

# Staff Report 43

## GRANTEE:

City of Santa Monica

## PROPOSED ACTION:

Review proposed tideland revenue expenditures during fiscal years 2025 and 2026 in an amount not to exceed \$1,817,571 by the City of Santa Monica for two capital improvement projects on legislatively granted sovereign land in the city of Santa Monica.

## AREA, LAND TYPE, AND 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 AND DESCRIPTION:**

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The City of Santa Monica (City) proposes to expend, during fiscal years 2025 and 2026, \$1,817,571 for two capital improvement projects on its granted lands. The first expenditure is \$548,571 to maintain the Annenberg Community Beach House facilities. The second expenditure is \$1,269,000 for the Fleet Vehicle Replacement Program to maintain a safe and functional City fleet of vehicles.

The City is a trustee of sovereign tide and submerged land granted by the legislature under Chapter 78, Statutes of 1917, as amended by Chapter 616, Statutes of 1949, and Chapter 1077, Statutes of 1970. The statutes require that the City use the lands 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 to promote and accommodate commerce and navigation and protect City lands. The granting statutes authorize additional trust uses that are in the statewide interest, such as recreation and parking.

### **1. ANNENBERG COMMUNITY BEACH HOUSE FACILITIES MAINTENANCE**

The Annenberg Community Beach House is a public beach club open to everyone. No membership is required. The beach house combines a historic legacy with contemporary amenities, spectacular views, splash pad, playground, open seating, free wi-fi, beach courts and fields, community and cultural events and event spaces. The Beach House has restored historic structures, including the Marion Davies Gold Coast era guest house and historic pool both designed by Julia Morgan, a pioneering architect and California's first licensed female architect.

The proposed tideland expenditure is to rehabilitate, repair, and maintain the buildings, equipment, and other structures at the beach house for the short-term and long-term integrity of the site. Projects in fiscal years 2025 and 2026 include replacing elevator and HVAC systems that have reached the end of their useful lives.

This project is intended to maximize the lifespan of the facilities and update infrastructure at the end of its useful life. The elevator and HVAC have reached the end of their useful lives and need major repairs or replacements.

The city requests that the Commission review a \$548,571 expenditure for this project.

PREVIOUSLY REVIEWED EXPENDITURES:

- \$455,000 ([Item 59, October 19, 2023](#))

PROPOSED EXPENDITURE: \$548,571 for fiscal year ending 2025

TARGET COMPLETION DATE: Ongoing

## **2. VEHICLE REPLACEMENT**

The City's fleet vehicle replacement program involves replacing fleet vehicles according to an established replacement schedule. The tidelands fund is charged a portion of the replacement cost of each vehicle every year so that the City has enough money to buy a new vehicle at the end of the prior vehicle's useful life. This makes it easier to budget for vehicle replacement and, because the City's vehicle fund accrues interest, reduces costs to the tidelands fund. The proposed tidelands expenditure is to replace vehicles used for beach maintenance, such as vehicles to sweep the beach bike path, sand rakes and tractors to groom the sand, and vehicles used exclusively by beach maintenance staff. The City's expenditure is based on a beach vehicle inventory, the price of a vehicle when it was purchased with a 3.5 percent annual inflation factor, and life of the vehicle.

PROPOSED EXPENDITURES: \$1,269,000 (\$634,500 for fiscal year ending 2025 and \$634,500 for fiscal year ending 2026)

TARGET COMPLETION DATE: Ongoing

## **STAFF ANALYSIS AND RECOMMENDATION:**

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The City's statutory trust grant allows specified uses of the revenue derived from the granted lands. Section 3(d) of Chapter 1077 authorizes the expenditure of tideland revenues for:

*"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:

*"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 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:**

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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 February 3, 2025 (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 Strategic Plan.
4. Review of 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, sections 15060, subdivision (c)(3), and 15378, subdivision (b)(5).

**EXHIBIT:**

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A. Notification letter from the City.

**RECOMMENDED ACTION:**

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It is recommended that the Commission:

Find that, based on the information provided by the City, the proposed expenditures of tideland revenue, during fiscal years 2025 and 2026, in the amount of \$1,817,571 for two capital improvement projects located on legislatively granted sovereign land in the city of Santa Monica appear consistent with the uses 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.

February 3, 2025

**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 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.”

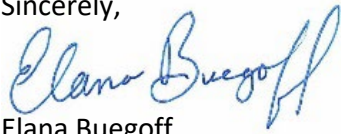
The following proposed capital projects are estimated to be in excess of \$250,000, and are authorized under Section 3(d) and 2(e):

- Annenberg Community Beach House (ACBH) Facilities Maintenance: \$548,571 for FY 2024-25
- Vehicle Replacement Program: \$634,500 for FY 2024-25 and \$634,500 for FY 2025-26.

