

**CALENDAR ITEM
C115**

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S	28, 33	S. Scheiber

**CONSIDERATION OF PROPOSED EXPENDITURES OF \$13,605,000
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 Legislature pursuant to Chapter 676, Statutes of 1911 and as amended, oil and gas reserved; Chapter 102, Statutes of 1925 and as amended, oil and gas reserved; Chapter 158, Statutes of 1935 and as amended (Statutory Grant).

BACKGROUND:

Pursuant to Section 6(h) of Chapter 138, Statutes of 1964 as amended by Chapter 941, Statutes of 1991 (Chapter 138), the City has submitted a description for the proposed expenditure of tideland oil revenue, in the amount of approximately \$13,605,000, for 11 capital improvement projects within the City of Long Beach for review by the California State Lands Commission (Commission) for consistency with Chapter 138. Pursuant to Chapter 138, the Commission has 60 days to notify the City that such capital improvement projects are not authorized by the applicable subdivisions of Chapter 138. Commission staff received notice from the City of the proposed expenditure for the 11 capital improvement projects on October 25, 2013.

The proposed expenditure of \$13,605,000 of tideland oil revenue is to fund 11 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.

The projects, as proposed and described by the City, are identified as follows:

- 1. Convention Center Complex Refurbishment:** The City's Convention Center facilities are in need of significant upgrades, improvements, and repairs. The Convention Center complex includes the aging Sports Arena, Performing Arts

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Center and main Convention Center facility. The City's Sports Arena is undergoing phased improvements to transition the sports arena into a usable multipurpose space for a wide array of events. Aging equipment, some of which are between 18-50 years old, will be replaced and modernized to maximize the facility's use for special events. On September 3, 2013, the City Council approved an additional \$4,065,000 for additional Convention Center Improvements. Funding will be used to replace the remaining air handlers which are essential to maintain the venue's HVAC comfort controls. Proposed renovations also include improvements to the Terrace and Center Theater Lobby areas, Seaside Meeting Room restrooms, and the Sports Arena entryway to enhance the visitor experience. The improvements to the Center's food service operation are essential in providing first class catering and food services.

The City also requests authorization to expend an additional \$1,175,000 for audio and video systems and lighting improvements in the theater, exhibit hall, ballroom, meeting room, and terrace. This funding is anticipated to be appropriated at a later date by the Long Beach City Council.

Estimated expenditure: \$ 5,240,000

2. **Seaside Way Street & Drainage Improvements:** Proposed improvements include reconstructing and resurfacing Seaside Way between Linden Avenue and Shoreline Drive. Improvements to drainage systems will help prevent flooding, and maintain functional and safe driving conditions.

Estimated expenditure: \$500,000

3. **Rainbow Lagoon Improvements:** On May 25, 2012, the Commission approved \$500,000 to upgrade and replace the existing pumps that support the Rainbow Lagoon. On September 3, 2013, the City Council approved an additional \$3,000,000 for additional improvements to revitalize and restore the lagoon. Initial efforts will focus on conducting a comprehensive assessment of the existing infrastructure within and surrounding the lagoon. Examples of operational systems which will be assessed include, but are not limited to, the performance of pumps, vaults, pipes, skimmers, electrical and concrete systems. Areas in and around the Rainbow Lagoon will be evaluated to ensure safety and improve aesthetics.

Estimated expenditure: \$3,000,000

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- 4. Bluff Erosion Control Improvements and Dune Restoration:** Pursuant to the City's Master Bluff Restoration Plan, the proposed project will install retaining walls, provide enhanced landscaping, and perform soil nailing to prevent the further erosion to the City's bluffs located along Ocean Boulevard. Bluff erosion control improvements will be needed along the bluffs between Cherry Avenue and Junipero Avenue. The City also proposes to remediate the bluffs between Coronado Avenue and Redondo Avenue, however bluff restoration feasibility options will first be explored.

The City also proposes to implement a pilot sand dune project adjacent to the City's bluffs and other adequate sandy beach areas. Sand dunes serve as wildlife habitat and are naturally occurring in sandy beach environments.

