CONSIDER THE PROPOSED EXPENDITURE 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, the City has submitted a description for the proposed expenditure of tideland oil revenue, in the amount of approximately $20,020,000, for 11 capital improvement projects within the City of Long Beach for review by the State Lands Commission for consistency with Chapter 138, as amended. Pursuant to Chapter 138, as amended, the Commission has 60 days to notify the City that such capital improvement projects are not authorized by the applicable subdivisions of Chapter 138, as amended. Commission staff received notice from the City of the proposed expenditure for the 11 capital improvement projects on April 25, 2012.

The proposed expenditure of approximately $20,020,000 of tidelands oil revenue are to fund 11 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.

According to the City, many of the proposed projects involve beach-side facilities that are used heavily by the public and are in need of renovations and/or replacement. In addition, some of the proposed improvements are necessary to maintain public safety. The projects, as proposed and described by the City, are identified as follows:
• City of Long Beach Sports Arena and International City Theater improvements. The Sports Arena is in need of facility upgrades to aging restrooms, stage improvements, and lighting systems. As proposed, restrooms will be modernized, the stage curtain replaced, and new lighting systems will be installed to better accommodate events held at the arena. In addition, improvements will be made to the International City Theater facility. The entrance will be upgraded for safety purposes and improve the facility’s viability. Estimated expenditure: $8,500,000.

• Construction of a pedestrian bridge. Currently, pedestrian access between the main Convention Center and the Performing Arts Center is limited. The proposed pedestrian bridge would provide the public with a connection between the two facilities. Estimated expenditure: $800,000.

• Rainbow Harbor, Shoreline Village, and Main Beach areas security enhancements. Security cameras, signage, and lighting improvements will be installed in currently unsecured areas to ensure user safety. Estimated expenditure: $650,000.

• Construction of a new seawall on Naples Island. The project consists of abandoning the deteriorating existing seawall and constructing a new seawall. Estimated expenditure: $1,000,000.

• Construction of new lifeguard building. The existing outdated facilities are used as a locker room, first aid center, and office for 10 lifeguards and a Safety Sergeant. As proposed, the existing building would be replaced by a more suitable structure connected to the sanitary sewer system and other utilities. Estimated expenditure: $600,000.

• Sidewalk, street, and beach parking lot improvements. Golden Shore Street will undergo major surface repairs including: construction of new cement concrete curbs, gutters, sidewalks, pavement resurfacing, pavement markers, and traffic stripping. In addition, LaVerne and Belmont Pier beach parking lots will be repaved and new parking meters will be installed. Estimated expenditure: $1,800,000.

• Replacement and/or renovation of beach restrooms. The restrooms at the Colorado Lagoon, Marina Vista Park, and Rainbow Harbor Marina Lighthouse are in need of replacement or renovation due to high use and out of date facilities. Estimated expenditure: $1,920,000.
Replacement of water pumps at the Rainbow Lagoon. The current pumps that maintain water quality at the Rainbow Lagoon are showing signs of fatigue and losing integrity. The pumps will be replaced with four new above-ground water pumps. Estimated expenditure: $500,000.

Dock replacement project at Leeway Sailing Center and Pete Archer Rowing Center in Alamitos Bay. The docks at both centers are in need of replacement due to aging. In addition, the Pete Archer Rowing Center requires dredging prior to dock installation. Estimated expenditure: $950,000.

Bluff stabilization between 19th Place and Paloma Avenue. The Commission authorized an expenditure of $3,000,000 at its October 27, 2011, meeting. The City is now requesting additional funds to complete this Master Bluff Restoration Plan to ensure public safety. Estimated expenditure: $2,800,000.

Rebuild of the Belmont Plaza pool. The City is exploring the feasibility of rebuilding the public pool facilities. A detailed cost estimate will be developed as part of the feasibility and planning effort, which will be following by detailed engineering design and permitting. Estimated expenditure for the feasibility study and planning efforts: $500,000.

The total estimated cost of the proposed projects is $20,020,000, for which, tidelands oil revenue would be expended. A total of $47,797,703, 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 that were formerly being used by the Port and are now being expanded by the City.

The City is in the preliminary stages of project development with permit, design, and CEQA review to begin as early as September 2012. Construction is anticipated to begin in late 2012 to early 2013 and all projects will be finalized no later than October 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, 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 tidelands 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 appear to be consistent 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. 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.

4. 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

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:
1. Find that, based on the information provided by the City, the proposed expenditure of tideland oil revenue, in the total amount of approximately $20,020,000, for 11 capital improvement projects within the City of Long Beach, appear to be consistent 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.
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.