

MINUTE ITEM

14. CITY OF LONG BEACH PROJECTS.

In presenting Calendar Items 18, 26, 19, and 20 attached, the Executive Officer reported that the items had been reviewed with the office of the Attorney General as to their legal sufficiency and that written informal opinions had been received. All items require prior approval in accordance with law. The amounts reported are estimated costs proposed to be expended for the specific projects. All costs to be allowed ultimately as actual subsidence costs will result from detailed final engineering review and audit subsequent to actual completion of the projects.

Deputy City Attorney Harold A. Lingle appeared to stress the monetary importance of the Town Lot project (see "D" below) and stated that the City of Long Beach wanted it understood that inasmuch as the amounts reported are estimates the City is not assenting to a fixed determination at this time and that negotiation will be involved in any final amount determination.

- (A) REQUEST FOR EXTENSION OF TIME OF EXPENDITURE OF TIDELAND OIL REVENUES BY THE CITY OF LONG BEACH FOR BEACH MAINTENANCE COSTS, 1959-60 FISCAL YEAR - L.B.W.O. 10,098. (See Calendar Item 18 attached.)

UPON MOTION DULY MADE, SECONDED, AND CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION EXTENDS TO OCTOBER 31, 1960 THE TIME WITHIN WHICH THE AMOUNT OF \$542,209.42 (PREVIOUSLY APPROVED FOR MAINTENANCE AND OPERATION OF TIDELAND BEACHES DURING THE 1959-60 FISCAL YEAR) WILL BE AVAILABLE, SO THAT THE CITY OF LONG BEACH CAN COMPUTE COSTS FOR THE 1959-60 FISCAL YEAR AND MAKE THE NECESSARY ENTRIES AND TRANSFERS ON ITS BOOKS; THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING MINERAL RESOURCES ENGINEER ARE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S APPROVAL.

- (B) APPLICATION OF THE CITY OF LONG BEACH TO USE ITS TIDELAND REVENUES FOR MAINTENANCE AND OPERATION OF TIDELAND BEACHES DURING 1960-61 FISCAL YEAR - L.B.W.O. 10,134. (See Calendar Item 26 attached.)

UPON MOTION DULY MADE, SECONDED, AND CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION GIVES PRIOR APPROVAL TO THE COSTS DISBURSED BY THE CITY OF LONG BEACH FOR OPERATION AND MAINTENANCE OF TIDELAND BEACH AREAS IN THE 1960-61 FISCAL YEAR ENDING JUNE 30, 1961 FROM THE CITY'S SHARE OF TIDELAND OIL REVENUES, WITH A TIME LIMITATION OF OCTOBER 31, 1961 FOR DRAWING FROM THE TIDELAND OIL FUND ACCOUNT TO REIMBURSE CITY DEPARTMENTAL ACCOUNTS FOR SAID DISBURSEMENTS IN THE TOTAL AGGREGATE OF \$590,000 AS SET FORTH IN ATTACHED EXHIBIT "A" INCORPORATED HEREIN, SUBJECT TO THE CONDITION THAT THE AMOUNTS, IF ANY, TO BE ALLOWED AS EXPENDITURES FROM TIDELAND TRUST FUNDS, WILL BE DETERMINED BY THE COMMISSION UPON ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO COMPLETION OF SUCH WORK DURING THE 1960-61 FISCAL

YEAR; THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING MINERAL RESOURCES ENGINEER ARE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

(C) CONSIDERATION OF SUBSIDENCE COSTS PROJECTS, LONG BEACH - L.B.W.O. 10,115, L.B.W.O. 10,116, L.B.W.O. 10,121, L.B.W.O. 10,124 AND L.B.W.O. 10,127. (See Calendar Item 19 attached.)

