

**STAFF REPORT
C91**

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M. Moser

REVIEW A PROPOSED TIDELAND OIL REVENUE EXPENDITURE INCREASE IN AN AMOUNT NOT TO EXCEED \$32,510,572 BY THE CITY OF LONG BEACH FOR 12 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 \$32,510,572 of tideland oil revenue is to fund 12 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:

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1. Naples Seawalls Phase 2

The City has a six-phase plan to rebuild the public seawalls surrounding Naples Island. The City completed Phase 1 of the Naples Seawall project on March 16, 2016. On May 24, 2012, the Commission reviewed a \$1 million expenditure to begin the project. The City requests that the Commission review an additional \$19 million expenditure for the design phase and construction. The \$19 million will fund installation of a steel sheet-pile seawall on the water-side of the existing vertical concrete seawall along Naples Island, new guard rails, precast piles, sidewalks, a new drainage system including lift stations, new access platform support steel and dead-man, modified pipe mornings and ladders, repair sink holes, new street lighting along the canal, irrigation reconnection, and landscaped beds and limited landscaping for resident use. The City has applied to the California Coastal Commission for a permit and anticipates Coastal Commission approval by the end of 2018.

Previous Commission Review:

[Item C50, May 24, 2012](#) - \$1,000,000

Requested additional expenditure: \$19,000,000

Schedule: Design: ongoing; Construction: to be determined

2. Belmont Pier Revitalization

On December 2, 2013, the Commission reviewed an expenditure of \$250,000 for repair of the Belmont Pier. The next phase of the project will address repairs to the sides and underside of the pier, including concrete panels and curbs, utility conduits and restraints, and areas of severe disrepair. The City requests the Commission review an additional \$1,250,000 expenditure for the these repairs.

Previous Commission Review:

[Item C115, December 2, 2013](#) - \$250,000

Requested additional expenditure: \$1,250,000

Schedule: Design: March 2018; Construction: Fall 2018

3. Junior Lifeguard Facility

On December 2, 2013, the Commission reviewed an expenditure of \$500,000 for the reconstruction and possible relocation of a lifeguard structure built in the 1930s. The design stage has been completed and the City now plans to demolish the 530 square foot structure and replace it with a new 960 square

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foot structure, relocated close to its original location. On February 20, 2018, the City Council approved an additional \$150,000 for this project. The City requests the Commission review an additional expenditure of \$500,000 to finalize the design and construct the new Junior Lifeguard Facility.

Previous Commission Review:

[Item C115, December 2, 2013](#) - \$500,000

Requested additional expenditure: \$500,000

Schedule: Design: Fall 2018; Construction: Spring 2019

4. Bayshore Lifeguard Facility Improvements

On November 29, 2017, the Commission reviewed an additional expenditure for the purchase of an ADA-compliant prefabricated building to serve as the new lifeguard facility. On February 20, 2018, the City Council approved an additional \$150,000 for this project. The City requests the Commission review an expenditure of \$535,200 to construct the foundation of the lifeguard facility and bring water, sewer, gas, electric and telecommunications connections to the site.

Previous Commission Review:

[Item C50, May 24, 2012](#) - \$600,000

[Item 74, November 29, 2017](#) - \$735,199

Requested additional expenditure: \$535,200

Schedule: Construction: October 2017 to June 2018

5. Alamitos, Bayshore, Granada, Junipero Concessions Stands

On December 17, 2014, the Commission reviewed an expenditure for the renovation of four aging beach restroom and concession stand facilities. The City requests the Commission review an additional expenditure for \$6,830,535 to fund the project into the construction phase. The Bayshore, Granada, and Junipero locations will each receive an additional \$633,922; the \$4,928,769 will fund the Alamitos location. The Alamitos Beach Concession building has three sections: food concession (including a commercial kitchen), recreational beach rentals (such as bikes, paddle boards, etc.) and public restrooms. The building design capitalizes on the views and allows for food and recreational concessions to the public.

Previous Commission Review:

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

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Requested additional expenditure: \$6,830,535

Schedule: Design: June 2018; Bid and Award: December 2018; Construction: March 2019; Completion: May 2020

6. Convention Center Area Improvements

Since October 27, 2011, the Commission has reviewed expenditures totaling \$30,185,000 related to Convention Center Area Improvements. The latest request involves work on the Terrace Theater plaza fountain and surrounding hardscape areas. The fountain restoration includes upgrading the equipment, plumbing, electrical, and controls. Review of an additional \$600,000 is requested for this work.

Previous Commission Review:

- [Item C36, October 27, 2011](#) - \$5,000,000
- [Item C50, May 24, 2012](#) - \$8,500,000
- [Item C54, December 5, 2012](#) - \$7,625,000
- [Item C115, December 2, 2013](#) - \$5,240,000
- [Item C77, April 23, 2014](#) - \$1,270,000
- [Item C89, April 20, 2017](#) - \$1,465,000
- [Item C75, August 17, 2017](#) - \$685,000
- [Item C85, February 27, 2018](#) - \$400,000

Requested additional expenditure: \$600,000

Schedule: Construction: Summer 2018

7. Marine Stadium Restroom Demolition

On April 23, 2014, the Commission reviewed an expenditure of \$250,000 for the demolition of the existing Marine Stadium 8N restroom. The City proposes to demolish the restroom, fill the area with drought-tolerant landscaping, install a hydration station, a bike rack, and signage that directs visitors to other restrooms in the area. The City requests the Commission review an expenditure of \$138,837 to finalize the demolition of the restroom and install the landscape, hydration station, bike rack, and signage.

