority pursuant to Chapter 193, Statutes of 1975.

CALENDAR ITEM NO. C18 (CONT'D)

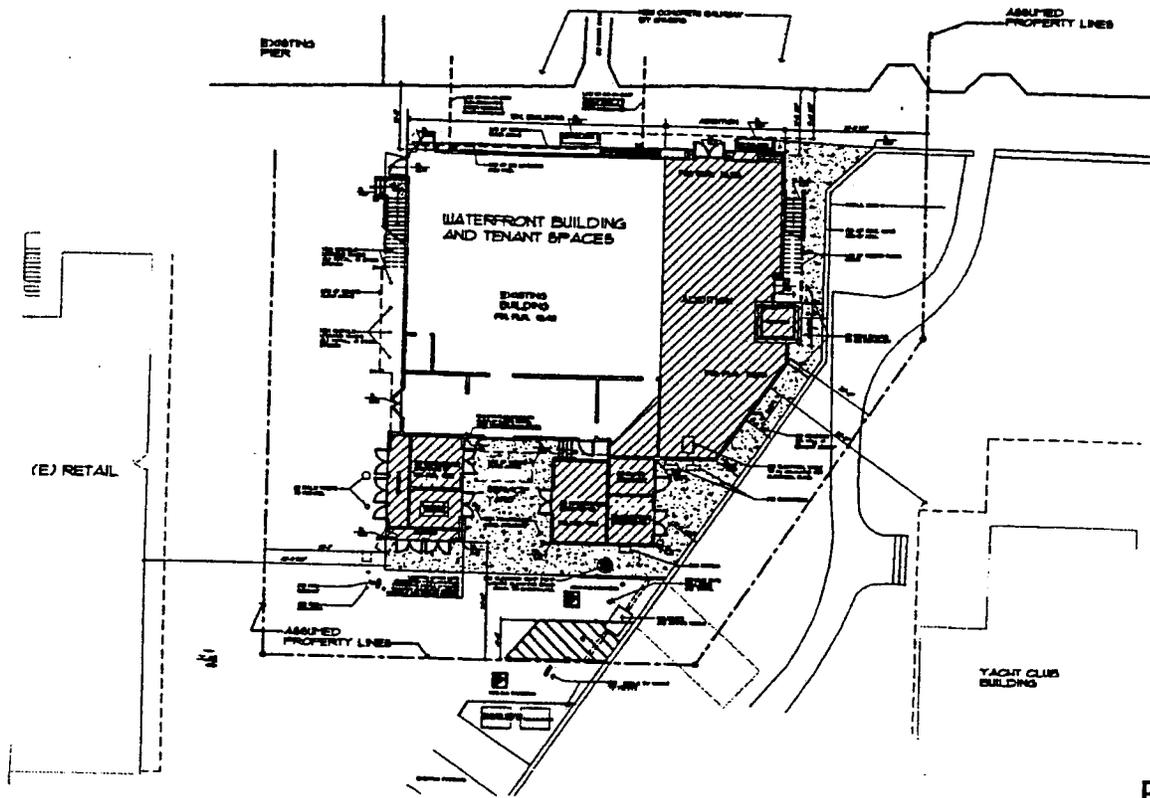
**EXHIBIT:**

- A. Location and Site Map

**IT IS RECOMMENDED THAT THE COMMISSION:**

1. CONCUR WITH THE CITY OF SANTA BARBARA'S DETERMINATION THAT THE ACTIVITY IS EXEMPT FROM FURTHER ENVIRONMENTAL REVIEW PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY GUIDELINES SECTION 15301, CLASS 1 – EXISTING FACILITIES.
2. FIND THAT THE CITY OF SANTA BARBARA HAS SUFFICIENT TIDELANDS TRUST FUNDS FOR THE PROJECT PROPOSED.
3. FIND THAT THE CHANDLERY BUILDING ADDITION / REMODEL PROJECT WILL ENHANCE 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 AMENDMENT, WHICH CONSISTS OF AN ADDITIONAL EXPENDITURE AMOUNTING TO \$175,000, FOR A TOTAL OF \$1,675,000, FROM THE WATERFRONT DEPARTMENT'S CAPITAL RESERVE FUND AND A \$200,000 LOAN, FOR A TOTAL OF \$1,700,000, FROM THE CITY'S GENERAL FUND AMORTIZED FOR 30 YEARS AT A 6% INTEREST RATE, TO THE PRIOR APPROVAL OF EXPENDITURE OF TIDELANDS TRUST FUNDS, BY THE CITY OF SANTA BARBARA FOR THE CHANDLERY BUILDING ADDITION / REMODEL PROJECT ON LEGISLATIVELY GRANTED TIDELANDS, IN THE CITY OF SANTA BARBARA, SANTA BARBARA COUNTY, PURSUANT TO CHAPTER 193, STATUTES OF 1975.

NO SCALE



**Exhibit A  
Location and Site Map**

LOCATION AND SITE MAP  
G15-01.4  
Santa Barbara Chandlery Building  
Addition / Remodel  
Santa Barbara Harbor  
City of Santa Barbara  
County of Santa Barbara



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

000077  
CALENDAR PAGE

000098  
MINUTE PAGE