

Staff Report 59

GRANTEE:

City of Santa Monica

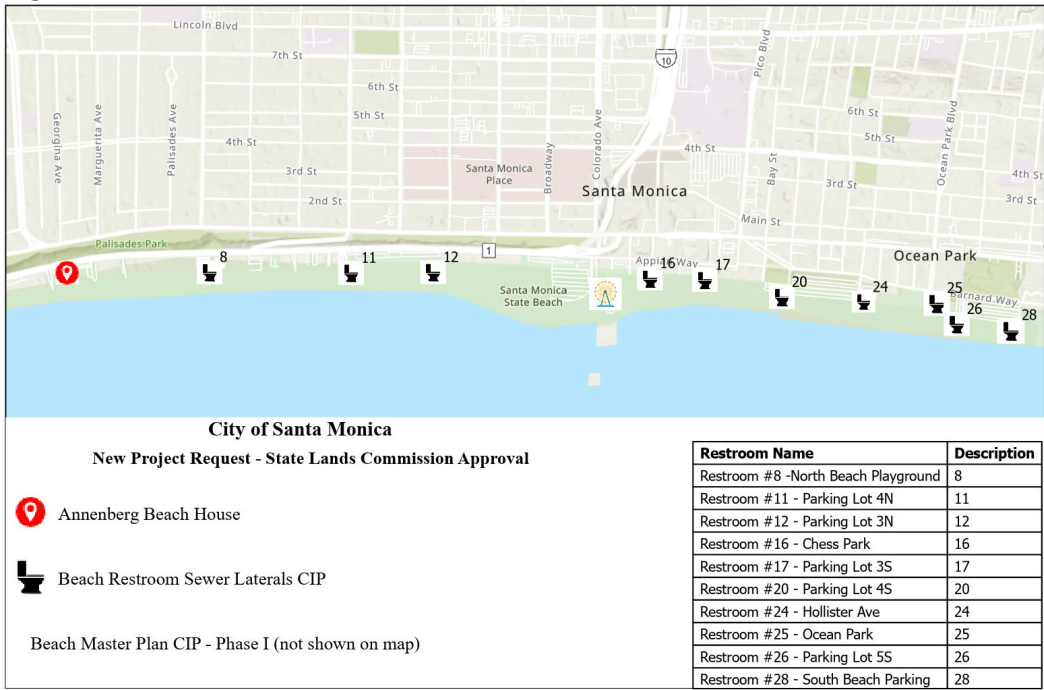
PROPOSED ACTION:

Review a proposed tideland revenue expenditure in an amount not to exceed \$1,355,000 by the City of Santa Monica for three capital improvement projects on legislatively granted sovereign land in the city of Santa Monica, Los Angeles County.

LOCATION:

Granted sovereign tide and submerged lands located in the city of Santa Monica, County of Los Angeles (as shown in Figure 1).

Figure 1. Location



BACKGROUND:

The city of Santa Monica (City) is a trustee of sovereign tide and submerged land granted by the legislature pursuant to Chapter 78, Statutes of 1917, as amended by Chapter 616, Statutes of 1949, and Chapter 1077, Statutes of 1970. The granting statutes require that the lands be used for the establishment, improvement, and conduct of a harbor, the construction of bulkheads or breakwaters, and the construction maintenance and operation of wharves, docks, piers, slips, quays, and other utilities and appliances necessary or convenient for the promotion and accommodation of commerce and navigation and the protection of City lands and additional trust uses that are in the statewide interest, including recreational uses and parking.

The City proposes to expend \$1,355,000 for three capital improvement projects on its granted lands. The first expenditure is for \$300,000 to support Phase 1 of the City's Beach Master Plan. The second expenditure is for \$600,000 for a beach restroom sewer project. The third expenditure is for \$455,000 to maintain the Annenberg Community Beach House facilities.

1. BEACH MASTER PLAN – PHASE ONE

The Santa Monica beachfront attracts millions of visitors each year who are eager to enjoy recreational opportunities and waterfront amenities. Phase One of the City's Beach Master Plan will inform short- and long-term management of the Santa Monica State Beach and its amenities with an emphasis on supporting the overall beach visitor experience and positioning the City to take advantage of major events like the 2028 Olympics.

