

**CALENDAR ITEM
C54**

A	54	12/05/12
		G05-03.10
S	25, 27	S. Guerrieri

CONSIDERATION OF PROPOSED EXPENDITURES OF \$12,225,000 OF TIDELAND OIL REVENUE FUNDS BY THE CITY OF LONG BEACH FOR CAPITAL IMPROVEMENT PROJECTS WITHIN THE CITY OF LONG BEACH, LOS ANGELES COUNTY

APPLICANT:

City of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802

The City of Long Beach ("City") is trustee of sovereign tide and submerged lands granted by the Legislature pursuant to Chapter 676, Statutes of 1911 and as amended, oil and gas reserved; Chapter 102, Statutes of 1925 and as amended, oil and gas reserved; Chapter 158, Statutes of 1935 and as amended ("Statutory Grant").

BACKGROUND:

Pursuant to Section 6(h) of Chapter 138, Statutes of 1964 as amended by Chapter 941, Statutes of 1991 (Chapter 138), the City has submitted a description for the proposed expenditure of tideland oil revenue, in the amount of approximately \$12,225,000, for 8 capital improvement projects within the City of Long Beach for review by the California State Lands Commission (Commission) for consistency with Chapter 138. Pursuant to Chapter 138, the Commission has 60 days to notify the City that such capital improvement projects are not authorized by the applicable subdivisions of Chapter 138, Commission staff received notice from the City of the proposed expenditure for the 8 capital improvement projects on November 13, 2012.

The proposed expenditure of approximately \$12,225,000 of tidelands oil revenue is to fund 8 capital improvement projects located on or adjacent to the Long Beach tidelands, or on or adjacent to the Alamitos Beach Park Lands as shown on Exhibit A.

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

- **Convention Center Area Improvements:** The City's Convention Center facilities are in need of significant upgrades and improvements. Part of the Convention Center Facilities includes the aging Sports Arena and Performing Arts Center. Improvements needs include mechanical upgrades (e.g., water delivery systems, trash compactors, etc.), facility preservation improvements (e.g., new blinds to protect interior assets), and structural and competitive upgrades necessitated by aging structures and equipment, which range between 18-50 years old. Facility upgrades include upgrading meeting rooms and restroom facilities. Each year approximately 1,800,000 people visit the City's Convention Center facilities and also take advantage of the recreational and tourism opportunities available throughout the tidelands area.

On May 24, 2012, the Commission received a request for expenditure of \$8,500,000 in tideland oil revenue funds for Convention Center Area Improvements (\$8,000,000 for the first phase of the Sports Arena Improvement Project and \$500,000 for the International City Theater Improvements at the Performing Arts Center). The Long Beach City Council previously appropriated \$5,000,000 for the Sports Arena Improvement Project (2/7/2012) and appropriated an additional \$3,900,000 as part of the fiscal year 2013 budget (9/4/2012). The estimated project budget identified for Sports Arena Improvements has since increased from \$8,000,000 to \$12,625,000. The first phase of the Sports Arena renovation includes upgrading restrooms and other facilities and installing a new curtain and lighting system to better accommodate events. The second phase includes improvements to the lobby, dressing room, and patio, as well as replacing outdated facility furniture, sound equipment, listening and translation equipment, air handlers, and providing air duct repairs. Other improvements include providing terrace theater and plaza LED lighting renovations. As required, the City is providing formal notification of the project's cost increase.

The City Council approved \$3,900,000 for the first phase project component, and the remaining budget is expected to be approved in future appropriations. As required, the Commission will be notified if for any reason the estimated cost increases.

Estimated expenditure: \$7,625,000

- **Bixby Park/Bluff Pedestrian Access:** The proposed project will stabilize the bluff area between Cherry Avenue and Junipero Avenue and install a walk path and stairwells along the Bixby Park Bluff area to

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improve pedestrian access to City beaches. One million dollars in funding was approved by the City Council at their meeting June 27, 2011 meeting and reviewed by the Commission at its October 27, 2011 meeting.

As required, the City is providing formal notification that the project budget increased from \$1,000,000 to \$1,900,000. The additional funding will allow the Cherry Beach/Bixby Park Bluff Pedestrian Access and Bluff Stabilization project to be completed.

Estimated expenditure: \$900,000.

- **Beach Restrooms:** The current restroom facility at Marina Vista Park is dilapidated and in dire need of renovation. It is proposed to redesign the restroom to single-stall units per the advice of the Long Beach Police Department.
Estimated expenditure: \$650,000.
- **Bicycle Access Improvements:** The City proposes roadway improvements to currently limited bicycle connectivity between the Downtown & East Village Arts District and the beach and marina areas. Because of the poor bicycle connectivity, bicyclists are forced to traverse dangerous intersections to reach their destinations (one being the popular beach bicycle path).

This limited connection poses a safety risk as cyclists regularly use the right-turn drop lane (Shoreline Blvd. to Ocean Blvd.) as a bicycle and/or pedestrian lane. Cyclists also cross Shoreline Village Drive which can be seven to eight lanes wide at various points, and has high traffic speed. This proposal would provide connectivity options which are safer and more direct.