UPON MOTION DULY MADE, SECONDED, AND CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION APPROVES SUCH COSTS PROPOSED TO BE EXPENDED BY THE CITY OF LONG BEACH, INCLUDING SUBSIDENCE REMEDIAL WORK, AS INDICATED ON EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF, FOR THE PERIOD JULY 1, 1960 TO TERMINATION DATE; SUBJECT TO THE CONDITIONS, HOWEVER, THAT THE AMOUNTS, IF ANY, OF EACH OF THE ITEMS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS, DEDUCTIBLE UNDER SECTION 5(a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE WORK UNDER ANY OF THESE ITEMS IS COMPLETED; THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION; THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING MINERAL RESOURCES ENGINEER ARE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

(D) CONSIDERATION OF SUBSIDENCE COSTS PROJECT, LONG BEACH - L.B.W.O. 10,128 (TOWN LOT). (See Calendar Item 20 attached.)

UPON MOTION DULY MADE, SECONDED, AND CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION APPROVES SUCH COSTS PROPOSED TO BE EXPENDED BY THE CITY OF LONG BEACH, INCLUDING SUBSIDENCE REMEDIAL WORK, AS INDICATED ON EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF, FOR THE PERIOD JULY 1, 1960 TO TERMINATION DATE; SUBJECT TO THE CONDITIONS, HOWEVER, THAT THE AMOUNTS, IF ANY, OF EACH OF THE ITEMS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS, DEDUCTIBLE UNDER SECTION 5(a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE WORK UNDER ANY OF THESE ITEMS IS COMPLETED; THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION; THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING MINERAL RESOURCES ENGINEER ARE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment

Calendar Item 18 (1 page)  
Calendar Item 26 (3 pages)  
Calendar Item 19 (6 pages)  
Calendar Item 20 (5 pages)

CALENDAR ITEM

18.

REQUEST FOR EXTENSION OF TIME ON APPROVAL OF EXPENDITURE OF TIDELAND OIL REVENUES BY THE CITY OF LONG BEACH FOR BEACH MAINTENANCE COSTS, 1959-1960 FISCAL YEAR - L.B.W.O. 10,098.

On June 25, 1959 (Minute Item 35, pages 5005-06), the Commission approved the costs proposed to be expended by the City of Long Beach from its share of tideland revenues for maintenance and operation of tideland beaches during the 1959-1960 fiscal year in an amount not to exceed \$542,209.42.

The City has requested that an extension of time be granted until October 31, 1960, so that the actual costs of the various departments furnishing services in connection with beach maintenance can be ascertained and the necessary accounting entries and transfers of funds can be made on the books of the City. The City is not seeking an extension of time to perform work on the beaches, only an extension of time to accumulate cost data and make the necessary accounting entries and transfers.

IT IS RECOMMENDED THAT THE COMMISSION EXTEND TO OCTOBER 31, 1960 THE TIME WITHIN WHICH THE AMOUNT OF \$542,209.42 (PREVIOUSLY APPROVED FOR MAINTENANCE AND OPERATION OF TIDELAND BEACHES DURING THE 1959-1960 FISCAL YEAR) WILL BE AVAILABLE, SO THAT THE CITY OF LONG BEACH CAN COMPUTE COSTS FOR THE 1959-1960 FISCAL YEAR AND MAKE THE NECESSARY ENTRIES AND TRANSFERS ON ITS BOOKS; IT IS FURTHER RECOMMENDED THAT THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING MINERAL RESOURCES ENGINEER BE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S APPROVAL.

CALENDAR ITEM

26.

APPLICATION OF THE CITY OF LONG BEACH TO USE ITS TIDELAND REVENUES FOR MAINTENANCE AND OPERATION OF TIDELAND BEACHES DURING 1960-61 FISCAL YEAR - L.B.W.O. 10,134.