The project area is approximately 2.8 miles long and 650 feet wide from the Pacific Ocean to the first public road. Phase One will be informed by a study intended to provide actionable recommendations for environmental and economic sustainability, image and identity, facilities and asset management, circulation and access, equity and environmental justice, programs and uses, and safety and security.

Phase One will focus on a community process to engage a variety of beach stakeholders to assess the needs and perspectives of businesses, visitors, and residents. It will also include an Asset Management Plan with a comprehensive beach maintenance strategy to account for facilities, utilities, and infrastructure.

The study will include major attractions, such as the Santa Monica Pier, original muscle beach and slackline park, playgrounds, the beach trail, the

Annenberg community beach house, and beach volleyball courts. Revenue generated from operations and events at the beach are used exclusively to support beach operations. The Beach Fund has a structural deficit, generating sufficient revenues to support operations but not all the required capital improvements necessary to maintain the beach assets. Phase One of the Beach Master Plan Project will identify the highest priorities and inform budget planning.

The beach parking lots are City assets that generate roughly \$13 million annually for the Beach Fund. The continued repair and improvements of the lots is essential to ensuring access to the beach as well as the productive life of these assets.

The City is requesting review of a \$300,000 expenditure for this project.

PROPOSED EXPENDITURE: \$300,000

TARGET COMPLETION DATE: Fiscal Year 2024-25

2. BEACH RESTROOM SEWER LATERALS

The Beach Restroom Sewer Laterals project is part of continuous repairs to the Santa Monica State Beach public restrooms that serve millions of visitors each year. The project will involve replacing existing sewer lines to 10 beach restrooms that have reached the end of their useful life and periodically closed for that reason.

The City requests review of an expenditure of \$600,000 for this project.

PROPOSED EXPENDITURE: \$600,000

TARGET COMPLETION DATE: Fiscal Year 2024-25

3. ANNENBERG COMMUNITY BEACH HOUSE (ACBH) FACILITIES MAINTENANCE

The ACBH Facilities Maintenance project is for the rehabilitation, repairs, infrastructure maintenance of buildings, equipment, and other structures at the Beach House for the short-term and long-term integrity of the site. The ACBH Facilities Maintenance Program maximizes the lifespan of City facilities and maintains infrastructure identified to be at the end of useful life. According to the City, the floors are overdue for rehabilitation, and repairs are a top priority for the upcoming fiscal year.

This project includes rehabilitation of the failing historic guest house floors and other systems that require upgrade or replacement to comply with fire, life and safety codes, and accessibility, and that have failed or are nearing the

end of their useful life. The City is requesting a review of a \$455,000 expenditure for the highest priority items over the next two year.

PROPOSED EXPENDITURE: \$455,000

TOTAL PROPOSED EXPENDITURES BY 2031: \$9,729,499

TARGET COMPLETION DATE: Ongoing

STAFF ANALYSIS AND RECOMMENDATION:

The City's statutory trust grant allows specified uses of the revenue derived from the City's granted Public Trust lands.

Section 3(d) of Chapter 1077 authorizes the expenditure of tideland revenues:

"For the construction, reconstruction, repair and maintenance of highways, streets, roadways, bridges, belt line railroads, parking facilities, power, telephone, telegraph or cable lines or landings, water and gas pipelines, and all other transportation and utility facilities or betterments incidental, necessary, or convenient for the promotion and accommodation of any of the uses set forth in this section."

Section 3(e) of Chapter 1077 authorizes the expenditure of tideland revenues:

"For the construction, reconstruction, repair, maintenance and operation of public buildings, public assembly and meeting places, convention centers, public parks, public playgrounds, public bathhouses and public bathing facilities, public recreation and public fishing piers, public recreation facilities, including, but not limited to, public golf courses, and for all works, buildings, facilities, utilities, structures and appliances incidental, necessary or convenient for the promotion and accommodation of any such uses."

