

MINUTE ITEM

8/14/67

1. PROPOSED EXPENDITURE OF TIDELAND OIL REVENUE, PURCHASE AND DELIVERY OF R.M.S. "QUEEN MARY", CITY OF LONG BEACH - L.B.W.O. 10,248.

During consideration of Calendar Item 1 attached, Mr. Don B. Shields, Managing Director of the Highway Carriers Association, appeared and testified in favor of the Commission's approval of this acquisition.

The Executive Officer read letters from the following into the record in opposition to the acquisition, all dated August 9, 1967:

Mrs. John Louis Finn
Richard L. Temple, Colonel USAF (Ret.)
James DeWitt, President, Protective Council of California Senior Citizens, Inc., Long Beach

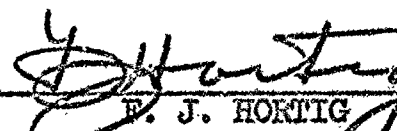
A letter of August 7, 1967, from J. Howard Edgerton, President, California Museum of Science and Industry, supporting the position of the City of Long Beach, was also read into the record.

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

THE COMMISSION DETERMINES THAT THE EXPENDITURE PROPOSED IN LETTER DATED AUGUST 1, 1967, OF APPROXIMATELY \$5,367,240 (AS DETAILED ON ATTACHED EXHIBIT "A") BY THE CITY OF LONG BEACH FROM ITS SHARE OF TIDELAND OIL REVENUES TO PURCHASE AND DELIVER THE R.M.S. "QUEEN MARY" AND TO PROVIDE THE COSTS FOR ENGINEERING REMODELING OF THE SHIP FOR PERMANENT ANCHORAGE IN TIDELAND WATERS IN THE CITY OF LONG BEACH, PRIMARILY FOR USE AS A MARITIME MUSEUM, IS IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 138, STATUTES OF 1964, 1ST B.S.; SAID DETERMINATION TO BE SUBJECT TO THE CONDITION THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HEREOFORERE SUBMITTED.

There being no further business to come before the Commission, the meeting was adjourned at 2:17 p.m.

Attachment
Calendar Item 1 (3 pages)


F. J. HORTIG
Executive Officer

Approved September 25, 1967

1.

PROPOSED EXPENDITURE OF TIDELAND OIL REVENUE, PURCHASE AND DELIVERY OF R.M.S. "QUEEN MARY", CITY OF LONG BEACH - L.B.W.O. 10,248.

On August 1, 1967, the City of Long Beach, through the Office of the City Attorney, submitted a request that the Commission consider the proposed expenditure of tideland revenue for the purchase and delivery of R.M.S. "Queen Mary" from the Cunard Steamship Company, Ltd.

The estimated amount proposed to be spent for this purpose is \$5,367,240. This includes the purchase price, cost of delivery, import duty (if applicable), use tax (if applicable), temporary site preparation, and engineering to prepare a permanent site and for refitting the vessel for its proposed use (see Exhibit "A" attached).

It is proposed that the vessel will be refitted and used to house a maritime museum, with tours of the ship being offered as a part thereof plus other compatible uses which the City considers are consistent with the tideland trust.

The City Attorney is of the opinion that the proposed expenditure qualifies for the use of tideland oil revenue under the provisions of Sections 6(c), 6(d), and 6(f) of Chapter 138, Statutes of 1964, 1st E.S.,

"(c) The . . . operation . . . of . . . recreational facilities . . . on or adjacent to the Long Beach tidelands"

"(d) The construction . . . operation . . . of maritime museum . . . and related facilities, on or adjacent to the Long Beach tidelands"

"(f) The acquisition of property or rendition of services reasonably necessary to the carrying out of the foregoing uses and purposes".

The vessel has an estimated 590,000 square feet of usable space. The City estimates 68% of the area will be used for museum exhibit area and for tours of the ship. Tours will permit the public to view the operating plant and passenger accommodations of the vessel. The remaining 32% of the usable space will be assigned to such uses as restaurant, hotel, and shops. The remaining areas are not necessary to the requirements of the maritime museum and the tours and such areas would be largely wasted if not devoted to contemplated commercial uses. Any expense incident to conversion or improvement of commercial areas would be incurred by operating lessees and would not be borne by the tideland trust. Such use of surplus areas might effect a reduction of the museum admission charge.

The exhibit area and, if possible, the tour area may be operated by the California Museum Foundation. A nominal charge would be made for admission to these areas. The charge will be compensatory only and based upon the actual

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costs of operation, maintenance, and amortization of investment. Parking at a low cost would also be offered to the public.

No estimate of subsequent costs is given other than what may be deduced from the statement that the total cost of the acquisition and conversion is expected to be less than the \$8,750,000 which had been estimated by the City as the cost of erection of a comparable conventional structure on the shore.

Representatives of the City Fire Department and the Department of Building and Safety have inspected the ship and determined that it would, with certain modifications, comply with the fire and building requirements of the City.

The Office of the Attorney General has reviewed the City's request and has advised that, assuming verification by the State Lands Division of representations made by the City, the proposed expenditure would not be in violation of Chapter 138, Statutes of 1964, 1st E.S. (Exhibit "B").

IT IS RECOMMENDED THAT THE COMMISSION DETERMINE THAT THE EXPENDITURE PROPOSED IN LETTER DATED AUGUST 1, 1967, OF APPROXIMATELY \$5,367,240 (AS DETAILED ON ATTACHED EXHIBIT "A") BY THE CITY OF LONG BEACH FROM ITS SHARE OF TIDELAND OIL REVENUES TO PURCHASE AND DELIVER THE R.M.S. "QUEEN MARY" AND TO PROVIDE THE COSTS FOR ENGINEERING REMODELING OF THE SHIP FOR PERMANENT ANCHORAGE IN TIDELAND WATERS IN THE CITY OF LONG BEACH, PRIMARILY FOR USE AS A MARITIME MUSEUM, IS IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 138, STATUTES OF 1964, 1ST E.S.; SAID DETERMINATION TO BE SUBJECT TO THE CONDITION THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL HERETOFORE SUBMITTED.

Attachment
Exhibit "A"

EXHIBIT "A"

LBWO 10,248

R.M.S. "QUEEN MARY"

Cost Estimate

Purchase Price	\$ 3,450,000	
Delivery	1,113,740	
Import Duty	345,000	
Use Tax	172,500	
Temporary Site Preparation	36,000	
Engineering for Remodeling	<u>250,000</u>	
Total Purchase and Preliminary Costs		<u>\$ 5,367,240</u>