

**CALENDAR ITEM
C36**

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G05-03.10
M. Andersen

CONSIDERATION OF PROPOSED EXPENDITURES OF \$31,350,000 OF TIDELAND OIL REVENUE FUNDS BY THE CITY OF LONG BEACH FOR CAPITAL IMPROVEMENT PROJECTS WITHIN THE CITY OF LONG BEACH, LOS ANGELES COUNTY

APPLICANT:

City of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802

The City of Long Beach ("City") is trustee of sovereign tide and submerged lands granted by the California Legislature pursuant to Chapter 676, Statutes of 1911, as amended; and Chapter 102, Statutes of 1925, as amended; and Chapter 158, Statutes of 1935, as amended; and Chapter 138, Statutes of 1964, First Extraordinary Session, as amended by Chapter 941, Statutes of 1991 ("Chapter 138").

THE PROJECTS:

The City has proposed the expenditure of tideland oil revenue, in the amount of approximately \$31,350,000, for 12 capital improvement projects located on or adjacent to the Long Beach tidelands, or on or adjacent to the Alamitos Beach Park Lands as shown on Exhibit A.

Many of the proposed projects involve beach-side facilities that are used heavily by the public and are in need of renovations and/or replacement. In addition, some of the proposed improvements are necessary to maintain public safety. The projects are identified by the City as follows:

- Renovation of 10 beach restrooms at various locations on or adjacent to the tidelands. The existing restrooms currently do not meet user demand and must be redesigned to single-stall units per the advice of the Long Beach City Police Department. Estimated expenditure: \$5,150,000.
- Construction of a new beach restroom between Belmont Pier and Granada Avenue. There is no existing restroom for the general public

CALENDAR ITEM NO. **C36** (CONT'D)

near this heavily used recreational area. Estimated expenditure: \$800,000.

- Beach parking lot resurfacing and meter replacement. The existing Belmont Pool, Alamitos Beach, Marina Green, and Juniper parking lots require resurfacing and new parking meters. The current meters are no longer operational; consequently, trust revenue was lost due to the defunct equipment. Estimated expenditure: \$4,800,000.
- Bluff stabilization and construction of a new bluff path and stairway located at Bixby Park. This stabilization project will ensure public safety and improve pedestrian access to the adjacent beach. Estimated expenditure: \$1,000,000.
- Renovation of the Leeway Sailing Center in Alamitos Bay. The Sailing Center provides affordable instructional classes in sailing, kayaking, canoeing, and windsurfing to the general public. As is, the facility does not offer covered storage, adequate classroom space, or restrooms. Estimated expenditure: \$3,100,000.
- City of Long Beach Convention Center improvements. The Convention Center is in need of facility upgrades to aging equipment. As proposed, energy efficient enhanced lighting will be added, restrooms will be upgraded, and aging chairs will be replaced. Estimated expenditure: \$5,000,000.
- Rainbow Harbor security enhancements. Security cameras and gates will be installed in currently unsecured areas to ensure user safety. Estimated expenditure: \$250,000.
- Dredging, treatment and disposal of contaminated soil from the Colorado Lagoon. These activities are identified as the next phase of the Colorado Lagoon Restoration Plan which aims to restore the lagoon's ecosystem and improve water and sediment quality. Estimated Expenditure: \$700,000.
- New beach pedestrian walking path and security lighting. The proposed new three-mile walking path will be ADA-compliant and help reduce conflicts between group users (i.e. walkers, runners, bicyclists, etc). Estimated expenditure: \$5,000,000.
- Rainbow Harbor dock replacement and improvement project. The existing Dock 10 will be replaced with an expanded dock to meet user needs. In addition, new signage, lighting, and other improvement upgrades are proposed. Estimated expenditure: \$2,300,000.
- Belmont Pier curb and railing improvement project. The concrete curb and railing at the Belmont Pier are in need of repair to ensure the safety of the general public. Estimated expenditure: \$250,000.

CALENDAR ITEM NO. **C36** (CONT'D)

- Bluff erosion repair project between 19th Place and Paloma Avenue. Stabilization of the Bluff is necessary per the city Master Bluff Restoration Plan to ensure public safety. Estimated expenditure: \$3,000,000.

The estimated cost of the proposed projects is \$31,350,000, for which, tidelands oil revenue will be expended. According to the City, a total of \$32,570,700 is currently available in the City's Tidelands Operating Fund. This \$32,570,700 includes tideland oil revenues, including oil revenues derived from those oil leases within the Harbor District that were formerly being handled by the Port and are now being managed by the City as a result of the passage of Measure D.