On May 5, 1960, the City of Long Beach, through the office of its City Attorney, submitted a request to the State Lands Commission for approval of the expenditure of a portion of the City's share of tideland revenues for maintenance and operation of tideland beaches during the 1960-61 fiscal year. The amount of proposed expenditures for which approval is requested is \$593,000, which includes work by:

1. Public Service Department for Beach Cleaning and Maintenance, Maintenance of Beach Comfort Stations, Maintenance of Lifeguard Stations and Miscellaneous Tideland Maintenance Costs consisting of Maintenance of Sewer Pump Stations, Piers and Structures, Beach Parking Lots, Beach Recreation Areas, Beach Park Areas, and Miscellaneous Beach Facilities.	\$175,000
2. Park Department for Maintenance of Landscaped Beach Park Areas	52,500
3. Central Services Department for Maintenance and Operation of Beach Comfort Stations	77,500
4. Planning Department for Master Plan for Shoreline Development	3,000
5. Engineering Department for Engineering Services and Minor Construction Projects	10,000
6. Marine Department for Lifeguard Service and Departmental Administration	<u>275,000</u>
Total	\$593,000

In Formal Opinion No. 59/125, dated June 17, 1959, the office of the Attorney General advised the State Lands Commission as follows: "The City of Long Beach may properly use its tidelands oil income to maintain and operate public beaches on its granted tidelands. A public beach is a public park and the use of the Long Beach granted tidelands for purposes of a public park thereon is a proper trust use and purpose and a matter of State-wide interest. However, tidelands trust income may be used by the City to finance maintenance and operation only of public beaches on tidelands. General municipal funds may be utilized by the City to maintain and operate that part of the public beaches located on uplands or lands municipally owned by the City free of the tidelands trust."

In the above-referred opinion, the office of the Attorney General stated that, "Nothing contained in this opinion shall be taken as any expression of opinion as to the propriety or lack of propriety of using tideland monies for 'Maintenance of Parking Lots, Other Structures, Boat Landing Ramp and Other Miscellaneous Beach Facilities' since no data as to the nature or location of

CALENDAR ITEM 26. (CONTD.)

these items has been furnished by the City". On January 12, 1960, the office of the City Attorney of the City of Long Beach set forth the nature and location of these items. In informal discussions with the office of the Attorney General, the staff has been advised that such costs may be considered a proper trust purpose where it can be shown that they are a special charge related to maintenance of tideland beaches and are not a general municipal service. Applying these principles, it has been concluded that those items designated as Miscellaneous Tideland Maintenance Costs, including maintenance of sewer pump stations, piers and structures, beach parking lots, beach recreational areas, beach park areas and miscellaneous beach facilities, totalling \$32,500, are a proper charge.

The request by the City of Long Beach included an item of \$3,000 for Master Planning for Shoreline Development. This item is not related to maintenance and operation of tideland beaches, and the City of Long Beach has agreed to make a separate request for prior approval of this item.

Since disbursements for the beach services are made directly from City departmental accounts, with the charges later transferred to the Tideland Oil Fund Account, the City has requested an extension of time to accomplish such transfers as they are related to the 1959-60 fiscal year costs. To obviate the necessity for the City to request such extension for the 1960-61 fiscal year, the staff recommends approval conditioned upon the disbursements being made prior to July 1, 1961, and the account transfers relating to the Tideland Fund being accomplished by October 31, 1961.

IT IS RECOMMENDED THAT THE COMMISSION GIVE PRIOR APPROVAL TO THE COSTS DISBURSED BY THE CITY OF LONG BEACH FOR OPERATION AND MAINTENANCE OF TIDELAND BEACH AREAS IN THE 1960-61 FISCAL YEAR ENDING JUNE 30, 1961 FROM THE CITY'S SHARE OF TIDELAND OIL REVENUES, WITH A TIME LIMITATION OF OCTOBER 31, 1961 FOR DRAWING FROM THE TIDELAND OIL FUND ACCOUNT TO REIMBURSE CITY DEPARTMENTAL ACCOUNTS FOR SAID DISBURSEMENTS IN THE TOTAL AGGREGATE OF \$590,000 AS SET FORTH IN ATTACHED EXHIBIT "A" INCORPORATED HEREIN, SUBJECT TO THE CONDITION THAT THE AMOUNTS, IF ANY, TO BE ALLOWED AS EXPENDITURES FROM TIDELAND TRUST FUNDS, WILL BE DETERMINED BY THE COMMISSION UPON ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO COMPLETION OF SUCH WORK DURING THE 1960-61 FISCAL YEAR.