Estimated expenditure: \$400,000.

- **Staircase Repairs and Improvements between 2nd and 36th Place:** The staircases between Shoreline Drive and 36th Place are in dire need of improvements. The conditions of the existing stairs may pose a safety hazard to beach users. The existing staircases provide pedestrians, runners, and joggers access to the beach from the higher elevation bluff areas.
Estimated expenditure: \$400,000.
- **Bluff Repairs and Improvements between 2nd and 36th Place.** Work to be initiated in FY 2013 includes preparing plans and obtaining permits to stabilize bluffs at 10th, 11th, 13th, and 15th Place per the City's Master Bluff Erosion Plan. The 6th Place bluff will also be designed and

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permitted for future implementation. Initial funding in the amount of \$300,000 will cover design, permitting, and limited construction only. It is anticipated additional funding will be allocated by the City Council. Estimated expenditure: \$300,000.

- **Parking Lot Improvements:** Improvements are needed at the Mother's Beach and Claremont Avenue and 54th Place parking lots. Improvements may include installing Portland cement concrete curbs, gutters, and sidewalks; replacing and overlaying the asphalt concrete pavement, and furnishing and installing pavement markers, markings, and traffic striping. Other improvements include repaving the parking lots and replacing the current outdated pay equipment.

Additionally, the proposed project includes a reconfiguration of the adjacent Claremont Avenue and 54th Place Beach parking lots into one surface parking lot to improve the accessibility and connectivity between the two.

Estimated expenditure: \$1,450,000.

- **Appian Way Low Flow Diversion:** The proposed low flow diversion system would be installed along Appian Way and East Second Street to help mitigate dry-weather urban runoff from entering the City's beaches, lagoons, and bays, and to divert the polluted first flush away from our waterways. The system will divert the most polluted runoff into the sewer system to help improve the water quality of the beaches.

Estimated expenditure: \$500,000.

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Table Summary of Projects and Expenditure Request

Convention Center Area Improvements	\$7,625,000
Bixby Park/Bluff Pedestrian Access	\$900,000
Beach Restrooms	\$650,000
Bicycle Access Improvements	\$400,000
Staircase Repairs and Improvements between 2 nd and 26 th Place	\$400,000
Bluff Repairs and Improvements between 2 nd and 36 th Place	\$300,000
Parking Lot Improvements	\$1,450,000
Appian Way Low Flow Diversion	\$500,000
TOTAL	\$12,225,000

The total estimated cost of the proposed projects is \$12,225,000, for which tideland oil revenue would be expended. A total of \$58,542,635, including tideland oil revenue, is reported by the City to be currently available in the City's Tidelands Fund. This includes oil revenues derived from oil operations within the Harbor formerly used by the Port and are now being expended by the City.

City staff continues to prepare these projects for implementation. Pre-engineering activities like feasibility studies, conceptual designs and costs estimates, and California Environmental Quality Act (CEQA) review are currently underway. Evidence of compliance with CEQA review for each project will be submitted to the Commission prior to construction. Construction is anticipated to begin in early 2013 and all projects will be finalized no later than December 2014. The City must obtain all the necessary authorizations for the project, including but not limited to: United States Army Corps of Engineers, California Coastal Commission, and the Los Angeles County Board of Supervisors, as well as construction permits from the City Building and Engineering Departments.

STAFF ANALYSIS:

Section 6(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,

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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. Section 6(d) of Chapter 138, as amended, allows tideland revenue to be expended on construction, repair, operation, and maintenance of small boat harbors, marine stadiums, a maritime museum, marine parks, beaches, waterways, and related facilities 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 do not appear to be inconsistent with the uses set forth in Sections 6(c) and (d) of Chapter 138, as amended by Chapter 941.

OTHER PERTINENT INFORMATION:

1. Pursuant to the City's statutory grant, the City shall maintain separate tidelands accounts identified as the Harbor Fund, Tidelands Fund, and Tidelands Oil Revenue Fund. The proposed capital improvement projects will be funded by tideland oil revenue from the Tidelands Fund, pursuant to Chapter 138, Statutes of 1964, and as amended.
2. In October 2011, the City notified the Commission of their proposed expenditure of \$31,350,000 of tideland oil revenue for 12 capital improvement projects (Calendar Item C36, October 27, 2011).
3. In May 2012, the City notified the Commission of their proposed expenditure of \$20,020,000 of tideland oil revenue for 11 capital improvement projects (Calendar Item C50, May 24, 2012).
4. The staff recommends that the Commission find that the subject consistency determination of proposed expenditures of tideland oil revenues does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

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

EXHIBIT:

- A. Location and Site Map

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RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that consideration of the consistency of a proposed expenditure of Tideland Oil Revenue Funds with Section 6 of Chapter 138, Statutes of 1964, First Extraordinary Session, as amended by Chapter 941, Statutes of 1991, is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

SIGNIFICANT LANDS FINDING:

Find that this activity is statutorily exempt from Public Resources Code sections 6370 et seq., pursuant to Public Resources Code section 6377.

