

MINUTE ITEM

This Calendar Item No. 26
was approved as Minute Item
No. 26 by the State Lands
Commission by a vote of 3
to 0 at its 12/9/77 CALENDAR ITEM
meeting.

12/77
W 10336
Thompson

26.

PROPOSED EXPENDITURES OF TIDELANDS OIL REVENUE
FOR A CAPITAL IMPROVEMENT BY THE CITY OF LONG BEACH

CAPITAL IMPROVEMENT PROJECT:

Long Beach Marina Basin 3 and Basin 6 expansion.

PURPOSE OF PROJECT:

To provide small craft berthing facility
and related facilities.

COST OF THE PROJECT:

A. City Estimate:

\$2,224,000.

\$1,238,000 from State
of California Department
of Navigation and Ocean
Development (DNOD).

\$986,000 from Tideland
Oil Revenue Fund (City
of Long Beach share of
Tideland Oil Revenue).

B. Staff Analysis:

Reasonable.

STATUTORY AUTHORIZATION:

A. City Reference:

CH. 138/64, 1st E.S.,
Sec. 6(d), 6(f) and 6(h).

B. Staff Review:

Agreement.

OTHER PERTINENT INFORMATION:

Letter of intent dated November 14, 1977,
from the City Attorney. Letter of intent
dated August 29, 1973, from the City Attorney.
McGrath-Macco Boundary Settlement and Exchange
approved by the State Lands Commission
on August 28, 1968. Feasibility report
for Basin 6 dated July 1974. DNOD loan
agreement dated July 15, 1974, with pending
amendment dated April 29, 1977. Environmental

A 52, 57, 58

S 27, 31

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Impact Report E-55-73, dated October 18, 1973, for Basin 6 development, Second Amendment to McGrath-Macco Boundary Settlement and Exchange approved by the State Lands Commission on February 22, 1973. Alamitos Bay Boundary Settlement Agreement No. 9. These are on file in the office of the State Lands Division.

This is a nondiscretionary action by the Commission, and its only responsibility is to determine whether the capital improvement project as described in the letter of intent to expend tideland oil revenues is authorized by any of Subdivisions (a) through (f) of Section 6, Chapter 138/64, 1st E.S. There are three actions the Commission may take: (1) no action, (2) determination that the project is authorized by any of Subdivisions (a) through (f), or, (3) determination that the project is not authorized by any of Subdivisions (a) through (f). The staff recommends that action (3) not be taken by the Commission, because the construction of a small boat harbor is specifically authorized by Section 6(d) and the rendition of services reasonably necessary to carry out such a project is authorized by Section 6(f). Either action (1) or (2) will allow the City of Long Beach to disburse money from its share of remaining oil revenue on the project.

The major portion of the money for this project is being furnished by a \$1,238,000 loan from the California Department of Navigation and Ocean Development. The repayment provision of this loan provides that the payments of principal and interest are to be taken from gross revenues resulting from the operation of the facilities, and that such gross revenues are the sole security for repayment. Therefore, there would be no future demand on tideland oil revenue for repayment of this loan.

CALIFORNIA ENVIRONMENTAL QUALITY ACT OF 1970, AS AMENDED:
This is a capital improvement project as defined in CH. 138/64, 1st E.S., Sec. 6(d) and 6(f) and as such is nondiscretionary with respect to the powers and responsibilities

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of the Commission. For informational purposes, the City has supplied the Division with an Environmental Impact Report, "Long Beach Marina Basin 6 Development".

EXHIBITS: A. Cost Estimate. B. Vicinity Map.
 C. Basin 3. D. Basin 6.

IT IS RECOMMENDED THAT THE COMMISSION DETERMINE THAT THE EXPENDITURE PROPOSED BY THE CITY OF LONG BEACH OF \$986,000 FROM ITS SHARE OF TIDELAND OIL REVENUES FOR EXPANDING LONG BEACH MARINA BASIN 3 AND BASIN 6 FACILITIES, IS IN ACCORD WITH SECTIONS 6(d) AND 6(f) OF CH. 138/64, 1ST E.S.; SAID DETERMINATION TO BE SUBJECT TO THE CONDITION THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACKGROUND MATERIAL SUBMITTED WITH THE CITY NOTIFICATION OF NOVEMBER 14, 1977.