

**STAFF REPORT
C109**

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08/23/18
G 05-03
M. Moser

REVIEW A PROPOSED TIDELAND OIL REVENUE EXPENDITURE IN AN AMOUNT NOT TO EXCEED \$2,500,000 BY THE CITY OF LONG BEACH FOR TWO CAPITAL IMPROVEMENT PROJECTS LOCATED ON OR ADJACENT TO LEGISLATIVELY GRANTED LAND IN THE CITY OF LONG BEACH, LOS ANGELES COUNTY

APPLICANT/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 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 \$2,500,000 of tideland oil revenue is to fund two projects located on or adjacent to the Long Beach tidelands as shown on Exhibit A.

The projects, as proposed and described by the City, are as follows:

1. **Belmont/Granada Parking Lot Repavement/Resurfacing**
In 2011, the City requested \$4,800,000 for beach parking lot repavement

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and resurfacing for four different parking lots, as detailed in the project summary table below.

This request is for an additional \$1,000,000 expenditure for unforeseen costs associated with the Belmont Pool/Granada Parking Lot: According to the City, the construction costs have escalated significantly since being approved in 2011, the asphalt was found to be in further disrepair than originally determined and the parking lot needed new base and asphalt. Americans with Disabilities Act upgrades were required, including an accessible path to the beach pedestrian path from the parking lot, and Municipal Code changes required electrical vehicle charging stations, future electrical infrastructure, and landscaping to comply with low impact development requirements.

Summary of parking lot project costs to date

Project Area	\$ Budgeted	\$ Spent	Comments / Status
Belmont Pool/Granada	\$2,703,747	\$2,328,873	Largest lot, unforeseen conditions
Alamitos Beach	1,026,534	969,610	Complete
Marina Green	569,494	254,746	Funded through the design phase
Junipero Ave.	1,478,849	1,478,849	Complete
Total:	\$5,778,624	\$5,032,049	
			<i>as of 07/23/18</i>

The City requests that the Commission review an additional \$1,000,000 expenditure to complete the project.

Previous Commission Review:

[Item C36, October 27, 2011](#) - \$4,800,000

Requested additional expenditure: \$1,000,000

2. West Seaside Way Storm Drain

The City requests that the Commission review an expenditure in the amount of \$1,500,000 for the construction of a larger diameter reinforced concrete pipe storm drain and new catch basins, in accordance with the City's master plan, to replace an existing drain that was unable to keep up with the large amount of flooding experienced in 2017. The drain connects to the Los Angeles County storm drain. The improvements are meant to mitigate flooding and prevent storm runoff to the tidelands areas. It is also meant to help prevent future flooding around Seaside Way between Chestnut Place and Golden Shore. A reimbursement hazard mitigation grant from the Federal Emergency Management Agency in the amount of

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\$641,797.50 will cover a portion of the costs of the project. The balance of \$858,202 will be Tidelands funded.

Requested expenditure: \$1,500,000

Schedule: Design: Completed May 2018; Bid and Award: July 2018; Construction: August 2018; Completion: December 2018 (*estimated*)

Table Summary of Projects and Expenditure Requests

Project	Expenditure Request
Belmont/Granada Parking Lot Repavement/Resurfacing	\$1,000,000
West Seaside Way Storm Drain	1,500,000
Total	\$2,500,000

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 of Chapter 138, as amended, explicitly authorizes expenditures of tidelands revenues for certain purposes. Section 6, subdivision (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.

Based on the information provided by the City, the proposed capital improvement projects are located on or adjacent to the Long Beach tidelands and do not appear to be inconsistent with the uses set forth in Section 6, subdivision (c) of Chapter 138, as amended.

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 expenditures on July 3, 2018.
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.

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3. 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.
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).

5. This activity involves lands statutorily exempted from Public Resources Code section 6370 et seq., pursuant to Public Resources Code section 6377.

EXHIBIT:

- A. Location and Site Map

RECOMMENDED ACTION:

It is recommended that the Commission:

AUTHORIZATION:

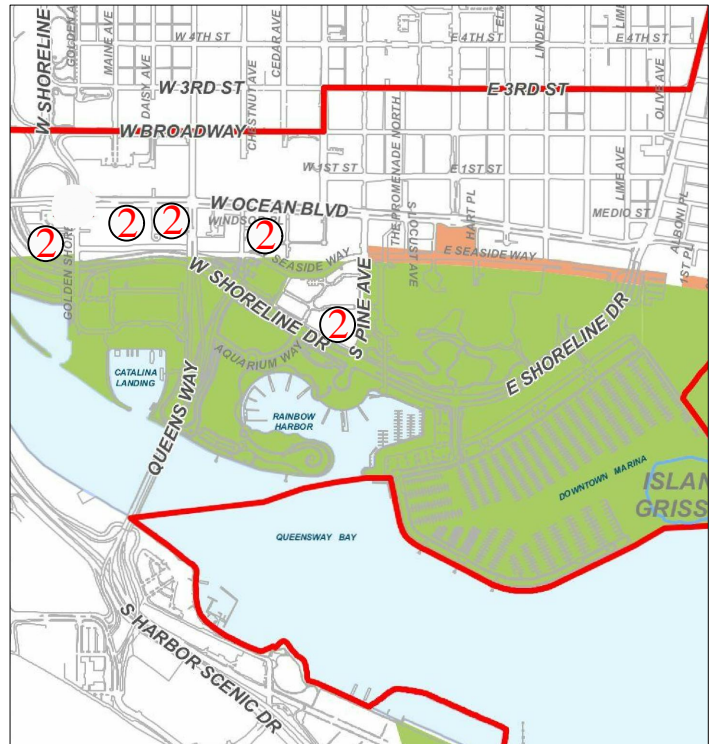
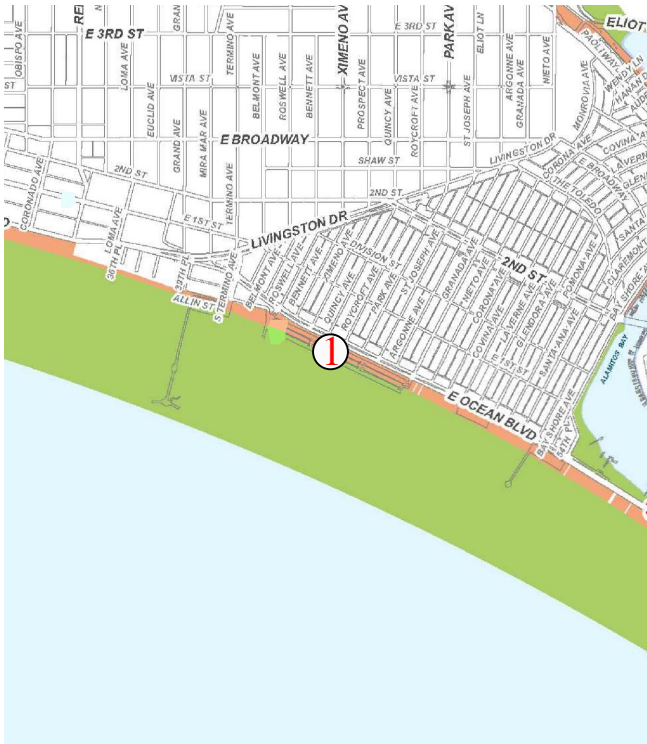
Find that, based on the information provided by the City, the proposed expenditure of tideland oil revenue in the amount of \$2,500,000 for two capital improvement projects located on or adjacent to legislatively granted sovereign lands in the City of Long Beach does not appear to be inconsistent with the uses set forth in Section 6(c) of Chapter 138, as amended.

NO SCALE

SITE

PROJECT NAME

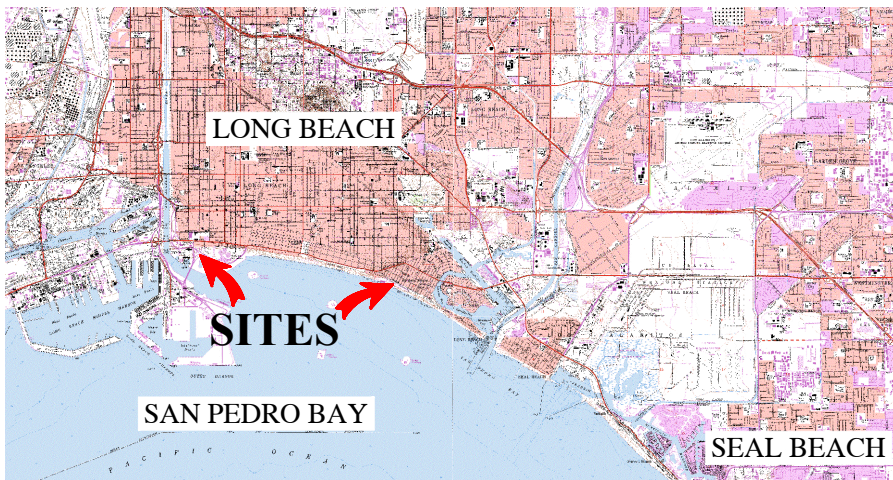
1. BELMONT/GRANADA PARKING LOT REPAVE
2. WEST SEASIDE WAY STORM DRAIN



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 07/17/18