Estimated expenditure: \$1,000,000

- 5. Colorado Lagoon Open Channel Preliminary Design:** The Colorado Lagoon is an approximately 11.7-acre tidal water body that is connected to Alamitos Bay and the Pacific Ocean through an underground tidal culvert to Marine Stadium. The Lagoon is located in a park setting and is maintained as a City park by the Department of Parks, Recreation and Marine. The Lagoon serves three main functions. It hosts estuarine habitat, provides public recreation (including swimming), and retains and conveys storm water drainage. The connection between the Colorado Lagoon and the Alamitos Bay was muted in the 1960's for planned roadway improvements, and the subsequent filling of what is now Marina Vista Park. Over time, water and sediment quality within the Lagoon became degraded. These circumstances contributed to the listing of the Colorado Lagoon on California's 303(d) list of impaired water bodies due to elevated levels of lead, zinc, chlordane, and polycyclic aromatic hydrocarbons in the sediment and polychlorinated biphenyls in fish and mussel tissue. The City has developed a Master Restoration Plan to restore the Lagoon's ecosystem, provide and enhance passive open space, and improve water and sediment quality, all while continuing to manage storm water.

Since 2010, the City has implemented the following components from the Restoration Master Plan:

- a. Cleaning of the underground culvert, removal of tidal gates and other structural impedances, and storm drain upgrades.
- b. Installing trash traps and a low flow diversion system to redirect urban runoff to the sanitary sewer system.

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- c. Dredging and disposal of 72,000 cubic yards of contaminated sediment from the Lagoon.
- d. Removing the north parking lot and access road returning additional natural space and habitat.
- e. Recontouring the Lagoon side slopes to create the optimal habitat and elevations for native vegetation.
- f. Removal of non-native vegetation and installing native vegetation.

Phase 2 of the Restoration Master Plan includes the reconfiguration of the westerly end of Marina Vista Park to allow for an open tidal connection as the wetlands historically existed. The City proposes to spend \$250,000 to begin preliminary design and permitting of the open channel.

Estimated expenditure: \$250,000

- 6. Leeway Sailing Center Rebuild Project:** On October 27, 2011, the Commission authorized the expenditure of \$3,100,000 for the design and rebuild of the Leeway Sailing Center. Since 2011, additional required improvements have been identified. The proposed project seeks to replace the existing Pier which is suffering from both dry and wet rot and loss of structural integrity.

Estimated expenditure: \$1,300,000

- 7. Junior Lifeguard Facility Rebuild:** The project as proposed would seek to reconstruct the Junior Lifeguard Station. The proposed new facility would include an area to treat minor injuries such as stingray wounds, include changing rooms for lifeguard staff, and a small office for public safety staff. The City will evaluate the feasibility of relocating the facility to a more adequate location.

Estimated expenditure: \$500,000

- 8. Beach Operations Facility Assessment (Lifeguard Headquarters):** The proposed project seeks to assess the existing structural condition of the Beach Operations Facility (Lifeguard Headquarters) and to evaluate the existing facility's ability to accommodate essential life safety equipment and the provision of first aid treatment to the public.

Estimated expenditure: \$150,000

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9. Belmont Pier Revitalization: A structural and engineering assessment was performed and it indicated that the Belmont Pier is in need of replacement. The proposed project would seek to develop an alternative for repair or replacement of the Belmont Pier.

Estimated expenditure: \$250,000

10. Cherry Beach Restroom: The restrooms at Cherry Beach are in need of replacement. The public restroom is in a deteriorating condition and does not meet current user demand. The proposed project will seek to construct single-stall units per the recommendation of the Long Beach Police Department. The Cherry Beach Restroom project has received \$250,000 in Tidelands Measure D funding in order to complete the required improvements and renovation. As such, approval of \$750,000 in total expenditures is requested from the Commission.

Estimated expenditure: \$750,000

11. Marina Vista Switchgear Replacement: The electrical switchgear at Marina Vista Park is in need of replacement. This switchgear provides energy for the park and buildings along Marine Stadium. A new 4160V switchboard and transformer will be installed. The new construction will take place on the north side of the existing structure which will allow the existing structure to remain in place during the construction period. Once constructed, the power will be switched over allowing for minimal disruption to park services. The existing switchgear will be removed, and the fence will be shifted east, thereby creating additional park space. Landscaping will be added to enhance the area surrounding the enclosure.