Previous Commission Authorization:

- [Item C77, April 23, 2014](#) - \$250,000

Requested additional expenditure: \$138,837

Schedule: Demolition: May 2018

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8. Bluff Park Lighting Feasibility/Design

A feasibility study for the Bluff Park Lighting project was approved by the City Council to explore the prospects for increased safety lighting improvements by adding 58-60 additional light poles at Bluff Park. The City requests the Commission review this \$450,000 expenditure to complete the feasibility study.

Requested expenditure: \$450,000

Schedule: Feasibility Study: February – June 2018; Design: to be determined by the feasibility study

9. Outdoor Lighting – Marina Green Parking Lot and Convention Center Parking Lot

This is a repair and maintenance project to replace existing lighting with energy efficient LED lighting. On October 10, 2017, the City approved \$422,000 for outdoor lighting for the Long Beach Marine Parking Lot and the Convention Center Parking Lot. The City applied for on-bill financing and incentives with Southern California Edison to install LED fixtures for the lots. The City requests the Commission review an expenditure of \$422,000 to fund this project; however, costs to the Tidelands Fund will only be \$59,000 because incentives with on-bill financing (a 0 percent financing program for energy efficient projects through Southern California Edison) will partially reimburse the City's costs.

Requested expenditure: \$422,000

Schedule: Construction: January – February 2018

10. Belmont Pier Storm Damage Repairs

The City is repairing the Belmont Veterans Memorial Pier, which was damaged in a February 2017 storm. According to the City, the floating docks and gangways were damaged and destroyed in the storm need to be redesigned and replaced. The concrete access stairs leading to the docks also need repair. On January 24, 2018, the City began recovering and removing the sunken gangways, and making space to replace the docks and gangways. The City requests that the Commission review an expenditure of \$2,500,000 for these repairs.

Requested expenditure: \$2,500,000

Schedule: Bid and Award: June 2018; Construction: July 2018; Complete: September 2018

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11. Beach Lifeguard Facility Upgrades

This is a new project to replace aging lifeguard stations at beach areas that run from Alamitos Beach to the end of the peninsula, the back side of the peninsula along East Bayshore Walk, and Mother's Beach. On February 20, 2018, the City Council approved \$150,000 to begin the design and permitting. The City requests that the Commission review a \$150,000 expenditure to begin design on the project.

Requested expenditure: \$150,000

Schedule: Planning: August 2018; Design and Permitting: April 2019; Bid and Award: August 2019; Completed: Summer 2020

12. Rainbow Lagoon Visioning

This is a new project to plan for major improvements to the Rainbow Lagoon area. On February 20, 2018, the City Council approved \$100,000 for the Rainbow Lagoon Visioning to begin. This project will seek to develop an overall plan for the area to incorporate any future needs for improvement and how those should be incorporated together as a cohesive vision for the area. The City requests Commission review of a \$125,000 expenditure to begin.

Requested expenditure: \$125,000

Schedule: Planning: April 2018

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Table Summary of Projects and Expenditure Request

Project	Expenditure Request
Naples Seawalls Phase 2	\$19,000,000
Belmont Pier Revitalization	1,250,000
Junior Lifeguard Facility	500,000
Bayshore Lifeguard Facility	535,200
Alamitos, Bayshore, Granada, and Junipero Concession Stands	6,830,535
Convention Center Area Improvements	600,000
Marine Stadium Restroom Demolition	138,837
Bluff Park Lighting Feasibility/Design	450,000
Outdoor Lighting – Marina Green Parking Lot and Convention Center Parking Lot	422,000
Belmont Pier Storm Damage Repairs	2,500,000
Beach Lifeguard Facility Upgrades	150,000
Rainbow Lagoon Visioning	125,000
Total	\$32,510,572

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 March 5, 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:

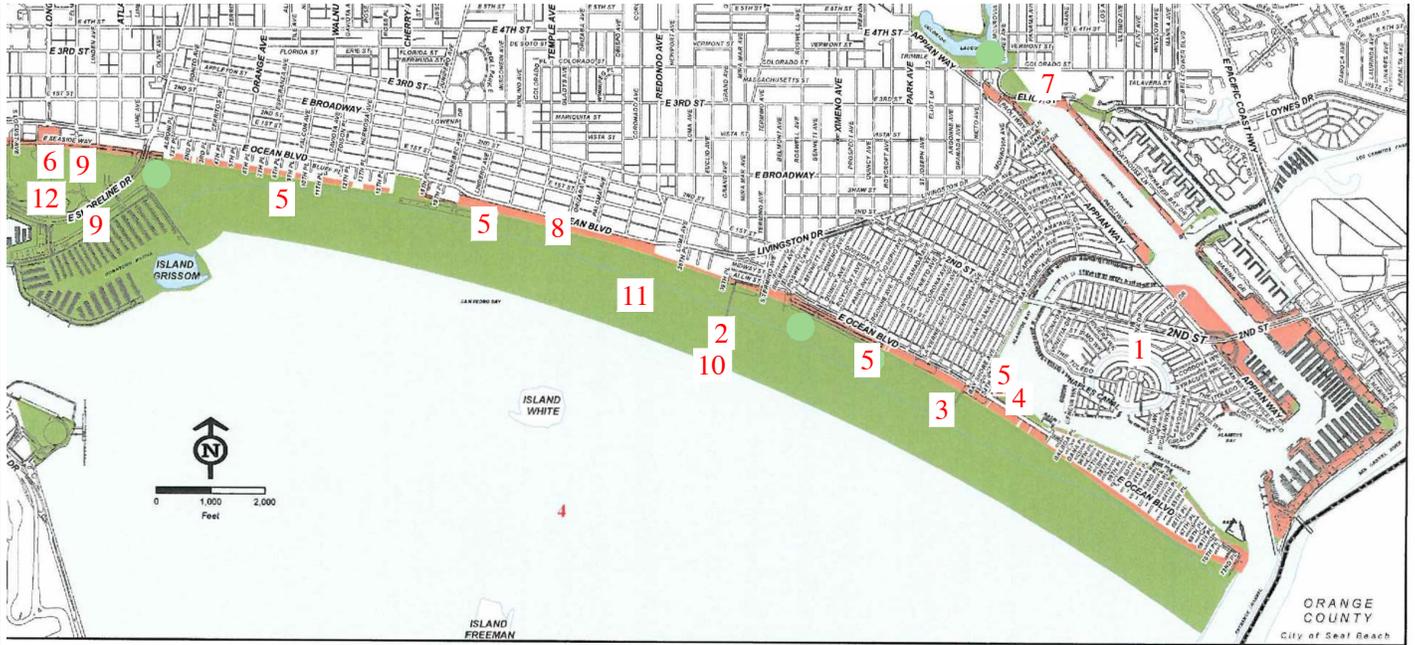
Find that, based on the information provided by the City, the proposed expenditure of tideland oil revenue in the amount of \$32,510,572 for 12 capital improvement projects located on or adjacent to legislatively granted sovereign lands in the City of Long Beach does not appear to be inconsistent with the uses set forth in sections 6(c) and (d) of Chapter 138, as amended.

NO SCALE

SITE

PROJECT NAME

1. NAPLES SEAWALLS, NAPLES ISLAND
2. BELMONT PIER REVITALIZATION
3. JUNIOR LIFEGUARD FACILITY
4. BAYSHORE LIFEGUARD FACILITY IMPROVEMENTS
5. ALAMITOS, BAYSHORE, GRANADS & JUNIPERO CONCESSION STAND
6. CONVENTION CENTER AREA IMPROVEMENTS
7. MARINE STADIUM RESTROOM DEMOLITION.
8. BLUFF PARK LIGHTING FEASIBILITY/DESIGN
9. OUTDOOR LIGHTING - MARINA GREEN PARKING LOT
10. BELMONT PIER STORM DAMAGE REPAIRS
11. BEACH LIFEGUARD FACILITY UPGRADES
12. RAINBOW LAKE VISIONING

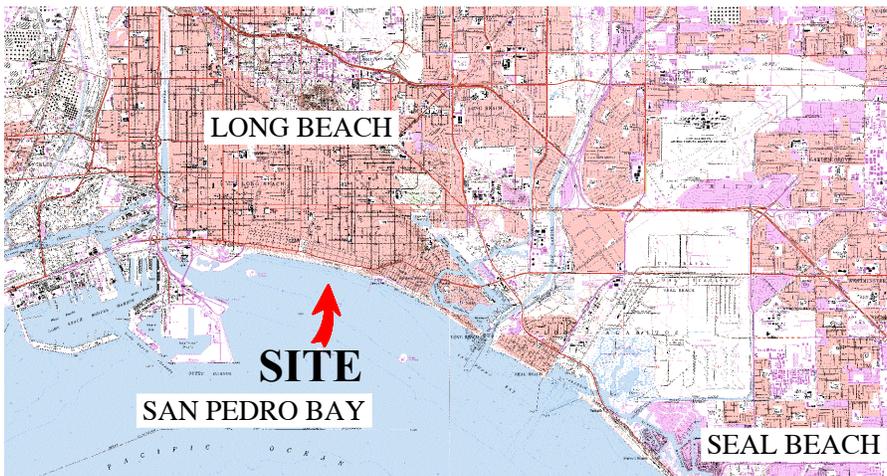


- MAP FEATURES**
- TIDELANDS
 - CONTIGUOUS AREAS
 - City Boundary
 - Waterway

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
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EXPENDITURE OF OIL
REVENUE
LOS ANGELES COUNTY



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