

**STAFF REPORT**

**51**

A 70

12/06/19

G 05-03

S 33

M. Moser

**REVIEW A PROPOSED TIDELAND OIL REVENUE EXPENDITURE IN AN AMOUNT NOT TO EXCEED \$500,000 BY THE CITY OF LONG BEACH FOR ONE CAPITAL IMPROVEMENT PROJECT LOCATED ON OR ADJACENT TO LEGISLATIVELY GRANTED SOVEREIGN LAND IN THE CITY OF LONG BEACH, LOS ANGELES COUNTY**

**GRANTEE:**

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.

Tideland oil revenues must be expended for uses and purposes consistent with the City's granting statutes and be 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.

The proposed expenditure of \$500,000 of tideland oil revenue is to fund one project located both on and adjacent to the Long Beach tidelands as shown on Exhibit A. The project, as proposed and described by the City, is as follows:

**1. Convention Center Area Improvements**

The City is seeking review of a \$500,000 tidelands fund expenditure for continued repair and upgrades to parking facilities. Specific repairs and upgrades planned are:

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- Automated entry gates, ticket and payment systems, and inventory management systems.
- Parking garage interior upgrades, including paint and energy efficient lighting.
- Permanent electrical infrastructure for The Cove, an area along Seaside Way in front of the Seaside Meeting Rooms used as creative outdoor event space. Currently, temporary electrical equipment and fixtures are required to be brought in for events.
- General repair and upgrades to high traffic areas in anticipation of future high-profile events, such as the State Democratic Convention and the 2028 Olympics.

The total estimated project cost for the Convention Center Area Improvements Project is now \$37,685,000.

Previous Commission Review:

[Item C36, October 27, 2011](#) - \$5,000,000  
[Item C50, May 24, 2012](#) - \$8,500,000  
[Item C54, December 5, 2012](#) - \$7,625,000  
[Item C115, December 2, 2013](#) - \$5,240,000  
[Item C77, April 23, 2014](#) - \$1,270,000  
[Item C89, April 20, 2017](#) - \$1,465,000  
[Item C75, August 17, 2017](#) - \$685,000  
[Item C85, February 27, 2018](#) - \$400,000  
[Item C91, April 19, 2018](#) - \$600,000  
[Item 73, August 23, 2019](#) - \$1,000,000

Proposed expenditure: \$500,000

Preliminary Schedule: Planning: Complete; Permitting and Design: Summer 2020; Bid and Award: Fall 2020; Construction: Winter 2020/Spring 2021; Completion: Summer 2021

**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. 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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Based on the information provided by the City, the proposed improvements and repairs to parking facilities do not appear to be inconsistent with Sections 6(c) of Chapter 138, as amended by Chapter 941, which authorizes expenditure of tidelands funds for construction, maintenance, and repair of roadways and parking lots. As required by the statutory trust grant, the proposed expenditure is for the benefit and use of the statewide public and for uses and purposes consistent with the City's statutory trust grant.

**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 October 23, 2019.
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 proposed action is consistent with Strategy 1.2 of the Commission's Strategic Plan to provide that the current and future management of ungranted sovereign lands and resources and granted lands, including through strategic partnerships with trustee ports and harbor districts, is consistent with evolving Public Trust principles and values, particularly amid challenges relating to climate change, sea-level rise, public access, and complex land use planning and marine freight transportation systems. More specifically, this proposed action is consistent with a Targeted Outcome under Strategy 1.2, 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.
4. 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).
5. This activity involves expenditures whose disposition is statutorily exempted from Public Resources Code section 6370 et seq., relating to

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lands identified as possessing significant environmental values, pursuant to Public Resources Code section 6377.

