

**STAFF REPORT  
C85**

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02/27/18

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M. Moser

**REVIEW A PROPOSED TIDELAND OIL REVENUE EXPENDITURE INCREASE IN AN AMOUNT NOT TO EXCEED \$400,000 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. 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.

The City may only expend tideland oil revenues for uses and purposes that are consistent with the City's granting statutes and that are for statewide purposes, 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 before disbursement.

Since 2011, the Commission has reviewed expenditures totaling \$29,785,000 for the Convention Center Area Improvement Project located adjacent to granted sovereign land in the City of Long Beach. The City's Convention Center facilities need significant upgrades, improvements, and repairs. The Convention Center complex includes the Sports Arena, Performing Arts Center, and main Convention Center facility. On November 3, 2017, the City

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submitted to the Commission the required description for a proposed increase in a tideland oil revenue expenditure of approximately \$400,000 for the Convention Center Area Improvement Project. The proposed additional expenditures are for facility preservation improvements and structural and facility improvements, including marquee sign repairs and upgrades, brickwork, and truck ramps. The Commission reviewed the expenditure for consistency with Chapter 138, Statutes of 1964 (as amended by Chapter 941, Statutes of 1991).

**STAFF ANALYSIS:**

The City's statutory trust grant allows various uses of the oil revenue derived from oil fields on the City's granted Public Trust lands. Section 6(c) of Chapter 138, as amended, authorizes the expenditure of tideland revenues for 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. Based on the information provided by the City, the proposed \$400,000 expenditure for the Convention Center Area Improvement Project appears to be consistent with the uses set forth in Section 6(c) of Chapter 138, as amended by Chapter 941. As required by the statutory trust grant, the proposed expenditures are for the benefit and use of the statewide public and uses and purposes consistent with the City's statutory trust grant.

**OTHER PERTINENT INFORMATION:**

1. 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.
2. The Commission reviewed the convention center area improvements, estimated to cost \$29,785,000, in the following staff reports:

[Item C36, October 27, 2011](#)

[Item C50, May 24, 2012](#)

[Item C54, December 5, 2012](#)

[Item C115, December 2, 2013](#)

[Item C77, April 23, 2014](#)

[Item C89, April 20, 2017](#)

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[Item C75, August 17, 2017](#)

3. This expenditure increase would raise the total amount spent on the convention center area improvements to \$30,185,000.
4. 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 into the tide and submerged lands, rather than diverted to other purely municipal purposes or other uses inconsistent with the Public Trust.
5. 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).

**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 \$400,000 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 section 6(c) 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