For most of the projects, the City is in the preliminary stages of project development with permit, design, and CEQA review to begin as early as December 2011. Construction is anticipated to begin in early 2012 and all projects will be finalized no later than November 2013. For the dredging, treatment and disposal of contaminated soil in the Colorado Lagoon, the City has completed all of the CEQA review and obtained all necessary permits. The City proposes to begin the next stage of the Colorado Lagoon Restoration on November 15, 2011. The City must obtain all the necessary authorizations for the remaining projects, including: United States Army Corps of Engineers, California Coastal Commission, and the Los Angeles County Board of Supervisors, as well as construction permits from the City Building and Engineering Departments.

STAFF ANALYSIS:

Pursuant to Chapter 138 the City must notify the Commission as to any expenditure of oil revenue for a capital improvement projects involving an amount in excess of \$100,000 proposed to be made under Section 6(a) – (f) of Chapter 138.

As part of the recent Queensway Bay Exchange Agreement with the City, the Commission acquired the Colorado Lagoon and has entered into a 49-year lease for remediation and restoration of the Colorado Lagoon with the City. The proposed expenditure of \$700,000 of tidelands oil revenue for restoration work will help to restore the Lagoon's ecosystem, provide enhanced recreation facilities and improve water and sediment quality while managing storm water.

Commission staff has reviewed the proposed projects. Commission staff believes the proposed projects appear to be consistent with the purposes described in Section 6(a) - (f) of Chapter 138. However, staff did not have an opportunity to independently evaluate whether the estimated costs of each project is appropriate.

CALENDAR ITEM NO. **C36** (CONT'D)

OTHER PERTINENT INFORMATION:

1. Pursuant to the City's statutory trust grant, the City shall maintain separate tidelands accounts identified as the Harbor Revenue Fund, Tidelands Operating Fund, and Tidelands Oil Revenue Fund. The proposed capital improvement projects will be funded by tideland oil revenue from the Tidelands Operating Fund, pursuant to Chapter 138, Statutes of 1964, First Extraordinary Session, as amended by Chapter 941, Statutes of 1991, which authorizes the construction, reconstruction, repair, operation and maintenance of bulkheads, piers, earthfills, streets, roadways, bridges, bridge approaches, buildings, structures, recreational facilities, landscaping, parking lots, and other improvements on or adjacent to the Long Beach tidelands or on or adjacent to the Alamitos Beach Park Lands for the benefit and use of those tidelands or the Alamitos Beach Park Lands.

2. The City of Long Beach originally proposed the expenditure of \$31,550,000 for the 12 capital improvement projects but the City has amended its project list to include the Colorado Lagoon dredging and now the total proposed expenditure is \$31,350,000.

3. Prior to spending funds on any capital improvement as outlined above, the City will provide the Commission staff evidence of compliance with the California Environmental Quality Act (CEQA).

4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Cal. Code Regs., tit. 13, § 15060, subd. (c)(3)), the staff has determined that this activity is not subject to the provisions of CEQA Guidelines.

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

5. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBIT:

- A. Location and Site Map

RECOMMENDED ACTION:

CALENDAR ITEM NO. **C36** (CONT'D)

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060(c)(3), because the activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

SIGNIFICANT LANDS FINDING:

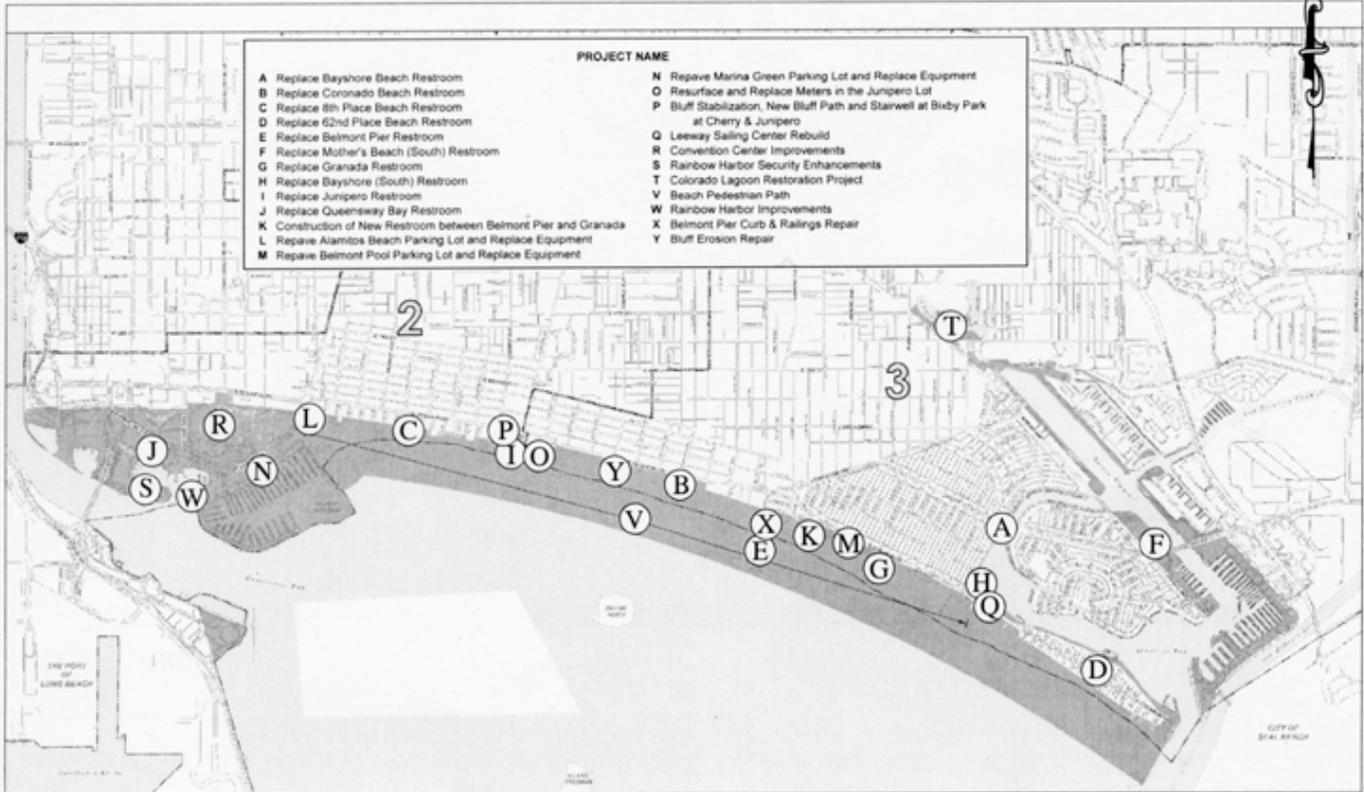
Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

OTHER FINDINGS:

1. Find that the 12 proposed capital improvement projects, which involve the expenditure of Tideland Oil Revenue Funds within the City of Long Beach, Los Angeles County totaling approximately \$31,350,000, appear to be for uses and purposes authorized by the provisions in Section 6 of Chapter 138, Statutes of 1964, First Extraordinary Session, as amended by Chapter 941, Statutes of 1991.
2. Find that for each of the 12 proposed capital improvement projects, if the City desires to spend additional Tidelands Oil Revenue Funds in excess of the estimated amounts described above, the City will notify the Commission of those proposed expenditures pursuant to Chapter 138, Statutes of 1964, First Extraordinary Session as amended by Chapter 941, Statutes of 1991.

NO SCALE

SITE

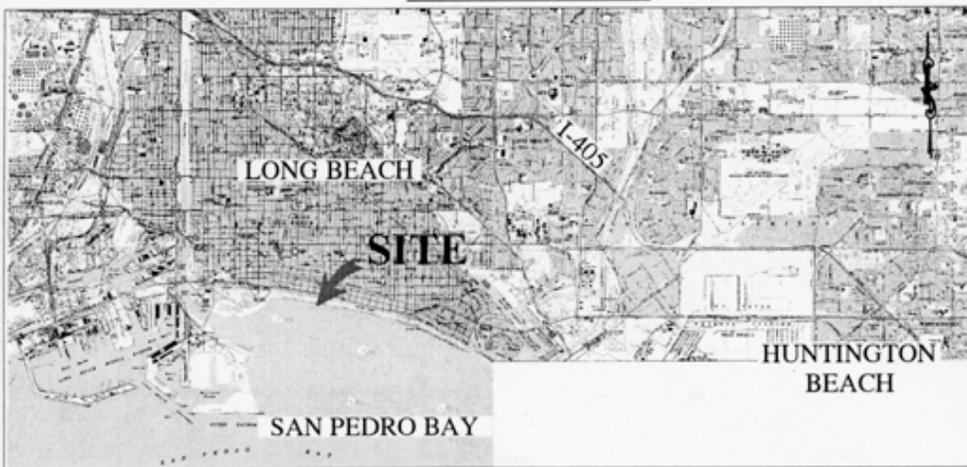


CITY OF LONG BEACH
PROPOSED TIDELANDS CAPITAL PROJECTS

LONG BEACH TIDELANDS

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

CITY OF LONG BEACH
 G 05-03.10
 EXPENDITURE OF OIL
 REVENUE
 LOS ANGELES COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the 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.

MJF 10/18/11