

**CALENDAR ITEM
C89**

A 70
S 28, 33

06/19/14
G05-03
R. Boggiano

REVIEW THE PROPOSED EXPENDITURE OF TIDELAND OIL REVENUES, IN AN AMOUNT NOT TO EXCEED \$18,890,199, BY THE CITY OF LONG BEACH FOR CAPITAL IMPROVEMENT PROJECTS LOCATED WITHIN LEGISLATIVELY-GRANTED SOVEREIGN LAND IN 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; and Chapter 158, Statutes of 1935 and as amended.

BACKGROUND:

Pursuant to Section 6(h) of Chapter 138, Statutes of 1964 as amended by Chapter 941, Statutes of 1991 (Chapter 138), the City submitted a detailed description, to State Lands Commission (Commission) staff on May 28, 2014, of proposed tideland oil revenue expenditures for review of consistency with Chapter 138.

The proposed expenditure of \$18,890,199 of tideland oil revenue is to fund seven 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. Naples Islands Permanent Seawalls Repair Phase 1:** The existing Naples Island Seawalls were built in the 1930's and have reached a state of significant disrepair. The purpose of the project is to repair the seawalls located on the Rivo Alto Canal between the Ravenna and the Toledo bridges. This project represents the first of a six-phase process to repair all of the public seawalls at Naples Island. The Phase 1 portion of the seawalls is the most deteriorated and in imminent danger of collapse in the event of a moderate earthquake, according to a 2009 evaluation. The project consists primarily of the installation of a new steel sheet-pile seawall on the water

CALENDAR ITEM NO. **C89** (CONT'D)

side of the existing concrete seawalls along both sides of the Rivo Alto Canal (1,915 total lineal feet). On October 9, 2013, the California Coastal Commission (CCC) unanimously approved the project, with conditions, and the City is ready to proceed with construction. Only a portion of the total cost of the project will be procured with tideland oil revenue. The total cost for the project is \$13,500,000. On May 12, 2012, the Commission approved a total of \$1,000,000 of tideland oil revenue for the first phase of this project. On May 6, 2014, the City appropriated an additional \$4,000,000 of tideland oil revenue. As required, the City is notifying the Commission of the proposed additional expenditures for phase one of this project.

Estimated expenditure: \$4,000,000

2. **Alamitos Bay Sorrento Trail:** As a result of the impacts caused by the Naples Islands Permanent Seawalls Repairs Phase 1 project, the CCC is requiring the City to develop and construct an improvement plan for the Alamitos Bay Sorrento Trail, which is a public walkway adjacent to Alamitos Bay that runs along the northwestern shoreline of Naples Island. The City intends to design the project with significant public outreach. Project components may include an improved trail, signage, improved access to Alamitos Bay from E. Sorrento Drive, improvements to existing sidewalks, and street improvements. All improvements will be constructed on or adjacent to granted public trust lands. The cost for the planning, permitting, and design phase is estimated at \$500,000 and construction is estimated to cost \$400,000

Estimated expenditure: \$900,000

3. **Alamitos Bay Marina Rebuild Project:** The Alamitos Bay Marina (ABM), which consists of seven basins and 1,655 total boat slips, is owned and operated by the City. The ABM was originally built in the 1950's and 1960's and has reached a state of significant disrepair. Basins 1, 4, 5, and 8 have been rebuilt to date and basins 2, 3, 6 and 7 (1,254 slips) remain to be completed. Only a portion of the total cost of the project will be procured with tideland oil revenue. The total cost for the project is \$60,144,796. The City plans to contribute \$10,900,000 to the project from the Tidelands Oil Revenue Fund. The remaining funds will be covered with slip fees and bond financing.

Estimated expenditure: \$10,900,000

4. **Bixby Park ADA Pathway, Stairs, and Bluff Stabilization:** The proposed project will stabilize the bluff area between Cherry Avenue and Junipero Avenue and install

CALENDAR ITEM NO. **C89** (CONT'D)

a walk path and stairwells along the Bixby Park Bluff area to improve pedestrian access to City beaches. On June 27, 2011, the Commission approved \$1,000,000 for the project. On December 5, 2012, the Commission approved an additional \$900,000. On December 2, 2013, the Commission authorized \$1,000,000 for bluff erosion control improvements along Ocean Boulevard, of which an additional \$500,000 was allocated to the Bixby Park ADA Pathway, Stairs, and Bluff Stabilization project. The revised total project cost for the project is \$2,970,240. As required, the City is providing formal notification that the project budget increased from \$1,900,000 to \$2,970,240.