Attachment  
Exhibit "A"

EXHIBIT "A"

APPLICATION FOR APPROVAL TO EXPEND TIDELAND  
OIL REVENUES ON MAINTENANCE  
AND OPERATION OF TIDELAND  
BEACH AREAS

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City of Long Beach, California  
Fiscal Year 1960-61

		<u>TOTAL</u>
<u>PUBLIC SERVICE DEPARTMENT</u>		
Beach Cleaning and Maintenance	\$ 125,000	
Maintenance of Beach Comfort Stations	7,500	
Maintenance of Lifeguard Stations	10,000	
Miscellaneous Tideland Maintenance Costs		
Maintenance of Sewer Pump Stations	\$ 7,500	
Maintenance of Piers & Structures	6,500	
Maintenance of Beach Parking Lots	3,500	
Maintenance of Beach Recreation Areas	8,000	
Maintenance of Beach Park Areas	1,700	
Maintenance of Miscellaneous Beach Facilities	<u>5,300</u>	
Total		<u>32,500</u>
TOTAL - PUBLIC SERVICE DEPARTMENT		\$ 175,000
 <u>PARK DEPARTMENT</u>		
Maintenance of Beach Landscaped Park Areas		52,500
 <u>CENTRAL SERVICES DEPARTMENT</u>		
Maintenance and Operation of Beach Comfort Stations		77,500
 <u>ENGINEERING DEPARTMENT</u>		
Engineering Services and Minor Construction Projects		10,000
 <u>MARINE DEPARTMENT</u>		
Lifeguard Service and Departmental Administration		<u>275,000</u>
GRAND TOTAL		<u>\$ 590,000</u>

CALENDAR ITEM

19.

CONSIDERATION OF SUBSIDENCE COSTS PROJECTS, LONG BEACH - L.B.W.O. 10,115, L.B.W.O. 10,116; L.B.W.O. 10,121, L.B.W.O. 10,124 and L.B.W.O. 10,127.

On March 24, 1960 (Minute Item 28, pages 5813-14), the Commission adopted a policy of approving requests for prior approval of costs of construction projects containing an element of subsidence, for a period extending to the termination date of the project.

Requests for prior approval of subsidence costs have been submitted by the Harbor Department for the Pier "A" area project (L.B.W.O. 10,115); Pier "B" area project (L.B.W.O. 10,116); Pier "G" area project (L.B.W.O. 10,121); Back Area - "Piers A to D" area project (L.B.W.O. 10,124); and the Roads and Streets project (L.B.W.O. 10,127); all further detailed on attached Exhibit "A".

The projects have received initial staff review and are considered to include some "subsidence costs" as defined in Section 1(f) of Chapter 29, Statutes of 1956, 1st E.S., but not necessarily all of those costs as estimated by the City of Long Beach.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE SUCH COSTS PROPOSED TO BE EXPENDED BY THE CITY OF LONG BEACH, INCLUDING SUBSIDENCE REMEDIAL WORK, AS INDICATED ON EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF, FOR THE PERIOD JULY 1, 1960 TO TERMINATION DATE; SUBJECT TO THE CONDITIONS, HOWEVER, THAT THE AMOUNTS, IF ANY, OF EACH OF THE ITEMS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS, DEDUCTIBLE UNDER SECTION 5(a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE WORK UNDER ANY OF THESE ITEMS IS COMPLETED; THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION; AND THAT THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING MINERAL RESOURCES ENGINEER BE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment  
Exhibit "A"

EXHIBIT "A"

LONG BEACH WORK ORDER NO. 10,115 - PROJECT AND ESTIMATE SUBMITTED BY THE PORT OF LONG BEACH, PIER A.

