



# CITY OF LONG BEACH

# R-20

OFFICE OF THE CITY MANAGER

333 West Ocean Boulevard 13<sup>th</sup> Floor • Long Beach, CA 90802 • (562) 570-5729 • Fax (562) 570-6012

October 21, 2014

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize City Manager to proceed with the entitlements for the revised baseline programmatic requirements for the proposed Belmont Beach and Aquatics Center, incorporate the recommendations from the Stakeholder Advisory Committee, and to increase permanent, indoor spectator seating from 650 seats to 1,250 seats with an additional estimated cost of \$4.7 million, for a total estimated project cost of \$103.1 million. (District 3)

## DISCUSSION

The City of Long Beach has an opportunity to construct a new Belmont Beach and Aquatics Center (BBAC) to replace the seismically unsafe Belmont Olympic pool. This new facility will be an asset to the entire community, serving primarily as a recreational facility for our residents and to continue the City's proud history of aquatic excellence. As this project will be constructed in the coastal area, the City has the opportunity to utilize Tidelands dollars for this project, which are restricted for uses along the coast. The facility, while primarily constructed to enhance public recreation, may also have the potential to generate economic impact for the City by bringing in competitive events to the City. The ability to host those competitive events will be predicated on the size and configuration of the facility, the impact they will have on the surrounding neighborhood, and must be balanced with the availability of the pool to primarily serve public recreation.

On June 17, 2014, City Council conducted a study session on the programmatic requirements and conceptual plans for the BBAC. The City Council suggested that a community stakeholder committee be convened to prioritize optional components of the conceptual plan for the City Council to consider for approval, prior to proceeding with the entitlements process.

### **Stakeholder Advisory Committee Process**

A BBAC Stakeholder Advisory Committee was convened in July 2014. Staff, the project team, and the Stakeholder Advisory Committee conducted three workshops in July and August 2014 and explored myriad issues related to the pool in a collaborative discussion. The selection process, committee makeup, goals and guiding principles of the Stakeholder Advisory Committee, are detailed in the attached memorandum dated September 3, 2014 (Attachment A).

## HONORABLE MAYOR AND CITY COUNCIL

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The following revisions to the baseline programmatic requirements were vetted through the Stakeholder Committee:

- Added indoor separate deep well diving pool
- Added indoor movable floor in 50 meter pool
- Deleted Community / Banquet Facility
- Deleted 1,250 (all) permanent outdoor spectator seating
- Reduced indoor permanent spectator seating from 1,250 to 650 seats
- Reduced size of restaurant from 5,000 SF to 2,500 SF
- Reduced size of therapy / teaching pool from 1,225 SF to 900 SF

The resulting Stakeholder Advisory Committee recommended conceptual plan, adhering to a \$99 million project plan, includes:

- Indoor Pools:
  - 50 meter x 25 yard pool, with movable floor system to create adjustable deep / shallow end
  - Separate deep water diving well
  - Teaching / therapy pool (900 SF)
  - Large, general use whirlpool and smaller diver whirlpool
- Outdoor Pools:
  - 50 meter by 25 meter pool
  - Outdoor recreational pool
- Other amenities:
  - 650 permanent indoor spectator seats in natatorium
  - 2,500 square foot restaurant space

Along with these components, the revised project plan of \$99 million also provides for \$1.3 million in escalation due to redesign and construction cost escalation, and a set aside of \$500,000 for 10 years of proactive maintenance of the proposed movable floor system. Additionally, the Stakeholder Advisory Committee felt strongly that, should the City be able to identify the resources, seating should be increased to accommodate the larger events. However, as the Committee was asked to recommend a design within the identified resources for the project, their design included the 650 seats. The Committee also suggested a relocation of the therapy/teaching pool and general use whirlpool to a dedicated space, as well as a reconfigured shape of the outdoor recreational pool.

### **Public Meeting**

On September 17, 2014, staff, the Stakeholder Advisory Committee, and the project team conducted a public meeting at Rogers Middle School to present the Stakeholder Advisory Committee recommended baseline programmatic requirements, and to receive public comments and questions on the project. Approximately 150 to 200 people attended. Written comments were received during and after this community meeting, via both comment cards provided to the meeting attendees and, subsequently, from the "Speak UP Long Beach" public outreach website. A matrix summary of the comments received, and actions recommended by staff to address each comment is attached (Attachment B).