**EXHIBIT:**

- A. Location and Site Map

**RECOMMENDED ACTION:**

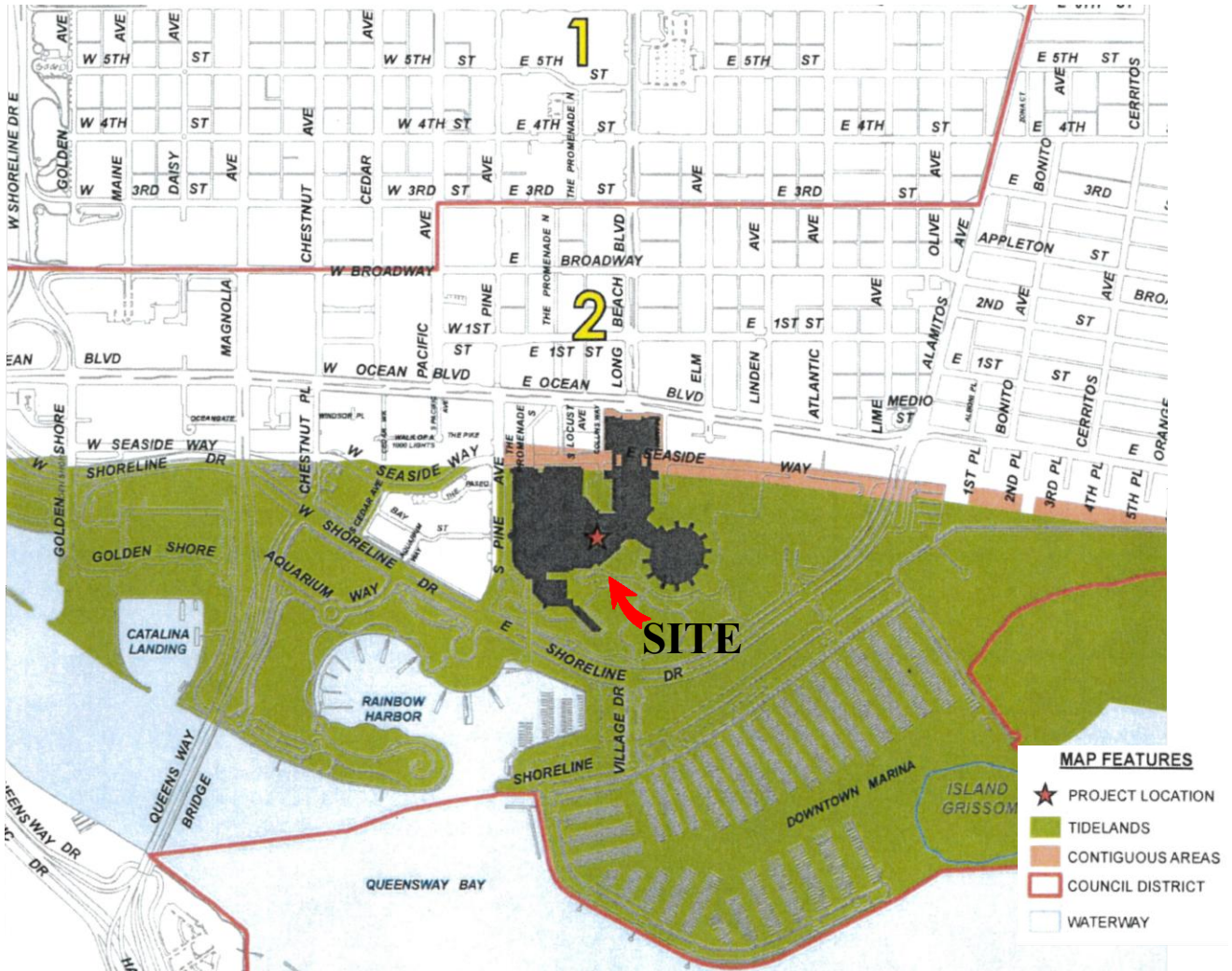
It is recommended that the Commission:

**AUTHORIZATION:**

Find that, based on the information provided by the City, the proposed expenditure of tideland oil revenue in the amount of \$500,000 for one capital improvement project located both on and adjacent to legislatively granted sovereign land in the city of Long Beach does not appear to be inconsistent with the uses in Section 6(c) of Chapter 138, as amended.

NO SCALE

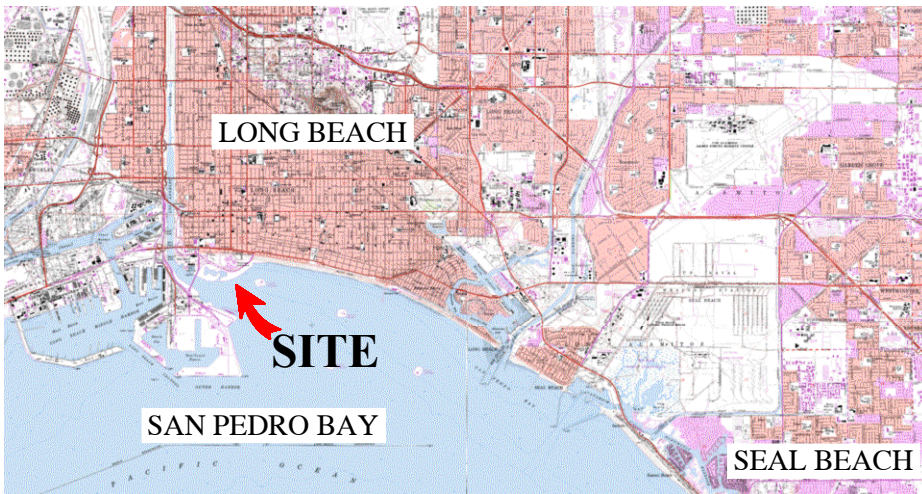
# SITE



### 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 EXPENDITURE OF OIL REVENUE LOS ANGELES COUNTY

