

**STAFF REPORT
C90**

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10/19/17

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M. Moser

**REVIEW A PROPOSED TIDELAND OIL REVENUE EXPENDITURE INCREASE IN
AN AMOUNT NOT TO EXCEED \$3,797,717 BY THE CITY OF LONG BEACH FOR
CAPITAL IMPROVEMENT PROJECTS WITHIN LEGISLATIVELY GRANTED
SOVEREIGN LAND IN THE CITY OF LONG BEACH**

APPLICANT:

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. Since then there have been many revisions to the statutes granting the City these lands. In 1964, the City's 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.

The capital improvements that tideland oil revenues may fund are specified in the statutory trust grant and must be for statewide purposes that benefit the fulfillment of trust uses and for purposes that are allowed in the City's granting statutes, 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 prior to disbursement.

The proposed expenditure increase of \$3,797,717 of tideland oil revenue is to fund two ongoing projects located on or adjacent to the Long Beach tidelands as shown on Exhibit A.

1. Replace Commercial Sewage EVAC System at Rainbow Harbor:

The Rainbow Harbor sewage pump-out system provides pump-out services to commercial vessels. The 20-year-old system is comprised of tanks, pumps and pedestals. On April 23, 2014, the Commission

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approved a project with an initial estimated cost of \$200,000, for immediate repair of the pump and tank to protect the environment and maintain public health standards ([Item 77, April 23, 2014](#)). Since the original repairs, the entire system has stopped working and is beyond repair. Now, the City is requesting an additional expenditure increase of \$1,242,821 to completely replace the system. Included in the cost are required upgrades to the pipes and hoses running underneath the docks and gangways.

Estimated expenditure increase: \$1,242,821

Updated project total: \$1,442,821

2. Leeway Sailing Center Rebuild Project:

In 2011, the Commission authorized the expenditure of \$3,100,000 for the design and rebuild of the Leeway Sailing Center ([Item 36, October 27, 2011](#)). In 2013 an expenditure increase of \$1,300,000 was approved in order to replace the existing pier and gangway due to dry rot and heavy use ([Item 115, December 2, 2013](#)). Now, the City is requesting an expenditure increase to demolish and rebuild the pier, dock and shed structure in the same location, with the same alignment and size, to meet current code requirements. The expenditure will also provide a new Americans with Disabilities Act (ADA) compliant ramp for better access to the recreation amenity and new electrical distribution to the site.

Estimated expenditure increase: \$2,554,896

Updated project total: \$6,954,896

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, including for commerce, navigation, and fisheries, and the construction of streets, roadways, buildings, structures, and recreation-related facilities located on or adjacent to the tidelands for the benefit and use of the tidelands. Consistent with the statutory trust grant, the proposed expenditures are for the benefit and use of the statewide public.

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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 14, 2017 and August 3, 2017.
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 projects will be funded with tideland oil revenue from the Tidelands Fund.
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 this proposed expenditure 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:

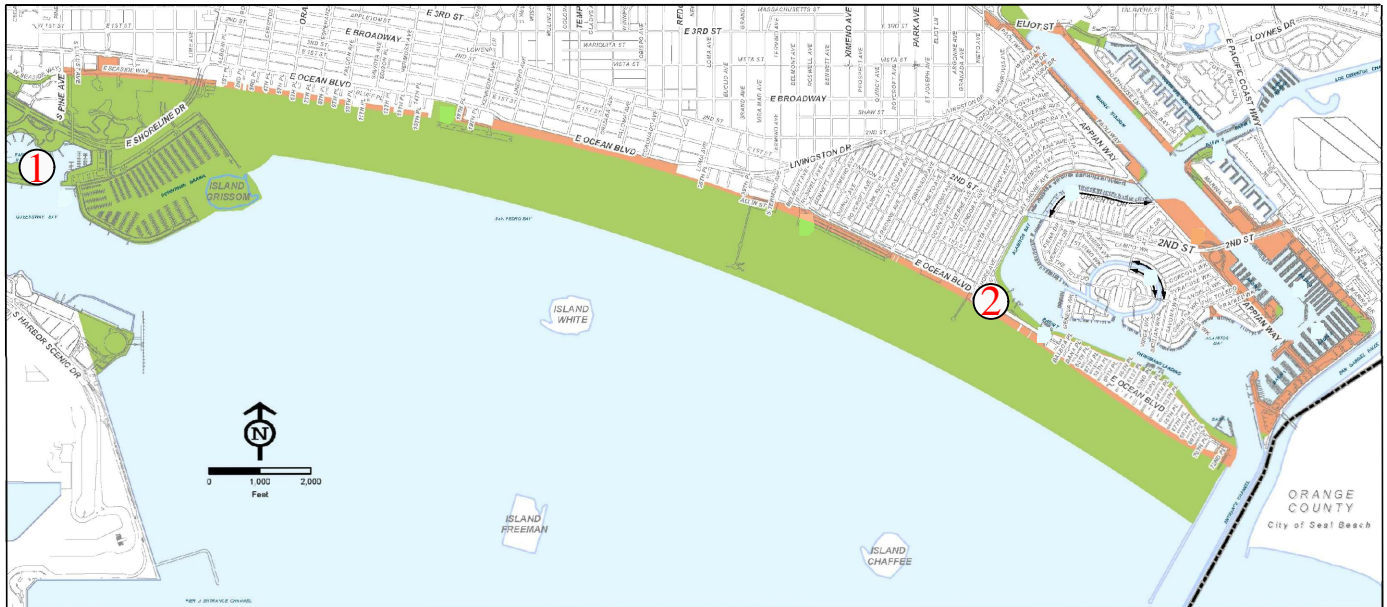
Find that, based on the information provided by the City, the proposed expenditures of tideland oil revenue in the amount of \$3,797,717 for two capital improvement projects located within lands granted to the City of Long Beach and as described herein do not appear to be inconsistent with the uses set forth in sections 6(c) and (d) of Chapter 138, as amended.

NO SCALE

SITE

PROJECT NAME

1. REPLACE COMMERCIAL SEWAGE EVAC SYSTEM AT RAINBOW HARBOR
2. LEEWAY SAILING CENTER REBUILD PROJECT



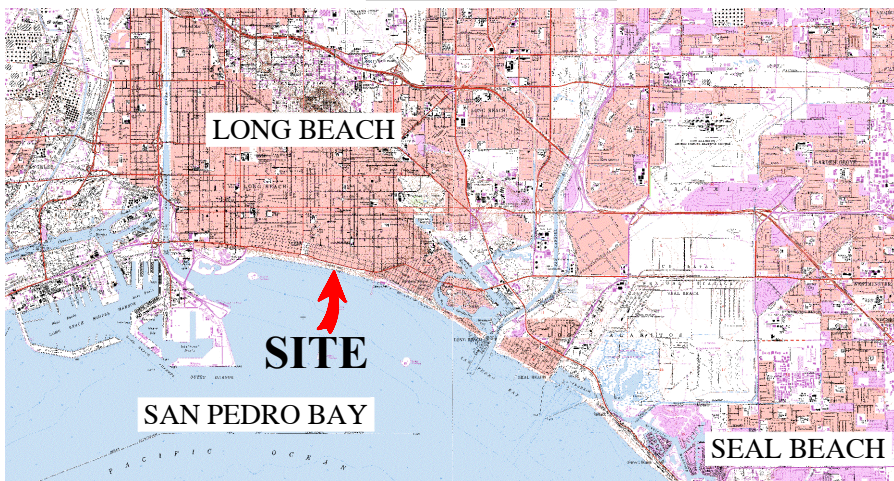
CITY OF LONG BEACH
PROPOSED TIDELANDS CAPITAL PROJECTS
APPROVED BY CITY COUNCIL

MAP FEATURES
TIDELANDS
CONTIGUOUS AREAS
City Boundary
Waterway
Hardscape

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 05-03.10
EXPENDITURE OF OIL
REVENUE
LOS ANGELES COUNTY



TS 09/19/17