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 Section 3(d) and (e) of Chapter 1077. 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 not inconsistent with the City's statutory trust grant.

OTHER PERTINENT INFORMATION:

1. Pursuant to Chapter 1077, Statutes of 1970, the Commission has 90 days to notify the City that a proposed capital improvement is not consistent with Chapter

1077. The City notified the Commission of the proposed expenditures on September 27, 2023 (see Exhibit A).

2. The City's grant requires that it maintain a separate fund or account for revenues derived from the granted tidelands. The proposed capital improvement projects will be funded, in part, with revenue from the Beach Recreation Fund.
3. The tideland expenditure review is consistent with the "Meeting Evolving Public Trust Needs" Strategic Focus Area of the Commission's 2021- 2025 Strategic Plan.
4. Reviewing the proposed expenditures of tideland revenue for consistency with Chapter 1077 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 15378, subdivision (b)(5).

EXHIBIT:

A. Notification letter from the City

RECOMMENDED ACTION:

It is recommended that the Commission:

Find that, based on the information provided by the City, the proposed expenditures of tideland revenue in the amount of \$1,355,000 for three capital improvement projects located on legislatively granted sovereign land in the city of Santa Monica appear consistent with the uses set forth in sections 3(d) and (e) of Chapter 1077, Statutes of 1970.



Exhibit A

Office of Pier Management
200 Santa Monica Pier, Ste J
Santa Monica, CA 90401
(310) 458-8764 t.

September 27, 2023

Sent via Email to Michaela.Moser@slc.ca.gov

Ms. Michaela Moser
Granted Lands & External Affairs Division
California State Land Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825

Subject: Expenditure of Tideland Revenue for Capital Improvement Projects for Santa Monica, CA

Dear Ms. Moser:

In accordance with the provisions of California Statutes of 1970, Chapter 1077, Section 5, the City of Santa Monica hereby submits to the State Lands Commission a detailed description of proposed capital improvement projects estimated to be in excess of \$250,000 in aggregate. Under the statute the City may use revenues accruing from use of the granted tidelands for capital improvements for purposes that comply with the terms of the grant.

Section 2 (d) of Chapter 1077 authorizes the expenditure of tideland revenues “for the construction, reconstruction, repair and maintenance of highways, streets, roadways, bridges, belt line railroads, parking facilities, power, telephone, telegraph or cable lines or landings, water and gas pipelines, and all other transportation and utility facilities or betterments incidental, necessary, or convenient for the promotion and accommodation of any of the uses set forth in this section.”

Section 2 (e) of Chapter 1077, authorizes the expenditure of tideland revenues “for the construction, reconstruction, repair, maintenance and operation of public buildings, public assembly and meeting places, convention centers, public parks, public playgrounds, public bathhouses and public bathing facilities, public recreation and public fishing piers, public recreation facilities, including, but not limited to, public golf courses, and for all works, buildings, facilities, utilities, structures and appliances incidental, necessary or convenient for the promotion and accommodation of any such uses.”

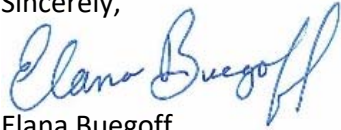
The following proposed capital projects are estimated to be in excess of \$250,000, and are authorized under Section 2(d) and 2(e):

1. Beach Master Plan – Phase I
2. Beach Restroom Sewer Laterals
3. Annenberg Community Beach House Facilities Maintenance

Detail descriptions of each project are provided in Attachment A and include project justification, total project budget and anticipated expenditure timeframe. These projects were approved by the Santa Monica City Council on June 28, 2022, as part of the adoption of City's Biennial Capital Improvement Program Budget for FY 2022-24.

If you have any questions or concerns, please contact me at (310) 458-8763 or by email at elana.buegoff@santamonica.gov

Sincerely,

A handwritten signature in blue ink that reads "Elana Buegoff". The signature is fluid and cursive, with the first name "Elana" and last name "Buegoff" clearly distinguishable.

Elana Buegoff

Pier and Beach Administrator