

**STAFF REPORT
C75**

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08/17/17
G 05-03
M. Moser

REVIEW A PROPOSED TIDELAND OIL REVENUE EXPENDITURE INCREASE IN AN AMOUNT NOT TO EXCEED \$685,000 BY THE CITY OF LONG BEACH FOR A CAPITAL IMPROVEMENT PROJECT LOCATED ADJACENT TO LEGISLATIVELY GRANTED SOVEREIGN LAND IN THE CITY OF LONG BEACH

APPLICANT:

City of Long Beach

LOCATION:

Granted sovereign tide and submerged lands located in the city of Long Beach, Los Angeles County.

BACKGROUND:

The City of Long Beach (City) is a trustee of sovereign tide and submerged lands granted by the Legislature under Chapter 676, Statutes of 1911 and as amended; Chapter 102, Statutes of 1925 and as amended; and Chapter 158, Statutes of 1935. Since then there have been many revisions to the statutes granting the City these lands. In 1964, the City's statutory trust grant was amended to authorize the City to spend tideland oil revenue for specific uses and to require the City to notify the Commission of proposed tideland oil expenditures exceeding \$100,000.

Since 2016, the Commission reviewed expenditures totaling \$29,100,000 for the convention center area improvement project (Project) located adjacent to granted sovereign land in the City of Long Beach. On May 26, 2017, the City submitted a detailed description to the Commission for a proposed increase in a tideland oil revenue expenditure of approximately \$685,000 for the Project. The Commission reviews the expenditure for consistency with Chapter 138, Statutes of 1964 (as amended by Chapter 941, Statutes of 1991). As required, the City notified the Commission of the proposed additional expenditures for enhanced lighting and structural facility improvements, including repairs and upgrades to the terrace plaza and fountain.

The capital improvements that tideland oil revenues may fund are specified in the statutory trust grant and must be for statewide purposes that benefit the fulfillment of trust uses and for purposes that are allowed in the City's granting

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statutes, as opposed to purely local interests and benefits. The City is required to file a detailed description of a proposed capital improvement expenditure exceeding \$100,000 with the Commission 60 days prior to disbursement.

STAFF ANALYSIS:

The City's statutory trust grant allows various uses of the oil revenue derived from existing oil fields on the City's granted Public Trust lands, including for commerce, navigation, and fisheries, and the construction of streets, roadways, buildings, structures, and recreation-related facilities located on or adjacent to the tidelands for the benefit and use of the tidelands. Consistent with the statutory trust grant, the proposed expenditure to upgrade, improve, and repair the City's convention center facilities is for the benefit and use of the statewide public.

OTHER PERTINENT INFORMATION:

1. Pursuant to Chapter 138, Statutes of 1964, as amended by Chapter 941, Statutes of 1991 (Chapter 138), the Commission has 60 days to notify the City that a proposed capital improvement is not consistent with Chapter 138. Commission staff received notice from the City of the proposed expenditure on May 26, 2017.
2. The City's grant requires that it maintain separate tidelands accounts identified as the Harbor Fund, Tidelands Fund, and Tidelands Oil Revenue Fund. The proposed capital improvement project will be funded with tideland oil revenue from the Tidelands Fund.
3. The Commission reviewed the convention center area improvements, estimated to cost \$29,100,000, in the following staff reports:

[Item C36, October 27, 2011](#)
[Item C50, May 24, 2012](#)
[Item C54, December 5, 2012](#)
[Item C102, April 26, 2013](#)
[Item C115, December 2, 2013](#)
[Item C77, April 23, 2014](#)
[Item C89, April 20, 2017](#)
4. This expenditure increase would raise the total amount spent on the convention center area improvements to \$29,785,000.
5. This proposed action is consistent with a Targeted Outcome under Strategy 1.2 of the Commission's Strategic Plan to track each grantee's revenues and expenditures to ensure that trust revenues are reinvested

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into the tide and submerged lands, rather than diverted to other purely municipal purposes or other uses inconsistent with the Public Trust.

6. Reviewing this proposed expenditure of tideland oil revenue for consistency with Chapter 138 is not a project in accordance with the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes to the environment.

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

7. 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:

AUTHORIZATION:

Find that, based on the information provided by the City, the proposed expenditure of tideland oil revenue in the amount of \$685,000 for one capital improvement project located adjacent to granted sovereign land in 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, as amended.

NO SCALE

SITE



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