### **Economic Impact Study**

Concurrent with these outreach efforts, staff engaged the services of local economist Joseph Magaddino to study the economic impacts of the proposed baseline programmatic requirements, and optional enhancements (Attachment C). The report indicates the facility could generate \$3.7 to \$30.6 million dollars of annual economic activity in Long Beach. The potential economic impact increased with the number of seats, from a low of 650 seats to a high of 1,250. Additionally, every fourth year, the facility could generate an additional \$13 to \$19.9 million, depending on whether the facility had 1,250 or 1,500 seats. The impact is primarily generated by out-of-town visitors, including athletes, coaches, spectators, and families, who spend money on lodging, food, and retail. For the City, visitor expenditures generate revenue from TOT and sales taxes. The analysis rests on several assumptions, primarily that the City is successful in attracting every aquatic event, including large but infrequent competitions, such as NCAA Division Championships. It is unlikely that the facility would attract every event. Furthermore, scheduling and hosting competitive events must be balanced with preserving the pool's primary function as a public recreational facility. In addition, the City must consider the impact large events have on the surrounding neighborhood, and strive to maintain a high quality of life for residents while also supporting our thriving aquatic community. These factors notwithstanding, this analysis demonstrates the substantial potential economic impact of the competitive events hosted at the public facility.

### **Impact of Seating Constraints on Events**

The number and magnitude of events that the facility will attract are primarily impacted by the number of permanent spectator seats and the available indoor pool deck space. As detailed above, the \$99 million plan includes 650 permanent indoor seats. This amount will accommodate most local and some regional competitive events. This amount, however, will limit the facility's ability to attract several national and international events.

The majority of comments and input received to date, including from the Stakeholder Advisory Committee, indicate that an indoor aquatics facility of this magnitude would be best served with 1,250 permanent indoor spectator seats. Seating is identified as the primary limiting feature to hosting larger scale events. If the City's desire is to have a facility that can accommodate competitive events, while balancing the recreational needs and public use of the facility, a minimum of 1,250 seats is recommended.

### **25 Meter versus 25 Yard Width of Indoor Pool**

A suggestion raised through the public input process was to increase the width of the indoor pool from 25 yards to 25 meters. Additional information on the difference between 25 yard pools and 25 meter wide pools is attached (Attachment D). After significant review of the issue, City staff and the design team recommend a 25 yard pool width for the indoor facility and a 25 meter width for the outdoor pool. This will maximize flexibility, maximize the use of the indoor facility for the largest amount of users (25 yard swimming is the most frequently used length), and continue to accommodate water polo as well. This option will also maximize the amount of deck space available inside the facility, which is an important feature for attracting larger competitions. If the project included a 25 meter wide pool indoors, the cost would be an additional \$1.9 million. Staff do not recommend shrinking

the available deck space due to the impacts on potential competitive events. Given the resources available for this project, staff recommend investing any available dollars in seats, as a 25 yard wide pool can accommodate nearly every competitive event if sufficient seating is available.

### **Coastal Commission**

A key factor that the City must consider is input from the Coastal Commission, which must ultimately approve this project as it sits partially within the Coastal Commission's jurisdiction. The Coastal Commission has stated their preference for a public facility where the entire facility is primarily for public recreational use that can accommodate private and/or competitive uses when public recreational demand is low. The design of the building should not be primarily for private and exclusive and/or competitive use, and that the Commission places a high priority on low-cost public use, rather than exclusive private use (regardless of the use). City staff have had an informal discussion with local Coastal Commission staff about the Stakeholder Advisory Committee's recommendation to ensure it is in line with Coastal Commission staff's goals for the project. Upon initial review, Coastal Commission staff are supportive of the direction of the recommendation. They informed City staff they are supportive that the facility will primarily serve public recreation needs, but has the ability, through the movable floor and seating, to support competitive events. Formal input on the project from the Coastal Commission will occur later in the process.

### **Staff Recommended Baseline Programmatic Requirement**

Staff has, therefore, included the following recommendations for City Council:

- Approve the recommendations of the Stakeholder Advisory Committee
- Modify the location of the indoor therapy/teaching pool to better align it with the outdoor recreation pool and improve the use of deck space
- Modify the conceptual shape of the outdoor recreation pool, which will be further developed in the design phase of the project
- Include 1,250 permanent indoor seats
- Retain the indoor 50 meter pool width at 25 yards

The total estimated project cost, including these modifications, totals \$103.1 million (see Attachment E for staff's recommended design and cost breakdown).