<u>ITEM</u>	<u>AFE</u>	<u>WORK PROPOSED</u>	<u>IBHD ESTIMATED SUBPROJECT EXPENDITURE JULY 1, 1960 TO TERMINATION.</u>	<u>ESTIMATED SUBSIDENCE COSTS</u>
1	37	Berths 1 & 2, Transit Shed & Back Area Raising (2nd Phase)	\$ 926,500	\$ 806,060 (87%)
2	38	Berths 1 & 2, Wharf Raising (2nd Phase)	245,300	159,450 (65%)
3	292	Berths 208-211 Wharf (2nd Phase)	699,200	20,980 (3%)
4	338	Berths 3 & 4, Transit Shed, Wharf, & Back Area Raising (2nd Phase)	3,262,000	2,576,980 (79%)
5	344	Berth 5, Transit Shed, Wharf & Back Area Raising (1st Phase)	142,500	142,500 (100%)
6	370	Pier "A" East, Filling Miscellaneous Areas (2nd Phase)	192,500	192,500 (100%)
7	398	Pier "A" East, Fire Station (1st Phase)	50,200	10,540 (21%)
8	404	Diversion Dike (1st Phase)	250,000	50,000 (20%)
9	410	Warehouse No. 2 and Adjacent Area, Raising & Rehabilitating (1st Phase)	70,000	70,000 (100%)
			<u>\$5,838,200</u>	<u>\$4,029,010</u>

## Note:

1. The term "1st Phase" consists of costs of preliminary work expended subsequent to review of preliminary plans and/or other adequate description. (Typical "1st Phase" costs are engineering design, contract administration and advertising, preparation of site by Harbor Department forces.) For work within the same approved time period, any excess of "1st Phase" approved costs over actual expenditures may be added to "2nd Phase" approvals after date of "2nd Phase" approvals.
2. The term "2nd Phase" consists of additional costs approved subsequent to review of detail construction plans and/or other data sufficient to guide construction operations.



EXHIBIT "A"

LONG BEACH WORK ORDER NO. 10,116 - Project and Estimates Submitted by  
the Port of Long Beach, PIER "B".

<u>ITEM</u>	<u>AFE</u>	<u>WORK PROPOSED</u>	LBHD ESTIMATED SUBPROJECT EXPENDITURE JULY 1, 1960 TO <u>TERMINATION</u>	<u>ESTIMATED SUBSIDENCE COSTS</u>
1	322	Pier B Redevelopment (2nd Phase)	\$5,000	\$600 (12%)

## Note:

1. The term "1st Phase" consists of costs of preliminary work expended subsequent to review of preliminary and/or other adequate description. (Typical "1st Phase" costs are engineering design, contract administration and advertising, preparation of site by Harbor Department forces.) For work within the same approved time period, any excess of "1st Phase" approved costs over actual expenditures may be added to "2nd Phase" approvals after date of "2nd Phase" approvals.
2. The term "2nd Phase" consists of additional costs approved subsequent to review of detail construction plans and/or other data sufficient to guide construction operations.

EXHIBIT "A"

LONG BEACH WORK ORDER NO. 10,121 - Project and Estimate Submitted by the Port of Long Beach, PIER "G".

<u>ITEM</u>	<u>AFE</u>	<u>WORK PROPOSED</u>	<u>LBHD ESTIMATED SUBPROJECT EXPENDITURE JULY 1, 1960 TO TERMINATION</u>	<u>ESTIMATED SUBSIDENCE COSTS</u>
1	291	Rockwork & Dredging Fill (2nd Phase)	\$3,423,300	\$342,330 (10%)
2	*	Berths 212-251 Wharf (1st Phase)	200,000	20,000 (10%)
			<hr/>	<hr/>
			\$3,623,300	\$362,330

\* AFE to be assigned.

## Note:

1. The term "1st Phase" consists of costs of preliminary work expended subsequent to review of preliminary plans and/or other adequate description. (Typical "1st Phase" costs are engineering design, contract administration and advertising, preparation of site by Harbor Department forces.) For work within the same approved time period, any excess of "1st Phase" approved costs over actual expenditures may be added to "2nd Phase" approvals after date of "2nd Phase" approvals.
2. The term "2nd Phase" consists of additional costs approved subsequent to review of detail construction plans and/or other data sufficient to guide construction operations.

EXHIBIT "A"

LONG BEACH WORK ORDER NO. 10,124 - Project and Estimate Submitted by the Port of Long Beach, BACK AREAS, PIERS A TO D.

