MINUTE ITEM
This Calendar Item No. C76 was approved as Minute Item No. 76 by the California State Lands Commission by a vote of 3 to 0 at its 05/10/07 meeting.

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D. Brown

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CONSIDER APPROVAL OF QUALIFYING MILES FOR SUBVENTIONS TO CITIES AND COUNTIES FOR FISCAL YEAR 2006-2007, ORANGE, LOS ANGELES, VENTURA, AND SANTA BARBARA COUNTIES

APPLICANT:

California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95625-8202

BACKGROUND:

Public Resources Code section 6817 provides for subventions of State tidelands oil and gas lease revenues to cities and counties under conditions described below, and requires the California State Lands Commission to report to the State Controller the amounts of revenues to be used for purposes of calculating subventions.

Public Resources Code section 6817 (a) provides that subventions shall be made to cities or counties that have within their boundaries active State tidelands oil and gas leases and that own or operate parks (public beaches) free of charge to the public for recreational purposes. In the case of the counties, these parks must be immediately adjacent to and have common frontage with an active State tidelands oil and gas lease.

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The subventions made to a qualifying city or county for each fiscal year are determined by a subvention distribution formula in section 6817(a). A qualifying city or county may obtain one percent of the oil and gas revenues the State receives during a fiscal year from leases within its boundaries. The one percent share, however, may be limited to a maximum of $100,000 for every mile or portion of a mile of qualifying beach park frontage owned or operated by the city or county. However, that limitation on the amount that may be apportioned to each city or county in each year does not apply to revenues from leases within the limits of the particular county or city that exceed the revenues paid to the State during the 1983-84 fiscal year.

In addition to the subventions that may be obtained under the provisions of Public Resources Code section 6817 (a), a city or county having within its boundaries a State tidelands oil and gas lease or leases may receive twenty percent of the revenues paid to the State for production of oil, gas and other hydrocarbons from the lease or leases, but not to exceed a total of $200,000,000, adjusted for inflation, over a 20 year period. The oil, gas, or other hydrocarbons, however, must have been extracted under circumstances specified in the statute. These additional revenues and the circumstances under which they are payable are provided by subsections (b) and (c) of Public Resources Code section 6817, added by Chapter 613 of the Statutes of 1996. No cities or counties ever have qualified for these additional revenues.

With respect to each city and county, the apportionment for any given fiscal year shall be based upon the physical facts existing on June 30 of the preceding fiscal year. As of June 30, 2006, based on verification letters received by Commission staff from the cities and counties, the qualifying mileage upon which subventions for fiscal year 2006-2007 are to be based are listed in Exhibit A. The list of leases from which the subventions are payable for the qualifying cities and counties for fiscal year 2006-2007 is in Exhibit B.

STATUTORY AND OTHER REFERENCES:

A. Public Resources Code section 6817.

OTHER PERTINENT INFORMATION

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

2. The California State Lands Commission, at the time of remitting revenues to the State Treasurer, shall report to the State Controller the total amount of revenue received from tide and submerged lands shown with respect to each city or county to which such amount is applicable.

3. Subventions for fiscal year 2005-2006 were as follows:

City of Huntington Beach	$243,240.60
City of Seal Beach	$40,950.27
City of Long Beach	$105,707.37
County of Ventura	$12,199.83
County of Santa Barbara	$101,666.45
Total	$503,764.52

EXHIBITS:

A. Cities and Counties Qualifying for Subventions and Qualifying Mileage, as of June 30, 2006.
B. Subvention Leases for the Qualifying Cities and Counties for Current FY 2006-2007

PERMIT STREAMLINING ACT DEADLINE:

N/A (not a "development project" subject to the Act)

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDINGS:

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378

AUTHORIZATION:

APPROVE THE QUALIFYING BEACHES AND PARKS, AS REPORTED BY CITIES AND COUNTIES, AND VERIFY THIS QUALIFYING MILEAGE AS A BASIS FOR SUBVENTIONS IN FISCAL YEAR 2006-2007.

APPROVE THE REPORTING OF REVENUE BASED ON THE APPROVED QUALIFIED MILEAGES TO THE STATE CONTROLLER AS REQUIRED BY PUBLIC RESOURCES CODE SECTION 6817.

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Exhibit A

CITIES AND COUNTIES QUALIFYING FOR SUBVENTIONS UNDER PUBLIC RESOURCES CODE SECTION 6817 FISCAL YEAR 2006-2007

CITY/COUNTY	PARK OR BEACH OWNED OR OPERATED BY CITY OR COUNTY	ADJACENT QUALIFYING LEASE	FOOTAGE (FY 05-06)	FOOTAGE (FY 06-07)	TOTAL QUALIFYING MILES	CHANGES FROM PREVIOUS YEAR'S MILES
City of Huntington Beach	Huntington Beach City Beach	Not required	5,665	5,665		
	Bolsa Chica Beach	Not required	11,873	11,873		
TOTAL			**17,538**	**17,538**	**4**	**1 mile less**
City of Seal Beach	Santa Barbara Public Beach	Not required	8,214	8,214		
TOTAL			**8,214**	**8,214**	**2**	**No change**
City of Long Beach	Alamitos Beach Park	Not required	2,005	2,005		
TOTAL			**2,005**	**2,005**	**1**	**No change**
City of Carpinteria	Carpinteria City Beach	Not required	9,154	9,350		
TOTAL			**9,154**	**9,350**	**2**	**No change**
County of Ventura	Mandalay Beach Park	PRC 3314	1,530	1,530		
TOTAL			**1,530**	**1,530**	**1**	**No change**
County of Santa Barbara	Loon Point Recreation	PRC 1824	1,481	2,594		
	Rincon Beach Park	PRC 3133	1,380	1,380		
TOTAL			**2,861**	**3,974**	**1**	**No change**

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EXHIBIT B

SUBVENTION LEASES FOR THE QUALIFYING CITIES AND COUNTIES UNDER PUBLIC RESOURCES CODE SECTION 6817
FISCAL YEAR 2006-2007
SUBVENTION INTERESTS (100% UNLESS OTHERWISE INDICATED)

CITY OF HUNTINGTON BEACH	CITY OF SEAL BEACH	CITY OF LONG BEACH	CITY OF CARPINTERIA	COUNTY OF VENTURA	COUNTY OF SANTA BARBARA
PRC	**PRC**	**PRC**	**PRC**	**PRC**	**PRC**
91	186	3455	3133 (44.6%)	145	421
163	1482		3150 (54.16%)	410	1824
392	3095 (73.0%)		7911 (7.3%)	427	2991
425				429	3004
426				735	3120
3033				1466	3133 (55.4%)
3413				3314	3150 (45.84%)
4736					3242
					3503
					4000
					7911 (92.7%)

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