Estimated expenditure: \$570,240

5. **Public Dock 10 Rebuild:** 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. On October 27, 2011, the Commission approved \$2,300,000 for the project. As required, the City is providing formal notification that the project budget increased from \$2,300,000 to \$3,114,278.

Estimated expenditure: \$814,278

6. **Appian Way Low-Flow Diversion Project:** The low flow diversion system will be installed along Appian Way and East Second Street to help mitigate dry-weather urban runoff from entering the City's beaches, lagoons, and bays, and to divert the polluted first flush away from our waterways. The system will divert the most polluted runoff into the sewer system to help improve the water quality of the beaches. On December 5, 2012, the Commission approved \$500,000 for the project. As required, the City is providing formal notification that the project budget increased from \$500,000 to \$755,681.

Estimated expenditure: \$255,681

7. **Belmont Pool Rebuild:** On May 24, 2012, the Commission found that the City's expenditure of \$500,000 for the initial planning efforts of a new facility was not inconsistent with the applicable granting statutes. The results of the technical studies revealed that the 40+-year-old facility is at risk of collapse during a moderate earthquake event. As a result, the Belmont Pool has been closed to the public indefinitely. On April 26, 2013, the Commission approved an additional \$4,300,000 to construct a temporary outdoor pool facility to minimize recreational impacts while the planning and detailed design of the permanent facility. On April 23, 2014, the Commission approved \$13.5 million for the architectural and engineering designs for the permanent facility. The City has revised the total project costs for the temporary

CALENDAR ITEM NO. **C89** (CONT'D)

pool. As required, the City is providing formal notification that the project budget for the costs of the temporary pool has increased from \$4,300,000 to \$5,575,000.

Estimated expenditure: \$1,450,000

Table Summary of Projects and Expenditure Request

Naples Islands Permanent Seawalls Repair Phase 1	\$4,000,000
Alamitos Bay Sorrento Trail	\$900,000
Alamitos Bay Marina Rebuild Project	\$10,900,000
Bixby Park ADA Pathway, Stairs, and Bluff Stabilization	\$570,240
Public Dock 10 Rebuild	\$814,278
Appian Way Low-Flow Diversion Project	\$255,681
Belmont Pool Rebuild	\$1,450,000
TOTAL	\$18,890,199

The total estimated cost of the proposed projects for which tideland oil revenue would be expended is \$18,890,199. A total of \$ \$123,014,431, 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 2014 for some projects and all projects, with the exception of the Belmont Pool Rebuild and the Alamitos Bay Sorrento Trail, will be completed no later than December 2018. The City must also obtain all the necessary entitlements for the projects, including but not limited to: United States Army Corps of Engineers; California Coastal Commission; Los Angeles County Board of Supervisors; and permits from the City Building and Engineering Departments.

CALENDAR ITEM NO. **C89** (CONT'D)

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. 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 Chapter 138, the Commission has 60 days to notify the City that the capital improvement projects are not authorized by the applicable subdivisions of Chapter 138. Commission staff received notice from the City of the seven proposed expenditures projects on May 28, 2014.
2. Pursuant to the City's statutory trust 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.
3. 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).
4. 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).
5. 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).

CALENDAR ITEM NO. **C89** (CONT'D)

6. 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).
7. In October 2013, the City notified the Commission of its proposed expenditure of \$18,120,000 of tideland oil revenue for 11 capital improvement projects (Calendar Item C115, December 2, 2013).
8. In April 2014, the City notified the Commission of its proposed expenditure of \$109,780,000 of tideland oil revenue for 13 capital improvement projects (Calendar Item C77, April 23, 2014).
9. 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.

10. This activity involves lands statutorily exempted from Public Resources Code section 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 of Tideland Oil Revenues 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.

CALENDAR ITEM NO. **C89** (CONT'D)

AUTHORIZATION:

Find that, based on the information provided by the City, the proposed expenditure of tideland oil revenue in the amount of \$18,890,199 for seven 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

- 1. NAPLES ISLAND PERMANENT SEAWALLS REPAIR PHASE 1
- 2. ALAMITOS BAY SORRENTO TRAIL
- 3. ALAMITOS BAY MARINA REBUILD
- 4. BIXBY PARK ADA PATHWAY, STAIRS & BLUFF STABILIZATION
- 5. PUBLIC DOCK 10 REBUILD
- 6. APPIAN WAY LOW-FLOW DIVERSION
- 7. BELMONT POOL



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

MAP FEATURES

- TIDELANDS
- CONTIGUOUS AREAS
- City Boundary
- Waterway
- Highway

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



TS 06/05/14