<u>ITEM</u>	<u>AFE</u>	<u>WORK PROPOSED</u>	<u>LBHD ESTIMATED SUBPROJECT EXPENDITURE JULY 1, 1960 TO TERMINATION</u>	<u>ESTIMATED SUBSIDENCE COSTS</u>
1	405	Move Building No. 157 to Pier B (2nd Phase)	\$8,000	\$1,520 (19%)

## Note:

1. The term "1st Phase" consists of costs of preliminary work expended subsequent to review of preliminary plans and/or other adequate description. (Typical "1st Phase" costs are engineering design, contract administration and advertising, preparation of site by Harbor Department forces.) For work within the same approved time period, any excess of "1st Phase" approved costs over actual expenditures may be added to "2nd Phase" approvals after date of "2nd Phase" approvals.
2. The term "2nd Phase" consists of additional costs approved subsequent to review of detail construction plans and/or other data sufficient to guide construction operations.

EXHIBIT "A"

LONG BEACH WORK ORDER NO. 10,127 - Project and Estimate Submitted by the  
Port of Long Beach, ROADS & STREETS.

<u>ITEM</u>	<u>AFE</u>	<u>WORK PROPOSED</u>	<u>LBHD ESTIMATED SUBPROJECT EXPENDITURE JULY 1, 1960 TO TERMINATION</u>	<u>ESTIMATED SUBSIDENCE COSTS</u>
1	200	Pico Avenue Service Road and Railroad		
		(a) "1st Phase" costs	\$ 447,000	\$120,690 (27%)
		(b) Property Purchase (2nd Phase)	1,129,800	*
		(c) Earth Fill (2nd Phase)	1,200,000	324,000 (27%)
		(d) Railroad - Pico Ave. Track Temporary Lead to Pier "A" Yard (2nd Phase)	68,500	18,495 (27%)
2	346	Mitchell Avenue Roadway and Railroad (2nd Phase)	129,700	129,700 (100%)
3	387	Heim Bridge Subsidence Remedial (1st Phase)	43,400	43,400 (100%)
4	336	Ocean Boulevard Approach to the Pontoon Bridge (2nd Phase)	2,200	2,200 (100%)
			<u>\$3,020,600</u>	<u>\$638,485</u>

\* Subject to later determination by the State Lands Commission

## Note:

- The term "1st Phase" consists of costs of preliminary work expended subsequent to review of preliminary plans and/or other adequate description. (Typical "1st Phase" costs are engineering design, contract administration and advertising, preparation of site by Harbor Department forces.) For work within the same approved time period, any excess of "1st Phase" approved costs over actual expenditures may be added to "2nd Phase" approvals after date of "2nd Phase" approvals.
- The term "2nd Phase" consists of additional costs approved subsequent to review of detail construction plans and/or other data sufficient to guide construction operations.

CALENDAR ITEM

20.

CONSIDERATION OF SUBSIDENCE COSTS PROJECT, LONG BEACH - L.B.W.O. 10,128.

The City of Long Beach through the Port of Long Beach has presented for consideration and conditional approval costs to be disbursed subsequent to June 30, 1960, for work to be done on the Town Lot area project.

Since September 1957, the Commission has approved costs for expenditures by the Long Beach Harbor Department for Property Purchase, Areal Fill, Building Removal and Demolition, Utility Work, Approach to the Pontoon Bridge, Oil Facility Relocation and Raising, Force Account and other items of less magnitude in the Town Lot area project with provisions that no estimate shall presently be made of the amount of subsidence deduction, and that no deductions be made by the City of Long Beach until Commission approval has been had.

Information necessary for staff review and for processing by the staff had been requested from the Harbor Department on June 3, 1957, and was received from them in preliminary report form in May 1958 and in revised form in October 1958.

At the meeting of the Commission on March 25, 1959, the Chairman directed that the opinion of the Attorney General be requested as to the establishment of the principles of cost deductions by the City of Long Beach and for State participation in any enhanced values of properties acquired by the City with the aid of subsidence deductions.