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 25, 2024, as part of the adoption of City's Biennial Capital Improvement Program Budget for FY 2024-26. URL link to the full staff report below:  
[https://santamonicacityca.iqm2.com/Citizens/Detail\\_LegiFile.aspx?Frame=&MeetingID=1404&MediaPosition=&ID=6035&CssClass=](https://santamonicacityca.iqm2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=1404&MediaPosition=&ID=6035&CssClass=)

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

Sincerely,

A handwritten signature in blue ink that reads "Elana Buegoff". The signature is written in a cursive, flowing style.

Elana Buegoff

Pier and Beach Administrator

Enc. Attachment A. Excerpts from 2024-2026 Biennial Capital Improvement Budget  
Attachment B. Annenberg Community Beach House Site Map

# ADOPTED FY 2024-26 BIENNIAL CIP BUDGET

## PROJECT DETAIL - RECREATION AND ART

### RECREATION AND ART

#### ANNENBERG COMMUNITY BEACH HOUSE FACILITIES MAINTENANCE

##### Project #

C0841

##### Target Completion Date

Ongoing

##### Total Project Budget

Ongoing

##### Project Description

The Annenberg Community Beach House (ACBH) Facilities Maintenance project will fund 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. Projects in FY2024-26 include replacement of the elevator systems and major components of the HVAC system that have reached the end of their useful lives. Future year allocations are based on Faithful+Gould's Facilities Condition Assessment (FCA).



##### Project Justification

The ACBH Facilities Maintenance Program maximizes the lifespan of City facilities and maintains infrastructure identified to be at the end of useful life. The elevator and HVAC systems are essential to facility operations and a key component of the building's infrastructure. Both of these systems have reached the end of their useful lives and will need major repairs or replacements to continue to operate reliably.

Fund	Account	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
Beach Fund	C1108410.689000	\$548,571	\$44,107	\$200,000	\$200,000	\$200,000
<b>Total</b>		<b>\$548,571</b>	<b>\$44,107</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>



# ADOPTED FY 2024-26 BIENNIAL CIP BUDGET

## PROJECT DETAIL - PUBLIC WORKS

# Public Works

## VEHICLE REPLACEMENT PROGRAM

### Project #

C0001

### Target Completion Date

Ongoing

### Total Project Budget

Ongoing

### Project Description

The Fleet Vehicle Replacement Program funds the ongoing replacement of City fleet vehicles according to an established vehicle replacement schedule. The program is funded through internal service contributions from other funds that use City fleet vehicles. Depreciation is charged on each vehicle every year so that the Fund has sufficient balance to purchase a new vehicle at the end of the prior vehicle's useful life. The five year projection includes the addition of one net new vehicle (Side Loader) for the Beach Maintenance Division.



### Project Justification

These funds are essential for maintaining a safe and functional City fleet of vehicles. Fleet vehicles allow all staff to effectively complete daily operations and support all City strategic goals. The Program supports revenue generating enterprise Funds such as the Resource Recovery and Recycling, Water, Wastewater, and Airport Funds.

Fund	Account	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29
Vehicle Management Fund	C7000010.689000	\$6,062,420	\$10,512,610	\$8,185,870	\$9,835,740	\$7,558,180
<b>Total</b>		<b>\$6,062,420</b>	<b>\$10,512,610</b>	<b>\$8,185,870</b>	<b>\$9,835,740</b>	<b>\$7,558,180</b>

# ADOPTED FY 2024-26 BIENNIAL CIP BUDGET

## SUMMARY BY FUND

CIP Project	Account Number	Project Title	BUDGET		BUDGET PLAN		
			FY2024-25	FY25-26	FY2026-27	FY2027-28	FY2028-29
<b>Beach Recreation (11)</b>							
C0841	C1108410.689000	ACBH Facilities Maintenance	548,571	44,107	200,000	200,000	200,000
C0890	C1108900.689000	Cybersecurity	7,645	8,028	12,194	12,803	13,443
C0892	C1108920.689000	Fleet Building Tenant Improvement	-	1,875	-	-	-
BP	Budget Plan	Rebuilding of Beach Lot 4S Decorative Plaza	-	-	200,000	-	-
BP	Budget Plan	Surface Lot Paving Program	-	-	1,100,000	1,100,000	1,100,000
C0467	C1104670.689000	Swim Facilities Planned Maintenance	65,000	65,000	65,000	65,000	65,000
I0003	I1100030.689000	Computer Equipment Replacement Program	31,727	33,647	39,178	42,189	45,455
I0002	I1100020.689000	Telecommunications Services	9,577	9,863	10,159	10,463	10,776
I0001	I1100010.689000	Vehicle Replacement Program *(includes \$127,500 for Y1-Y4)	634,500	634,500	657,700	675,988	559,863
			\$ 1,297,020	\$ 797,020	\$ 2,284,231	\$ 2,106,443	\$ 1,994,537

Attachment B.

