

**CALENDAR ITEM
C64**

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R. Boggiano

**REVIEW THE PROPOSED EXPENDITURE OF TIDELAND OIL REVENUES,
IN AN AMOUNT NOT TO EXCEED \$11,720,700, BY THE CITY OF LONG BEACH
FOR CAPITAL IMPROVEMENT PROJECTS LOCATED WITHIN
LEGISLATIVELY GRANTED SOVEREIGN LAND IN THE
CITY OF LONG BEACH, LOS ANGELES COUNTY**

APPLICANT:

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

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 trustee of sovereign tide and submerged lands granted by the Legislature pursuant to Chapter 676, Statutes of 1911 and as amended, Chapter 102, Statutes of 1925 and as amended; and Chapter 158, Statutes of 1935 and as amended.

Pursuant to Section 6(h) of Chapter 138, Statutes of 1964 as amended by Chapter 941, Statutes of 1991 (Chapter 138), the City submitted a detailed description to State Lands Commission (Commission) staff on November 25, 2014, of proposed tideland oil revenue expenditures for review of consistency with Chapter 138.

The proposed expenditure of \$11,720,700 of tideland oil revenue is to fund four 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. The projects, as proposed and described by the City, are identified as follows:

- 1. Colorado Lagoon:** Colorado Lagoon is located at 5119 E. Colorado Street. The phase 2 restoration work consists primarily of grading and excavation of the north shore/bank to create additional subtidal and intertidal habitat to serve as mitigation for the Naples Island Seawall Repair project. Any remaining square footage of

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mitigation shall serve as mitigation for future maintenance or capital projects with unavoidable impacts to sensitive habitat.

The proposed design includes creation of additional subtidal habitat and expansion of wetlands from the north shore Colorado Lagoon area, which is intended to further improve and restore sensitive habitat areas. Work includes hydraulic dredging of material from the central basin and establishing eelgrass beds in the northern arm with excavated material. The existing floating bridge/pier will be extended by 150 feet to accommodate the expanded water body. New walking trails, bioswales, native vegetation, and two arched footbridges have also been included as design features.

The total estimated cost for the project is \$5,700,000. On October 27, 2011, the Commission approved a total of \$700,000 of tideland oil revenue for the first phase of this project. As required, the City is notifying the Commission of the proposed additional expenditures for phase two of this project.

Preliminary Schedule

Design: October 2014 – September 2015

Construction: October 2015 – December 2016

Estimated expenditure: \$5,000,000

- 2. Beach Restroom & Concession Rehabilitation:** Renovate aging concession stands and beach restrooms. The design and permitting for the renovation of the beach restroom and concession stand combined facilities, which are located at Bayshore Avenue, Granada Avenue, Junipero Avenue, and Alamitos Beach, will be initiated in 2014. Funding is also being set aside to plan, design and implement minor & major nodes throughout the shoreline, which are intended to include public art and wayfinding signage components.

Preliminary Schedule

Design and Permit: December 2014 – September 2015

Construction: December 2015 – June 2016

Estimated expenditure: \$3,150,000

- 3. Beach Maintenance Yard Improvements:** Repairs and improvements to the Beach Maintenance Yard. A clarifier system is required to clean beach maintenance

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equipment in order to reduce corrosion, extend equipment life and eliminate leaks or spills to the beach environment.

Preliminary Schedule

Bid: January 2015 – April 2015

Construction: October 2015 – December 2015

Estimated expenditure: \$250,000

4. East San Pedro Bay Ecosystem Restoration Study: The City is working closely with the U.S. Army Corps of Engineers to examine changes to the Long Beach breakwater that will help restore the San Pedro Bay ecosystem, and will include in-depth examinations of the effects any reconfiguration of the breakwater would have on existing infrastructure. Project goals include:

- Restore marine and aquatic habitat of sufficient quality to sustain or enhance marine and aquatic communities, e.g. kelp beds, shallow rocky reef areas and other habitats;
- Restore and preserve the marine and aquatic ecosystems by improving impaired sediments and water quality in the East San Pedro Bay;
- Increase recreational opportunities in East San Pedro Bay and its immediate surrounding beaches and beach communities.

Preliminary Schedule

Planning: December 2014 – December 2015

Estimated expenditure: \$3,320,700

Colorado Lagoon	\$5,000,000
Beach Restroom & Concession Rehabilitation	\$3,150,000
Beach Maintenance Yard Improvements	\$250,000
East San Pedro Bay Ecosystem Restoration Study	\$3,320,700
TOTAL	\$11,720,700

The total estimated cost of the proposed projects for which tideland oil revenue would be expended is \$11,720,700. A total of \$114,531,401, including tideland oil revenue, is reported by the City to be currently available in the City's Tidelands Fund. This includes

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oil revenues derived from oil operations within the Harbor. Formerly, the Port used these oil revenues for port purposes. However, a 2010 Charter Amendment allowed these funds to be transferred to the City to be used for public trust purposes, consistent with Chapter 138.

The City is required to obtain all necessary entitlements for the projects, including but not limited to: U.S. Army Corps of Engineers; California Coastal Commission; Los Angeles County Board of Supervisors; and 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 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 Chapter 138, the Commission has 60 days to notify the City that the capital improvement project is not authorized by the applicable subdivisions of Chapter 138. Commission staff received notice from the City of the proposed expenditure on November 25, 2014.
2. Pursuant to the City's statutory trust grant, the City shall maintain separate tidelands accounts identified as the Harbor Fund, Tidelands Fund, and Tidelands Oil Revenue Fund. The proposed capital improvement project will be funded by tideland oil revenue from the Tidelands Fund, pursuant to Chapter 138.
3. In December 2012, the City notified the Commission of its proposed expenditure of \$12,225,000 of tideland oil revenue for eight capital improvement projects (Calendar Item C54, December 5, 2012).