### **Funding Options**

Currently, the City has identified \$99 million in Tidelands resources available to fund the design and construction of the facility, provided that assumptions on the price of oil remain constant. As the recommended project is \$103.1 million, an additional \$4.7 million must be identified. Staff recommend the following modifications to fund the difference:

| <b>Amount</b> | <b>Description</b>  | <b>Impact</b>  |
|---------------|---|--|
| \$1,550,000   | Utilize half of the FY 16 Capital Plan amount intended for miscellaneous projects | This would result in no additional projects for Council District 3 in FY 16. |

|             |  |   |
|-------------|--|---|
| \$600,000   | Reduce project costs by reducing the size of the restaurant by 1,000 square feet resulting in a 1,500 square foot restaurant with outdoor seating only | The restaurant would still have a full commercial kitchen, yet this would eliminate all indoor seating. The restaurant would be considered "Fast Casual", with the ability to order at the window and be delivered to the table. Staff believe this is the lowest level of restaurant that will still be able to provide quality food and attract a quality long-term vendor. |
| \$2,550,000 | Redirect funding from previously budgeted projects in Council District 3.  | These impacted projects would need to be re-budgeted in a future year when funding becomes available.   |

Additional detail on the projects that would have funds redirected and would need to be re-budgeted in a future year are listed in Attachment F.

This matter was reviewed by Deputy City Attorney Linda Vu on October 7, 2014 and by Budget Management Officer Victoria Bell on October 8, 2014.

SUSTAINABILITY

It is expected that the new facility will be designed to meet LEED Gold equivalence. The current estimated costs include achieving LEED Gold certification. A LEED Gold equivalence is in keeping with existing City Council policy to design new facilities to be sustainable buildings, as well as help to reduce future operating costs associated with the facility. The decision whether to proceed with the LEED Gold certification process or not will be included in a future Council action. In addition, the facility will be constructed in accordance with current seismic safety standards.

TIMING CONSIDERATIONS

City Council action on this matter is requested on October 21, 2014, in order to proceed with the entitlement phase of the project and avoid construction cost escalation. It is estimated that, based on the size of the facility, construction costs escalate by approximately \$400,000 per month, so a timely decision on the baseline programmatic requirements is necessary. The construction contract is currently expected to be awarded, at the earliest, in November 2015.

FISCAL IMPACT

\$99 million in Tidelands Fund resources has been identified to fund the baseline costs for the Belmont Beach and Aquatics Center. Of the \$99 million identified, \$55.3 million has been appropriated in the Tidelands Operations Fund (TF401) and remains available. This amount is comprised of \$0.5 million in FY 2012, \$15.5 million in FY 2013, \$7.8 million in

FY 2014, \$39.0 million in the FY 2015 Adopted Budget, less costs of about \$7.5 million previously allocated for the temporary outdoor pool and for preliminary costs associated with getting the project to its current status.

The remaining balance of \$43.7 million (out of the \$99 million original baseline cost) has been reserved and is available for future appropriation when needed. However, due to the potential for an oil revenue shortfall, there is significant risk that cash will not be available for all Tidelands Fund projects as shown in the 5-Year Capital Plan, including the Belmont Beach and Aquatics Center. The City Manager is planning to develop an alternative FY15 Tidelands Capital Budget and 5-Year Capital Plan by the end of December to address this changing situation. Attachment G provides a more detailed explanation of the oil revenue situation and an update on Tidelands Capital Project Funding.

Since 2012, the State Lands Commission has approved Tidelands expenditures of \$19.8 million for the Belmont Pool Rebuild. Additional appropriations to support the final estimated project costs will be requested after the State Lands Commission approves the total project budget, and as required to support contractual commitments as they are considered for approval by the City Council.

Approval of this recommendation will provide continued support to our local economy.

