

MINUTE ITEM

This Calendar Item No. ~~C37~~ was approved as Minute Item No. 39 by the California State Lands Commission by a vote of 3 to 0 at its 8-19-03 meeting.

CALENDAR ITEM

C39

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S 18

08/19/03
G15-01.4
J. Lucchesi

CONSIDERATION OF APPROVAL OF A PROPOSED EXPENDITURE OF TIDELANDS TRUST FUNDS BY THE CITY OF SANTA BARBARA, PURSUANT TO CHAPTER 193, STATUTES OF 1975, FOR THE SANTA BARBARA CHANDLERY BUILDING ADDITION / REMODEL PROJECT ON LEGISLATIVELY GRANTED TIDELANDS, IN THE CITY OF SANTA BARBARA, SANTA BARBARA COUNTY

GRANTEE:

City of Santa Barbara
Waterfront Department
P.O. Box 1990
Santa Barbara, CA 93102-1990

BACKGROUND:

The City of Santa Barbara Waterfront Department (City) proposes a remodel and addition to the Chandlery Building. The project consists of an approximately 3,468-square foot addition, and a complete remodel, to the existing 6,290-square foot two-story building located within the Santa Barbara Harbor Commercial Area (Exhibit A). The improvements include architectural changes to the entire building shell, including both the interior / exterior of the structure, seismic reinforcement, mechanical equipment, and electrical systems. The project also includes new exterior storage and a new concrete walkway east of the building. The building is currently occupied by the Santa Barbara Harbor Patrol, a yacht brokerage and a marine supply retail store. When the project is complete, the building will also house the Waterfront Department administrative offices.

The project will cost approximately \$3,000,000, funded in part by the Waterfront Department and in part by a loan from the General Fund Unappropriated Reserves, to be repaid from the Waterfront Department tidelands reserves. The \$1.5 million loan from the City's general fund will be repaid from the Waterfront Department enterprise funds. The annual loan payment will be approximately \$108,000, amortized for 30 years at a 6% interest rate. The loan payment amount is budgeted in the Waterfront Department's six-year tentative financial plan.

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The City, as trustee of the State, is seeking Commission authorization to spend approximately \$3,000,000 plus the 6% interest rate on the \$1.5 million loan from the City's general fund, on the Santa Barbara Chandlery Building addition/remodel. The Commission has the authority to review the proposed expenditure of tidelands trust funds pursuant to Chapter 193, Statutes of 1975, section 6, which requires Commission review of capital expenditures of trust funds by the city of Santa Barbara in excess of \$250,000.

The existing administrative offices, in place for over six years, are located in temporary modular trailers in the Harbor Parking Lot. The administrative offices have remained in this location under a temporary conditional use permit, with the condition to pursue permanent offices. In addition, the Chandlery Building is over forty years old and is need of renovation. Per the City, in order to continue to generate rent from the retail business and the yacht brokerage, which are existing tenants in the building, the City, needs to invest in the building to extend its life. By consolidating the administrative offices and the Harbor Patrol in the proposed renovated Chandlery Building, the project will support increased efficiency of administrative functions located in the Harbor Commercial Area by providing a central location for the Harbor Commercial Area tenants and the 1,133 slip permittees of the marinas to easily access and perform business with the Waterfront Department.

Commission staff has reviewed the proposed project and the City's financial status and believes the proposed project is consistent with the public trust and statutory trust under which these lands are held, and recommends that the Commission consent to the proposed expenditure.

OTHER PERTINENT INFORMATION:

1. On February 11, 1999, the City of Santa Barbara Planning Commission approved a Development Plan and a Coastal Development Permit (CDP) for the Chandlery Building addition and remodel (MST97-00503). On January 11, 2001, the Planning Commission approved a two-year time-extension of the CDP to coincide with the four-year approval of the Development Plan. On February 6, 2003, the Planning Commission approved a one-year time extension of the CDP and the Development Plan for the proposed project (Resolution No. 005-03). The city of Santa Barbara, the CEQA lead agency, determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Guidelines Section 15301. Staff concurs with the City's determination.

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2. The Commission, in its consideration of the proposed expenditure of Tidelands Trust Funds, will be acting pursuant to its authority pursuant to Chapter 193, Statutes of 1975.

EXHIBIT:

- A. Location and Site Map

IT IS RECOMMENDED THAT THE COMMISSION:

1. CONCUR WITH THE CITY OF SANTA BARBARA'S DETERMINATION THAT THE ACTIVITY IS EXEMPT FROM FURTHER ENVIRONMENTAL REVIEW PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY GUIDELINES SECTION 15301.
2. FIND THAT THE CITY OF SANTA BARBARA HAS SUFFICIENT TIDELANDS TRUST FUNDS FOR THE PROJECT PROPOSED.
3. FIND THAT THE CHANDLERY BUILDING ADDITION / REMODEL PROJECT WILL ENHANCE PUBLIC ACCESS, IS CONSISTENT WITH THE PUBLIC'S TRUST NEEDS IN THE HARBOR AND IS IN THE BEST INTERESTS OF THE PEOPLE OF THE STATE.
4. APPROVE THE PROPOSED EXPENDITURE OF TIDELANDS TRUST FUNDS AMOUNTING TO \$1.5 MILLION FROM THE WATERFRONT DEPARTMENT TIDELANDS RESERVES AND A REPAYMENT OF A \$1.5 MILLION LOAN FROM THE CITY'S GENERAL FUND AMORTIZED FOR 30 YEARS AT A 6% INTEREST RATE, BY THE CITY OF SANTA BARBARA FOR THE CHANDLERY BUILDING ADDITION / REMODEL PROJECT ON LEGISLATIVELY GRANTED TIDELANDS, IN THE CITY OF SANTA BARBARA, SANTA BARBARA COUNTY, PURSUANT TO CHAPTER 193, STATUTES OF 1975.

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