The opinion of the Attorney General's office, dated November 19, 1959, is summarized in two parts:

- "1. The basic principle applicable to the determination of subsidence costs available to the City in connection with land acquisitions necessitated by subsidence is that such costs are limited to the amounts by which the costs of acquiring, filling, and otherwise rehabilitating the private lands exceed their ultimate value for purposes unrelated to subsidence.
- "2. Where lands are acquired by the City through the expenditure of express trust moneys with the aid of subsidence deductions, said lands are trust assets of which the State has beneficial title; however, the State does not participate in the ownership, revenues, or enhanced values of said lands except in its capacity as beneficiary of said trust."

Information from the above-referred Harbor Department report dated October 1958 has been used by the staff, guided by the basic principles as set forth by the Attorney General, to derive an estimated subsidence cost in the total Town Lot project. Such percentage is set forth on attached Exhibit "A" and is intended for use against all Town Lot subprojects until such time as the work is completed and a final engineering review and audit can be accomplished, at which time any necessary adjustments will be made.

CALENDAR ITEM 20. (CONTD.)

The projects have received initial staff review and are considered to include some "subsidence costs" as defined in Section 1(f) of Chapter 29, Statutes of 1956, 1st E.S., but not necessarily all of those costs as estimated by the City of Long Beach.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE SUCH COSTS PROPOSED TO BE EXPENDED BY THE CITY OF LONG BEACH, INCLUDING SUBSIDENCE REMEDIAL WORK, AS INDICATED ON EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF, FOR THE PERIOD JULY 1, 1960 TO TERMINATION DATE; SUBJECT TO THE CONDITIONS, HOWEVER, THAT THE AMOUNTS, IF ANY, OF EACH OF THE ITEMS TO BE ALLOWED ULTIMATELY AS SUBSIDENCE COSTS, DEDUCTIBLE UNDER SECTION 5(a) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE WORK UNDER ANY OF THESE ITEMS IS COMPLETED; THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION; AND THAT THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER, OR THE SUPERVISING MINERAL RESOURCES ENGINEER BE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment  
Exhibit "A"

EXHIBIT "A"

LONG BEACH WORK ORDER NO. 10,128 - Project and Estimates Submitted by the  
Port of Long Beach -- TOWN LOT.

<u>ITEM</u>	<u>AFE</u>	<u>WORK PROPOSED</u>	<u>LBHD</u> <u>ESTIMATED</u> <u>SUBPROJECT</u> <u>EXPENDITURES</u> <u>JULY 1, 1960</u> <u>TO</u> <u>TERMINATION</u>		<u>ESTIMATED</u> <u>SUBSIDENCE</u> <u>COSTS</u>	
1	310	Property Purchase - Area 7 (2nd Phase)				
		<u>Lot</u>	<u>Block</u>	<u>Tract</u>		
		19	7	Back Bay No. 1	\$ 4,000	\$ 2,520 (63%)
		4	8	Back Bay No. 1	1,700	1,071 (63%)
		9,10, 13,14	8	Back Bay No. 1	7,000	4,410 (63%)
		11-16	10	Plat No. 2, Seaside	17,000	10,710 (63%)
		17-23	10	Plat No. 2, Seaside	22,000	13,860 (63%)
		27-31	10	Plat No. 2, Seaside	13,200	8,316 (63%)
		3-5	13	Plat No. 2, Seaside	6,320	3,982 (63%)
		8,9	13	Plat No. 2, Seaside	4,340	2,734 (63%)
		16,17	13	Plat No. 2, Seaside	4,350	2,741 (63%)
		20,21	13	Plat No. 2, Seaside	5,500	3,465 (63%)
		21-26, 32-35		1960	17,500	11,025 (63%)
		11-13	A	6070	4,100	2,583 (63%)
		1-7, 26	B	6070	10,200	6,426 (63%)
		12-21	B	6070	18,400	11,592 (63%)
		6,7	11	Plat No. 2, Seaside	6,500	4,095 (63%)
		10	11	Plat No. 2, Seaside	3,000	1,890 (63%)
		5,6	12	Plat No. 2, Seaside	6,000	3,780 (63%)
		12-15	12	Plat No. 2, Seaside	11,000	6,930 (63%)
		6	13	Plat No. 2, Seaside	2,580	1,625 (63%)
		59-61		1960	9,000	5,670 (63%)
		20,36-41, 43-49, 52-58,73-75				
		2-1/2 Acre Triangular Strip North of Tract 1960		1960	136,450	85,964 (63%)
		Miscellaneous Costs			38,160	24,041 (63%)