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4. In April 2013, the City notified the Commission of its proposed expenditure of \$10,500,000 of tideland oil revenue for eight capital improvement projects (Calendar Item C102, April 26, 2013).
5. In October 2013, the City notified the Commission of its proposed expenditure of \$18,120,000 of tideland oil revenue for 11 capital improvement projects (Calendar Item C115, December 2, 2013).
6. In April 2014, the City notified the Commission of its proposed expenditure of \$109,780,000 of tideland oil revenue for 13 capital improvement projects (Calendar Item C77, April 23, 2014).
7. In May 2014, the City notified the Commission of its proposed expenditure of \$18,890,199 of tideland oil revenue for seven capital improvement projects (Calendar Item C89, June 19, 2014).
8. In July 2014, the City notified the Commission of its proposed expenditure of \$250,000 of tideland oil revenue for one capital improvement project (Calendar Item C72, August 15, 2014).
9. In October 2014, the City notified the Commission of its proposed expenditure of \$2,550,729 of tideland oil revenue for one capital improvement project (Calendar Item C103, October 14, 2014).
10. The staff recommends that the Commission find that the subject consistency determination of proposed expenditure 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 CEQA.

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

11. 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

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RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the subject consistency determination of proposed expenditure of tideland oil revenues 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.

AUTHORIZATION:

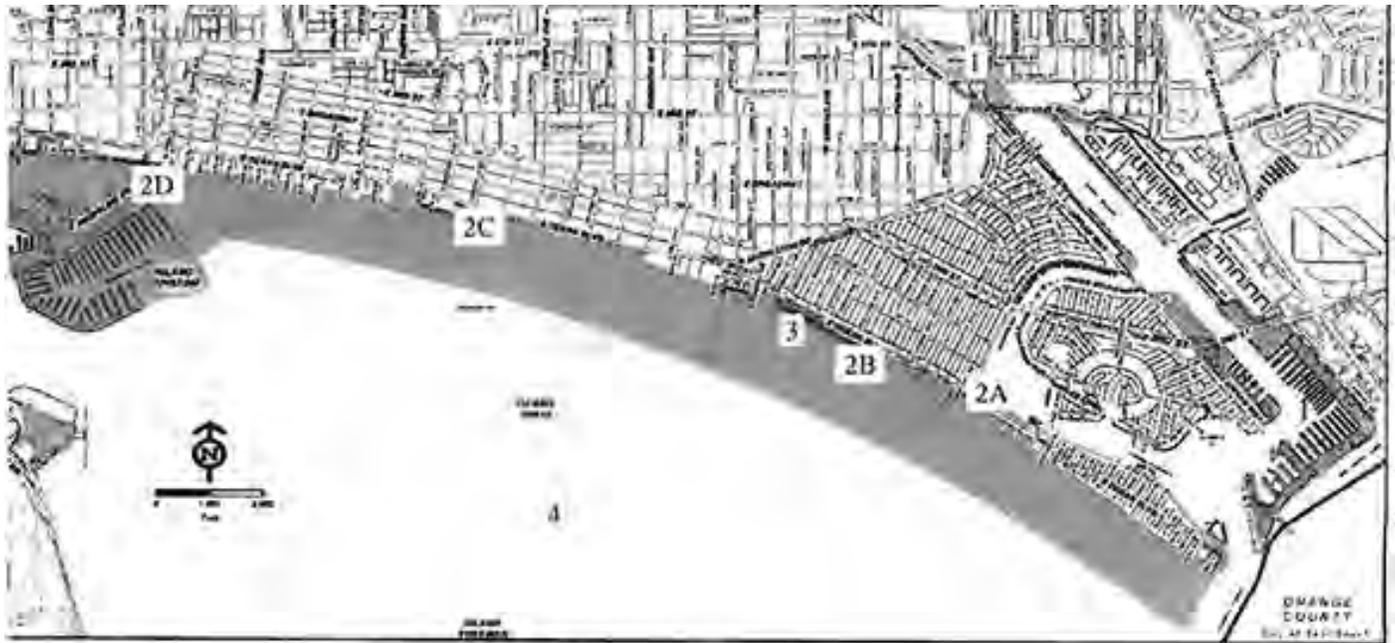
Find that, based on the information provided by the City, the proposed expenditure of tideland oil revenue in the amount of \$11,720,700 for four capital improvement projects within the City of Long Beach, does not appear to be inconsistent with the uses set forth in sections 6(c) and (d) of Chapter 138, Statutes of 1964, as amended by Chapter 941, Statutes of 1991.

NO SCALE

SITE

PROJECT NAME

- | | |
|---|--|
| 1. COLORADO LAGOON | 3. BEACH MAINTENANCE YARD IMPROVEMENTS |
| 2. BEACH RESTROOM & CONCESSION REHABILITATION | 4. EAST SAN PEDRO BAY |
| A. BAYSHORE AVE | C. JUNIPERO AVE |
| B. GRANADA AVE | D. ALAMITOS AVE |



- MAP FEATURES**
- TIDELANDS
 - CONTIGUOUS AREAS
 - City Boundary
 - Waterway

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 11/25/14