

**STAFF REPORT
C72**

A 70

12/03/18

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M. Moser

REVIEW A PROPOSED TIDELAND OIL REVENUE EXPENDITURE INCREASE IN AN AMOUNT NOT TO EXCEED \$5,153,387 BY THE CITY OF LONG BEACH FOR TWO CAPITAL IMPROVEMENT PROJECTS LOCATED ON OR ADJACENT TO LEGISLATIVELY GRANTED SOVEREIGN 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 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.

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 \$5,153,387 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. Bluff Park Lighting Design

On April 19, 2018, the Commission reviewed a request of \$450,000 for a feasibility study to explore the prospects for increased safety lighting improvements at Bluff Park. This has been completed and the City is ready to move to the next phases of the project: utility survey, design, and engineering. The City requests the Commission review an additional

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\$300,000 to complete the design phase of the project.

The Bluff Park Lighting project is part of the City's Crime Prevention Through Environmental Design initiative. The Bluff Park project would install lighting to illuminate dark areas used by pedestrians and to provide an inviting park atmosphere. The project includes installation of new lighting fixtures as well as supporting infrastructure.

Previous Commission Review:

[Item C91, April 19, 2018](#): \$450,000

Requested additional expenditure: \$300,000

Schedule: Design: Fall 2018 – Fall 2019; Construction: to be determined

2. Alamitos, Bayshore, Granada, Junipero Concessions Stands

On December 14, 2014, the Commission reviewed an expenditure for the renovation of four aging beach restroom and concession stand facilities. On April 19, 2018, the Commission reviewed an additional expenditure to fund the project into the construction phase.

The Bayshore facility renovation has been completed. The City has local and California Coastal Commission approval for renovation of the Alamitos, Junipero, and Granada facilities, and is requesting Commission review of an additional \$4,853,387 expenditure to continue these renovations.

There have been changes to the scope of the concession facilities throughout the process, mostly involving enhancements to the public play areas. The project requires additional funding because of these changes and because of an increase of construction costs.

| Location | Current SLC Request: | Total of Previous & Current Requests |
|-----------------------|----------------------|--------------------------------------|
| Alamitos | \$3,321,231 | \$8,250,000 |
| Bayshore | \$0 | \$633,922 |
| Granada | \$966,078 | \$1,600,000 |
| Junipero | \$566,078 | \$1,200,000 |
| All Concession Stands | \$4,853,387 | \$11,683,922 |

Previous Commission Review:

[Item C64, December 17, 2014](#): \$3,150,000

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[Item C91, April 19, 2018](#): \$6,830,535

Requested additional expenditure: \$4,853,387

Schedule: Bid and Award: Spring 2019 – Fall 2019; 2018; Construction: Spring 2019; Completion: Varies and is phased from Summer 2019 – Summer 2021

Table Summary of Projects and Expenditure Request

| Project | Expenditure Request |
|---|---------------------|
| Bluff Park Lighting Design | \$ 300,000 |
| Alamitos, Bayshore, Granada, and Junipero Concessions | 4,853,387 |
| Total | \$5,153,387 |

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(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.

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. As required by the statutory trust grant, the proposed expenditures are for the benefit and use of the statewide public and for uses and purposes consistent with the City's statutory trust grant.

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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 October 30, 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.
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 \$5,153,387 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 sections 6(c) and (d) of Chapter 138, as amended.

NO SCALE

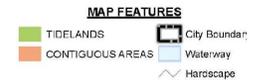
SITE

PROJECT NAME

1. BLUFF PARK LIGHTING
2. ALAMITOS BEACH, BAYSHORE, GRANADA AND JUNIPERO CONCESSIONS STANDS.



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



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