EXHIBIT "A"

<u>ITEM</u>	<u>AFE</u>	<u>WORK PROPOSED</u>	<u>LBHD</u> <u>ESTIMATED</u> <u>SUBPROJECT</u> <u>EXPENDITURES</u> <u>JULY 1, 1960</u> <u>TO</u> <u>TERMINATION</u>	<u>ESTIMATED</u> <u>SUBSIDENCE</u> <u>COSTS</u>
1.	316	Property Purchase - Area 4 (cont.) (2nd Phase)		
		<u>Parcel</u> <u>Lots</u> <u>Block</u> <u>Tract</u>		
		233   E.80 ft. 8   Plat 2, Seaside	\$ 3,000	\$ 1,890 (63%)
		of 35		
		39   1-6   12   Replat Back Bay	24,600	15,498 (63%)
		55   4   10   Back Bay No. 1	4,500	2,835 (63%)
		36   25   13   Replat Back	4,730	2,980 (63%)
		61   13   10   Back Bay No. 1	4,800	3,024 (63%)
		148   1-7,   5   Plat No. 2	45,900	28,917 (63%)
		29-35		
		163   8   6   Seaside		
			3,000	1,890 (63%)
		170   18,20,   6   Replat Plat	16,250	10,238 (63%)
		174   21,22   6   No. 2, Seaside		
			6,000	3,780 (63%)
		192   28,29   6   Plat No. 2,		
			8,500	5,355 (63%)
		253   Portion of .7   Replat Plat No. 2		
			6,000	3,780 (63%)
		121   29,30   9   Seaside		
			6,000	3,780 (63%)
		121   S.150 ft. 3   Plat No. 1,		
			13,320	8,392 (63%)
		of 1&2		
		Miscellaneous Costs		
2.	317	Building Demolition, Area 4 (2nd Phase)	35,000	22,050 (63%)
3.	312	Fill (2nd Phase)	2,796,900	1,762,047 (63%)
	318	Fill (2nd Phase)	1,723,600	1,085,868 (63%)
4.	313	Public Utilities, Area 7 (1st Phase)	50,000	31,500 (63%)
	319	Public Utilities, Area 4 (1st Phase)	50,000	31,500 (63%)



EXHIBIT "A"

<u>ITEM</u>	<u>AFE</u>	<u>WORK PROPOSED</u>	<u>LBHD ESTIMATED SUBPROJECT EXPENDITURES JULY 1, 1960 TO TERMINATION</u>	<u>ESTIMATED SUBSIDENCE COSTS</u>
5.	315	Raise, Relocate or Purchase Oil Facilities, Area 7 (2nd Phase)	\$ 73,000	\$ 45,990 (63%)
	320	Raise, Relocate or Purchase Oil Facilities, Area 4 (2nd Phase)	225,000	141,750 (63%)
6.	347	Mitchell Avenue Water Main (2nd Phase)	45,950	28,948 (63%)
7.	351	Interim Street System (2nd Phase)	7,000	4,410 (63%)
			<u>\$5,501,350</u>	<u>\$ 3,465,852</u>

## Note:

1. The term "1st Phase" consists of costs of preliminary work expended subsequent to review of preliminary plans and/or other adequate description. (Typical "1st Phase" costs are engineering design, contract administration and advertising, preparation of site by Harbor Department forces.) For work within the same approved time period, any excess of "1st Phase" approved costs over actual expenditures may be added to "2nd Phase" approvals after date of "2nd Phase" approvals.
2. The term "2nd Phase" consists of additional costs approved subsequent to review of detail construction plans and/or other data sufficient to guide construction operations.