

STAFF REPORT

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06/28/19

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M. Moser

**REVIEW A PROPOSED TRUST REVENUE EXPENDITURE OF UP TO \$683,547
BY THE CITY OF PITTSBURG FOR A CAPITAL IMPROVEMENT PROJECT
LOCATED ON LEGISLATIVELY GRANTED SOVEREIGN LAND
IN THE CITY OF PITTSBURG, CONTRA COSTA COUNTY**

GRANTEE:

City of Pittsburg

LOCATION:

Granted sovereign tide and submerged lands located in the city of Pittsburg,
Contra Costa County.

BACKGROUND:

The City of Pittsburg is a trustee of sovereign tide and submerged lands granted by the Legislature under Chapter 422, Statutes of 2011. In conformance with section 7(c)(1) of Chapter 422, the City is required to file a detailed description of a proposed capital improvement expenditure exceeding \$250,000 with the Commission 120 days before disbursement.

The City has notified the Commission that it intends to expend \$683,547 in trust revenue to fund the first step in a 10-year maintenance dredging project at the Pittsburg Marina and adjoining channels along the shoreline, as shown on Exhibit A. Maintenance dredging is required to address shoaling and maintain navigability within the dredge area. The City estimates that the total tidelands expenditure over the next 10 years will be \$3,546,511.

The City is pursuing 10-year permits from the Dredge Material Management Office for the entire dredge area, a percentage of which lies within lands granted to the City, as shown on the table below.

STAFF REPORT NO. **90** (CONT'D)

This table summarizes the work to be done, by dredge area, over the next 10 years, the percent of granted lands involved, and the estimated cost of each dredge area.

Dredge Location	Dredge Year(s)	Total Estimated Cost (less mobilization)	% in Tidelands	Estimated Cost to Trust Fund
Basin II (Lowy)	2019	\$1,680,000	40.69%	\$683,547
Marina Park (Residential Channel)	2020	\$1,459,400	0%	\$0
Launch Ramp	2020	\$124,200	100%	\$124,200
Basin III	2022	\$3,791,900	41.35%	\$1,568,114
Basin I (Yacht Club Harbor)	2024	\$463,200	8.56%	\$39,636
Basin II (Lowy) (Episode 2)	2024	\$1,680,000	40.69%	\$683,547
Marina Park (Residential Channel) (Episode 2)	2025	\$1,459,400	0%	\$0
Launch Ramp (Episode 2)	2025	\$308,600	100%	\$308,600
Mobilization/Demobilization Costs		\$445,000		\$138,866
TOTAL		\$11,411,700		\$3,546,511

STAFF ANALYSIS:

When the City intends to expend trust revenues for a capital improvement on its granted lands involving an amount in excess of \$250,000, it must provide the Commission with a detailed description of the capital improvement. Section 7(c)(2) of Chapter 422 gives the Commission 120 days to determine whether the capital improvement is in the statewide interest and benefit and whether it is consistent with the City's trust use plan.

STAFF REPORT NO. 90 (CONT'D)

Based on the information provided by the City, the proposed capital improvement project does not appear to be inconsistent with the City's trust use plan. The trust use plan includes marina dredging as a capital improvement program, describes enhanced recreational opportunities at the Pittsburg Marina, such as daily motorboat rentals, and includes a goal of maximizing public access to and recreational facilities along the City's waterfront areas. The maintenance dredging is necessary to maintain navigability of the Pittsburg Marina for public recreation and enjoyment. By improving the access, utility, and safety of the waterfront, the maintenance dredging will benefit the statewide public. Therefore, 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.

OTHER PERTINENT INFORMATION:

1. The Commission has 120 days to notify the City that a proposed capital improvement is not consistent with existing law.
2. Section 4(a) of Chapter 422 required the City to prepare a trust lands use plan that describes how the City proposes to use its trust lands. All use of the trust lands after January 1, 2017, must be consistent with the plan. The City adopted a trust land use plan in April 2017, and the Commission approved it in June 2017 ([Item C74, June 22, 2017](#)).
3. The City's statutory trust grant requires that it segregate funds derived from the use of the trust lands from other city municipal funds. The proposed capital improvement project will be partially funded with trust revenue from the Waterfront Operations Fund.
4. 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.
5. Reviewing the proposed expenditure of trust revenue for consistency with Chapter 422 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).

STAFF REPORT NO. 90 (CONT'D)

6. 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:

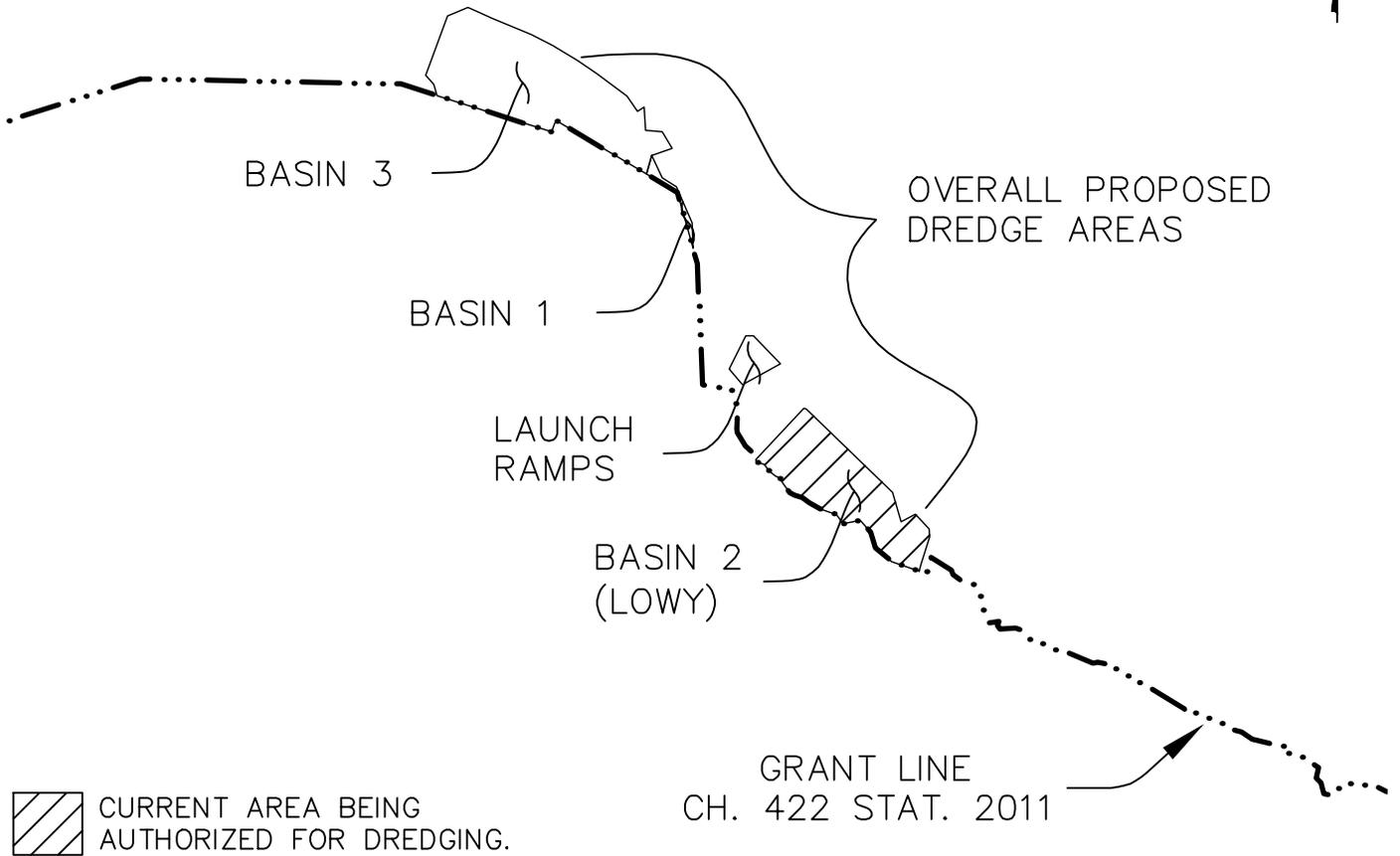
AUTHORIZATION:

Find that, based on the information provided by the City, the proposed expenditure of trust revenue in an amount not to exceed \$683,547 for a capital improvement project located on legislatively granted lands in the city of Pittsburg is in the statewide interest and does not appear to be inconsistent with the City's trust use plan.

NO SCALE

SITE

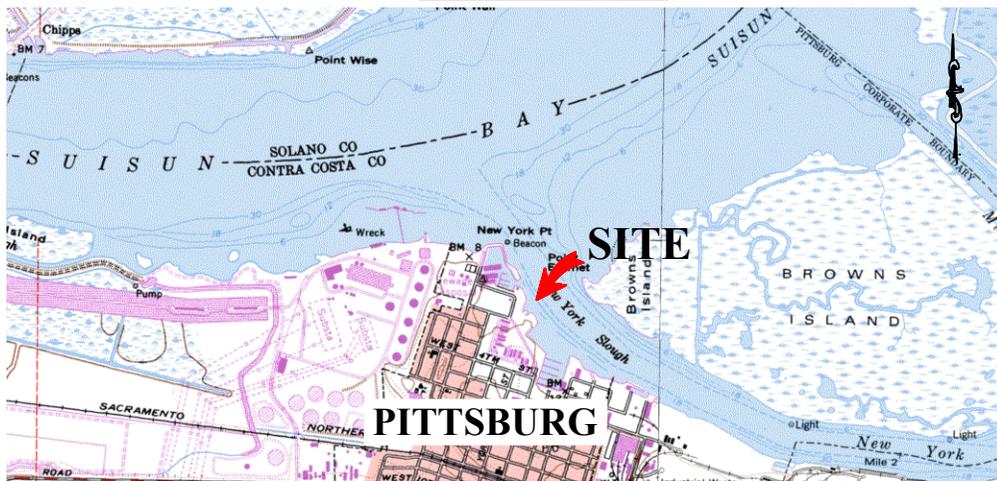
SUISUN BAY



PITTSBURG MARINA, PITTSBURG

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

G 02-03
 CITY OF PITTSBURG
 EXPENDITURE OF TRUST
 FUNDS ON MAINTENANCE
 DREDGING
 CONTRA COSTA COUNTY



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.

DJF 03/18/19