Estimated expenditure: \$665,000

Table Summary of Projects and Expenditure Request

Convention Center Complex Refurbishment	\$5,240,000
Seaside Way Street and Drainage Improvements	\$500,000
Rainbow Lagoon Improvements	\$3,000,000
Bluff Erosion Control Improvements and Dune Restoration	\$1,000,000

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Colorado Lagoon Open Channel Preliminary Design	\$250,000
Leeway Sailing Center Rebuild (Pier and Gangway Replacement)	\$1,300,000
Junior Lifeguard Facility Rebuild	\$500,000
Beach Operations Facility Assessment (Lifeguard Headquarters)	\$150,000
Belmont Pier Revitalization	\$250,000
Cherry Beach Restroom	\$750,000
Marina Vista Switchgear Replacement	\$665,000
TOTAL	\$13,605,000

The total estimated cost of the proposed projects is \$13,605,000, for which tideland oil revenue would be expended. A total of \$3,135,308, including tideland oil revenue, is reported by the City to be currently available in the City's Tidelands Fund. This includes oil revenues derived from oil operations within the Harbor. Formerly the Port used these oil revenues for port purposes. However, a 2010 Charter Amendment allowed these funds to be transferred to the City for public trust purposes.

City staff continues to prepare these projects for implementation. Pre-engineering activities that include feasibility studies, conceptual designs and costs estimates, and California Environmental Quality Act (CEQA) review are currently underway. Evidence of compliance with CEQA review for each project will be submitted to the Commission prior to construction. Construction is anticipated to begin in early 2014 for some projects and all projects will be completed no later than December 2016. The City must obtain all the necessary authorizations for the projects, including but not limited to: 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:

Section 6(c) of Chapter 138, as amended, authorizes the expenditure of tideland revenues for the construction, 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.

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Section 6(d) of Chapter 138, as amended, allows tideland revenue to be expended on construction, repair, operation, and maintenance of small boat harbors, marine stadiums, a maritime museum, marine parks, beaches, waterways, and related facilities on or adjacent to the Long Beach tidelands or on, or adjacent to, the Alamitos Beach Park Lands. Based on the information provided by the City, the proposed capital improvement projects do not appear to be inconsistent with the uses set forth in Sections 6(c) and (d) of Chapter 138, as amended by Chapter 941.

OTHER PERTINENT INFORMATION:

1. Pursuant to the City's statutory grant, the City shall maintain separate tidelands accounts identified as the Harbor Fund, Tidelands Fund, and Tidelands Oil Revenue Fund. The proposed capital improvement projects will be funded by tideland oil revenue from the Tidelands Fund, pursuant to Chapter 138, Statutes of 1964, and as amended.
2. In October 2011, the City notified the Commission of its proposed expenditure of \$31,350,000 of tideland oil revenue for 12 capital improvement projects (Calendar Item C36, October 27, 2011).
3. In May 2012, the City notified the Commission of its proposed expenditure of \$20,020,000 of tideland oil revenue for 11 capital improvement projects (Calendar Item C50, May 24, 2012).
4. In December 2012, the City notified the Commission of its proposed expenditure of \$12,225,000 of tideland oil revenue for eight capital improvement projects (Calendar Item C54, December 5, 2012).
5. In April 2013, the City notified the Commission of its proposed expenditure of \$10,500,000 of tideland oil revenue for eight capital improvement projects (Calendar Item C102, April 26, 2013).
6. The staff recommends that the Commission find that the subject consistency determination of proposed expenditures of tideland oil revenues does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with CEQA.

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

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7. This activity involves lands statutorily exempted from Public Resources Code sections 6370 et seq., pursuant to Public Resources Code section 6377.

EXHIBIT:

- A. Location and Site Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the subject consistency determination of proposed expenditures from the Tideland Oil Revenues Fund with Section 6 of Chapter 138, Statutes of 1964, First Extraordinary Session, as amended, is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject 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 statutorily exempt from Public Resources Code sections 6370 et seq., pursuant to Public Resources Code section 6377.

AUTHORIZATION:

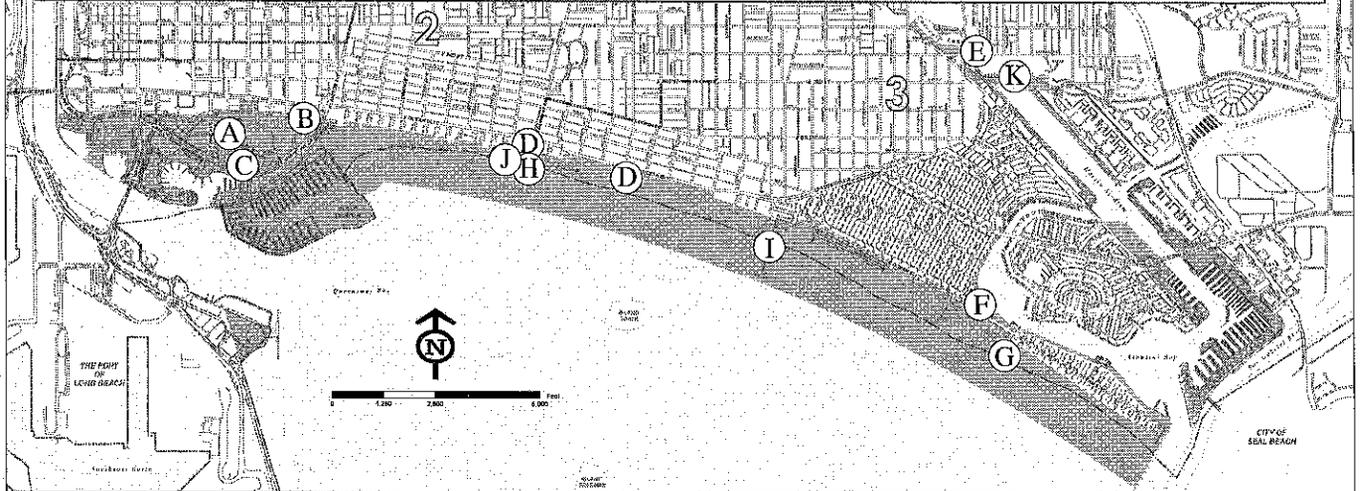
Find that, based on the information provided by the City, the proposed expenditure of tideland oil revenue, in the total amount of \$13,605,000, for 11 capital improvement projects within the City of Long Beach, does not appear to be inconsistent with the uses set forth in sections 6(c) and (d) of Chapter 138, Statutes of 1964, as amended by Chapter 941, Statutes of 1991.

NO SCALE

SITE

PROJECT NAME

- | | |
|---|--|
| A. Convention Center Complex Refurbishment | G. Junior Lifeguard Facility Rebuild |
| B. Seaside Way Street & Drainage Improvements | H. Beach Operations Facility Assessment (Lifeguard Headquarters) |
| C. Rainbow Lagoon Improvements | I. Belmont Pier Revitalization |
| D. Bluff Erosion Control Improvements & Dune Restoration | J. Cherry Beach Restroom |
| E. Colorado Lagoon Open Channel Preliminary Design | K. Marina Vista Switchgear Replacement |
| F. Leeway Sailing Center Rebuild (Pier & Gangway Replacement) | |



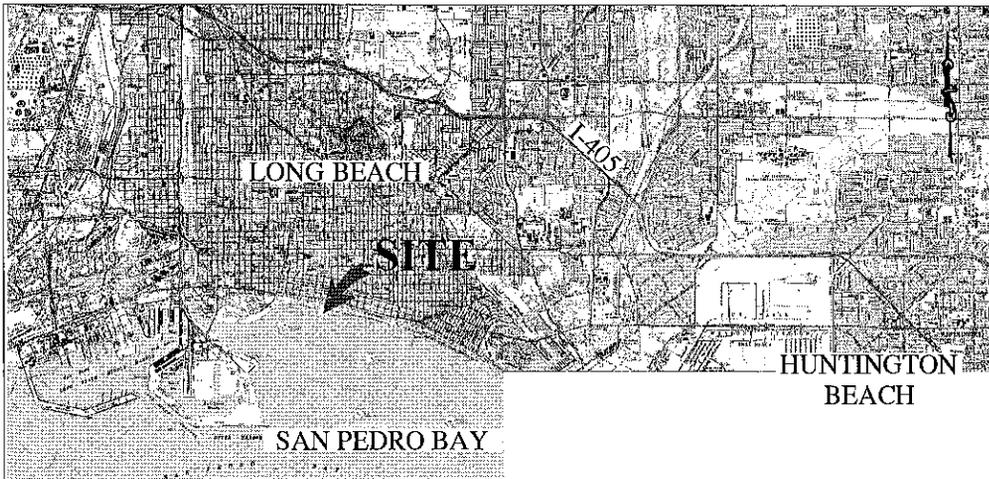
CITY OF LONG BEACH
PROPOSED TIDELANDS CAPITAL PROJECTS
 APPROVED BY CITY COUNCIL

- MAP FEATURES**
- Tidelands Area
 - Tidelands Contiguous Area
 - City Council District
 - Waterway
 - Hardscape

LONG BEACH TIDELANDS

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

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.

Exhibit A

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



MJF 11/06/13