AUTHORIZATION:

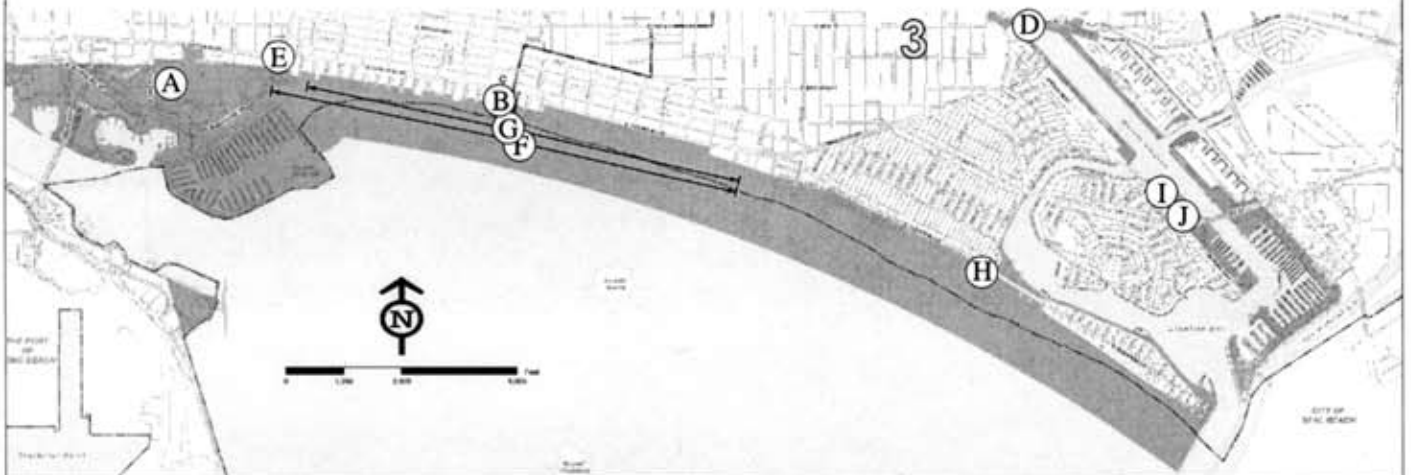
Find that, based on the information provided by the City, the proposed expenditure of tideland oil revenue, in the total amount of approximately \$12,225,000, for 8 capital improvement projects within the City of Long Beach, does not appear to be inconsistent with the uses set forth in sections 6(c) and (d) of Chapter 138, Statutes of 1964, as amended by Chapter 941, Statutes of 1991.

NO SCALE

SITE

PROJECT NAME

- | | |
|---|--|
| A Convention Center Area Improvements | F Staircase Repairs and Improvements between Shoreline Dr. & 36th Place |
| B Bixby Park/Bluff Pedestrian Access | G Bluff Repairs and Improvements between 2nd & 36th Place |
| D Replace Beach Restrooms at Marina Vista Park | H Parking Lot Improvements at Claremont Avenue & 54th Place |
| E Bicycle Access Improvements | I Parking Lot Improvements at Marine Park (Mother's Beach) |
| | J Appian Way Low Flow Diversion |

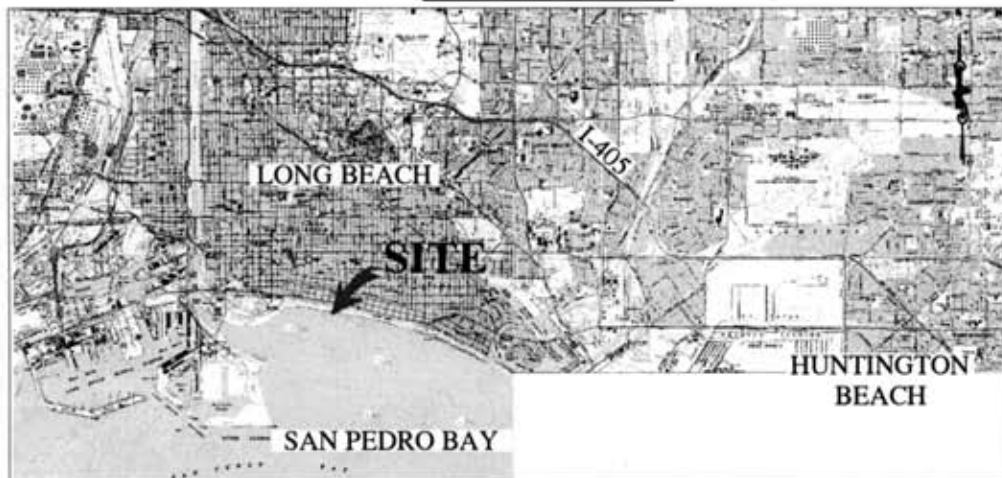


CITY OF LONG BEACH
PROPOSED TIDELANDS CAPITAL PROJECTS
LONG BEACH TIDELANDS

MAP FEATURES
 Tidelands Areas
 Tidelands Contiguous Areas
 City Council District

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 05-03.10
 EXPENDITURE OF OIL
 REVENUE
 LOS ANGELES COUNTY



MJF 12/4/12