

STAFF REPORT

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M. Moser

REVIEW PROPOSED TIDELAND OIL REVENUE EXPENDITURES IN AN AMOUNT NOT TO EXCEED \$4,600,989 BY THE CITY OF LONG BEACH FOR FOUR CAPITAL IMPROVEMENT PROJECTS LOCATED BOTH ON AND 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 revenue 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 any proposed capital improvement expenditure exceeding \$100,000 with the Commission 60 days before disbursement.

The proposed expenditures totaling \$4,600,989 of tideland oil revenue are to fund four projects located both on and adjacent to the Long Beach tidelands as shown on Exhibit A. The projects, as proposed and described by the City, are as follows:

1. Alamitos, Bayshore, Granada, and Junipero Concession Stands

The City began conducting the planning and preliminary design process for the Beach Concession Building Improvements in 2016. The Commission has previously reviewed a total of \$13,032,933 in expenditures to fund these projects. The City states that an additional \$1 million is necessary to complete

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construction at the Alamitos location. The Bayshore concession renovation has been completed and the remaining \$400,000 budgeted for this project will be re-directed to fund the Junipero and Granada concessions projects. The City is requesting additional funds for the Granada and Junipero locations in the amount of \$576,961 and \$574,028, respectively, to complete the projects. The total estimated cost for all four locations is now \$15,183,922. The California Coastal Commission has approved the concession stand projects. The renovations will provide services for recreational visitors to the tidelands.

Location	Current City funding	Previous tidelands funding reviewed	Current tidelands funding review	Total estimated project cost
Alamitos	\$9,124,149	\$8,250,000	\$1,000,000	\$9,250,000
Bayshore	\$518,467	\$633,922	\$0	\$633,922
Granada	\$2,044,269	\$2,023,039	\$576,961	\$2,600,000
Junipero	\$2,152,324	\$2,125,972	\$574,028	\$2,700,000
All	\$13,839,209	\$13,032,933	\$2,150,989	\$15,183,922

Previous Commission review:

[Item C64, December 17, 2014](#): \$3,150,000

[Item C91, April 19, 2018](#): \$6,830,535

[Item C72, December 3, 2018](#): \$4,853,387

[Item 73, August 23, 2019](#): \$1,352,011

Requested additional expenditure: \$2,150,989

Schedule:

Alamitos: Construction – Summer 2019/Fall 2020; Completion – Winter 2020

Bayshore: Complete

Granada & Junipero: Bid and Award – Spring 2020; Construction – Spring 2020; Completion – Fall 2020

2. West Seaside Way Storm Drain

In August 2018, the City approved the storm drain replacement project and in April 2019, put the project out to bid. Unmarked utilities and inconsistencies with geotechnical reports have increased project costs. The City is requesting review of an additional \$2 million expenditure to complete the project. The storm drain replacement project will help prevent flooding of the tideland

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areas, preserving public access and protecting the tidelands from environmental harm caused by stormwater runoff. It will also help prevent flooding of Seaside Way, which provides access to the tideland areas.

Current City funding	Previous tidelands funding reviewed	Current tidelands funding review	Total estimated project cost
\$2,000,000	\$1,500,000	\$2,000,000	\$3,500,000

Previous Commission review:

[Item C109, August 23, 2018](#): \$1,500,000

Requested additional expenditure: \$2,000,000

Schedule: Construction – Summer 2019/Fall 2020; Completion – Fall 2020

3. Rainbow Harbor Electrical Improvements

This new project is to design, purchase, and install 32 lights to illuminate the only remaining unlit pedestrian pathway in Shoreline Park, a city park on Queensway Bay near downtown Long Beach. This project will enable visitors to the tidelands to use and enjoy the park during the evening, encouraging outdoor and recreational use of the park while maintaining safety.

Current City funding	Previous tidelands funding reviewed	Current tidelands funding review	Total estimated project cost
\$130,801	\$0	\$300,000	\$300,000

Proposed expenditure: \$300,000

Preliminary schedule: Bid and Award – Summer 2020; Construction – Estimated Summer 2020 (pending funding); Completion – Estimated Fall 2020

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4. Puff of Wind Art Sculpture

The Puff of Wind is a proposed nautical-themed art installation to be located on Junipero Beach. The steel and aluminum sculpture will be installed adjacent to the Long Beach Museum of Art and will provide a unique destination for outdoor public recreation.

Current City funding	Previous tidelands funding reviewed	Current tidelands funding review	Total estimated project cost
\$150,000	\$0	\$150,000	\$150,000

Proposed expenditure: \$150,000

Preliminary schedule: Permitting and Design, Construction, and Completion – Spring 2020

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.

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. As required by the statutory trust grant, the proposed expenditures are 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

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City that a proposed capital improvement is not consistent with Chapter 138. Commission staff received notice from the City of the proposed expenditures on February 27, 2020.

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 projects 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 these proposed expenditures 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 expenditures of tideland oil revenue in the amount of \$4,600,989 for four capital improvement projects located both on and adjacent to legislatively granted sovereign land in the city of Long Beach do not appear to be inconsistent with the uses set forth in sections 6(c) and (d) of Chapter 138, as amended.

NO SCALE

SITE

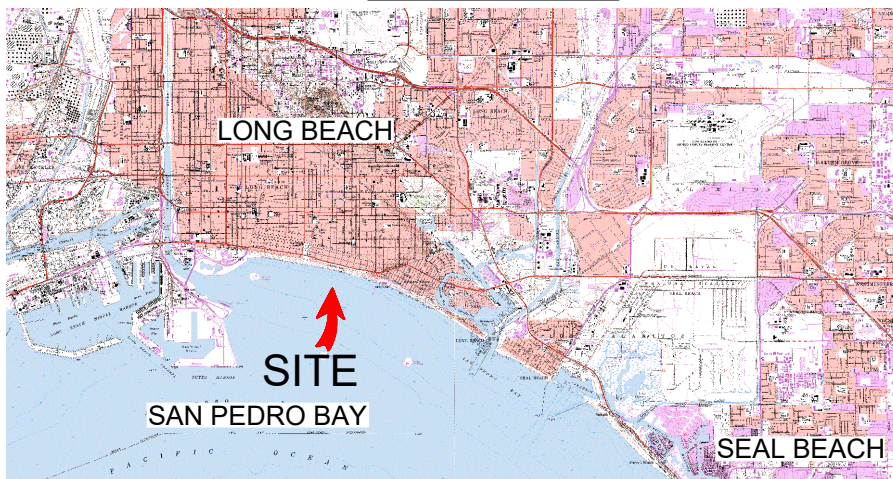


CITY OF LONG BEACH
**PROPOSED TIDELANDS
CAPITAL PROJECTS**
APPROVED BY CITY COUNCIL
ATTACHMENT B

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



TS 03/11/2020