

MINUTE ITEM

26. APPLICATION OF THE CITY OF LONG BEACH FOR EXPENDITURE OF TIDELAND OIL REVENUES FOR CONSTRUCTION OF CONVENTION AND EXHIBIT HALL - ADDITION NO. 1, L.B.W.O. 10,130.

In presenting Calendar Item 37 attached, the Executive Officer explained that the request by the City of Long Beach for an additional approval was being made because the amount originally requested by the City and authorized by the Commission for this project had proved insufficient, and that all bids received for the work to be performed were for higher amounts than initially anticipated.

The Executive Officer then reported that a four-page letter had been received from a Mr. Paul B. Wilcox of Long Beach, objecting to the program in toto, and requesting that his entire letter be read into the record. With the approval of the Chairman, only the summary of Mr. Wilcox' objections was read into the record, as follows:

"Now in summary, it is quite apparent that 1) 3 times it has been demonstrated at the polls that there is no bursting enthusiasm for building an Annex, using easy-come Tidelands Funds, 2) this demonstrated hesitancy may stem from apprehension as to what a white elephant in the form of an Annex, always-in-the-red, might lead to on the State fiscal level, 3) thousands and thousands of negative votes thrice protested the size and location, many resenting very much that the Annex would cut off a view of the ocean, 4) there is inability to adjust to the idea that a barn on the beach would harmonize, 5) realization that civic leaders and the press had abandoned a far superior plan (for north of the Auditorium) which would solve several disgraceful civic problems while 6) the sore-thumb-on-the-beach would only create more and lasting problems, 7) if the Annex is built as now planned, not in this generation will voters approve additional bond outlay to provide the face lifting north of the Auditorium that is so badly needed right now, and 8) an ethical reason for this Commission to authorize Long Beach officials to spend 19% more than the limit established by voters is extremely hard to find."

A staff review had shown that the first seven points raised by Mr. Wilcox were matters believed to be completely within the scope of local determination by the electorate of the City of Long Beach and had been determined as a matter of municipal administration by that City, leaving only one question for the Commission: Whether, in fact (as stated in the letter from Mr. Wilcox), the voters of the City of Long Beach had established a limitation under which approval by the Lands Commission of the expenditure of additional funds would support the suggestion that the Commission might approve expenditures in excess of the amounts authorized by the electorate. The Executive Officer suggested that the City Attorney and the City Engineer from Long Beach, present at the meeting, be called upon to inform the Commission as to the legal facts and the official position on this question.

Mr. Gerald Desmond, City Attorney for Long Beach, informed the Commission that it was felt that the final point raised by Mr. Wilcox actually was also a matter of local concern; that it would be taken care of at the next meeting of the City Council, to be held on Tuesday, October 4. He pointed out that the authorization given by the voters for the subject specific item was only part of the authorization under the City's Charter, which Charter had been amended to provide that tideland projects could be undertaken only with prior approval of the voters, except that \$250,000 a year might be so used without such prior approval, and this sum could be accumulated from year to year. According to Mr. Desmond, the City has sufficient funds with the amount acted upon by the voters and also accumulations to cover the project, and said he would so advise the City Council at its next meeting.

In response to a query by Commissioner Anderson as to whether there was any question about use of these funds for this purpose, Deputy Attorney General Howard S. Goldin stated that he had not been aware of the \$250,000-a-year accumulation reported by Mr. Desmond, which, when added to the amount authorized by the electorate, would be sufficient to cover the additional proposed expenditure. Mr. Goldin said he was prepared to accept Mr. Desmond's representation, and on this basis and assuming these facts to exist, this would appear not to be a matter for State Lands Commission concern. The propriety of the project has been ruled upon favorably by the office of the Attorney General in an informal opinion (prepared by Mr. Goldin), dated April 22, 1960, which was based on a specific case, Haggerty vs. City of Oakland, 161 Cal App 2d, 407 at page 413, where the court held that the construction of a convention and banquet building in the port area was a facility and aid incidental to the development, promotion and operation of the port and harbor.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION APPROVES THE APPLICATION OF THE CITY OF LONG BEACH, PURSUANT TO THE AUTHORITY OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., FOR THE EXPENDITURE SUBSEQUENT TO SEPTEMBER 29, 1960 OF AN ADDITIONAL AMOUNT OF \$1,159,250 OVER THE AMOUNT PREVIOUSLY APPROVED FOR THE CONSTRUCTION OF A CONVENTION AND EXHIBIT HALL TO BE LOCATED ON TIDELANDS NEAR THE EXISTING LONG BEACH MUNICIPAL AUDITORIUM AS INDICATED ON EXHIBIT "A", ATTACHED, AND HEREBY MADE A PART HEREOF; SUBJECT TO THE CONDITION THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND THE BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION; AND THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER OR THE SUPERVISING MINERAL RESOURCES ENGINEER ARE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment
Calendar Item 37 (2 pages)

CALENDAR ITEM

37.

APPLICATION OF THE CITY OF LONG BEACH FOR EXPENDITURE OF TIDELAND OIL REVENUES FOR CONSTRUCTION OF CONVENTION AND EXHIBIT HALL - Addition No. 1 - L.B.W.O. 10,130.

On May 24, 1960 (Minute Item 18, pages 5977-80), the Commission approved the application of costs to be expended by the City of Long Beach for the construction of a Convention and Exhibit Hall. Subsequent to the above-mentioned approval, it was found upon opening of bids for the construction of the Convention and Exhibit Hall by the City, the original engineer's estimate of project cost was considerably below the lowest bid. As a result, the City of Long Beach has revised its total estimate for the project accordingly.

A letter from the Long Beach City Attorney dated September 7, 1960 states that there has been no change in the plans for the building nor in the purpose or use of the building from the information supplied to the State Lands Commission prior to the May 24, 1960 meeting.

This current application by the City of Long Beach is for the purpose of obtaining State Lands Commission approval of the revised total project cost, which will reflect the additional amount requested as shown on Exhibit "A" attached.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE APPLICATION OF THE CITY OF LONG BEACH, PURSUANT TO THE AUTHORITY OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., FOR THE EXPENDITURE SUBSEQUENT TO SEPTEMBER 29, 1960 OF AN ADDITIONAL AMOUNT OF \$1,159,250 OVER THE AMOUNT PREVIOUSLY APPROVED FOR THE CONSTRUCTION OF A CONVENTION AND EXHIBIT HALL TO BE LOCATED ON TIDELANDS NEAR THE EXISTING LONG BEACH MUNICIPAL AUDITORIUM AS INDICATED ON EXHIBIT "A", ATTACHED, AND HEREBY MADE A PART HEREOF; SUBJECT TO THE CONDITION THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND THE BACKGROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION; AND THAT THE EXECUTIVE OFFICER, THE ASSISTANT EXECUTIVE OFFICER OR THE SUPERVISING MINERAL RESOURCES ENGINEER BE AUTHORIZED TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment
Exhibit "A"

EXHIBIT "A"

CONVENTION AND EXHIBIT HALL

(Addition No. 1)

City of Long Beach
Estimated
Additional
Expenditures
September 29, 1960
to Termination

Building Cost	\$ 987,957
Alternate Bid for Upholstered Seats	93,000
Contingencies	15,293
Adjacent Site Construction	<u>63,000</u>
Total Additional Cost	<u>\$ 1,159,250</u>