**SUGGESTED ACTION:**

Approve recommendation

Respectfully submitted,



PATRICK H. WEST  
CITY MANAGER



GEORGE CHAPJIAN  
DIRECTOR OF PARKS, RECREATION  
AND MARINE

PHW:GC:EOL:DPD: need path/file name

List of Attachments

- Attachment A: Stakeholder Advisory Committee Memo
- Attachment B: Community input and responses
- Attachment C: Economic Impact Study
- Attachment D: Analysis of 25 Yard Width Versus 25 Meter
- Attachment E: Staff Recommended Baseline Programmatic Requirement
- Attachment F: List of Redirected Projects
- Attachment G: Memo on Tidelands Fund Capital Project Funding



# Attachment A

**Date:** September 3, 2014

**To:** Patrick H. West, City Manager *PHW*

**From:** Tom Modica, Deputy City Manager *TModica*

**For** Mayor and Members of the City Council

**Subject:** **Belmont Beach & Aquatics Center Stakeholders Advisory Committee Update**

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## **Background**

In response to the City Council's request on June 17, 2014, the Department of Parks, Recreation and Marine, in coordination with Third District Councilmember Suzie Price and the City Manager, formed an ad hoc Belmont Beach & Aquatics Center Stakeholders Advisory Committee. The purpose of the Committee is to make a recommendation to City staff and the Mayor and Members of the City Council regarding the various amenities needed in the new facility within the financial resources available for this project. This ad hoc Advisory Committee represents the various user groups, aquatics disciplines, residents, businesses, recreational users, and all other stakeholders. The Committee met three different times and has achieved consensus on its recommendation as a Committee. The Committee will be holding a public meeting to take public input on their recommendation before consideration by the Mayor and City Council.

## **Committee Makeup**

Each member of the Advisory Committee represented specific groups, and was tasked with the responsibility of gathering their input so that all voices were heard. Upon the advice of the City Attorney, the Advisory Committee consisted of members who do not have a financial stake in the design of the pool, such as a permit for use or direct or indirect financial interest. A list of the Committee members is attached (Attachment A), as well as an outline of the Committee's principles (Attachment B).

## **Community Input**

The Committee was designed to take regular input from the user groups, residents, businesses, and any other stakeholder throughout their work sessions. In addition to this input, the Committee will be holding a public meeting on September 17, at 5:30 PM at Will Rodgers Middle School to review the Committee's recommendation and take additional public input before presenting their recommendation to the Mayor and City Council in October. Additionally, there will be multiple opportunities for continued public input on this project over the next year. The City Council and Planning Commission will hold public meetings on the project, and the environmental review process will include multiple opportunities to voice opinions on the project.

### **Committee Process**

The Committee held three different work sessions where they educated themselves of the various opportunities, constraints and priorities for the pool project. These were designed as collaborative work sessions, with Committee members working directly with each other and with the design team to ask questions and provide input on priorities. The Committee broke into smaller groups to create various potential layouts, and then came together as a larger group to discuss a project that could accomplish as many of the goals as possible, within the financial resources available.

### **Summary of Preferred Conceptual Design on June 17**

The preferred concept (see Attachment C) presented by staff to the City Council on June 17 included a 50 meter indoor pool with an integrated dive well, the potential for a separate dive well, and the potential for a moveable floor to achieve both shallow and deep water. The project included a 50 meter outdoor pool, an outdoor recreation pool, an indoor therapy pool, 1,250 permanent indoor seats and 1,250 outdoor seats. The project included a banquet hall and a 5,000 square foot restaurant space. The total project cost, not including the separate dive well and movable floor, was estimated at \$99 million.

### **Concepts Explored**

The Committee explored the needs of each of the stakeholder groups. Common themes included focusing on the indoor pool as the primary facility; the need for public recreation; the need for a separate dive pool; maximizing seating; allowing for deep water for competition events; addressing environmental concerns (such as traffic, noise, view corridors, green space, tree protection, etc); the function of the restaurant and banquet spaces; attracting competitive events; the need for multiple bodies of water for the various aquatic needs; the need to stay within budget so as not to impact other Tidelands projects; and many other issues. The Committee held spirited debates about these and other issues. They explored options such as a 50 meter indoor pool with a separate dive well, a 70 meter indoor pool with integrated dive well, a 50 meter indoor pool with integrated dive well, a 33 meter outdoor pool, deep water pool indoor versus outdoor, the need to balance public recreation with private use and competitive events, an expanded therapy/teaching pool, a smaller restaurant, various seating configurations, and other topics.

### **Summary of the Committee's Recommended Design**

The Committee has reached general consensus on a recommended design, as outlined in Attachment D. In this design, they are recommending a 50 meter indoor pool with a movable floor that can provide both shallow water for public recreation needs and deep water for competitive needs. It includes a separate indoor dive well, a 50 meter deep water outdoor pool, an outdoor recreation pool, a reduced restaurant at 2,500 square feet, a 900 square foot indoor therapy/teaching pool, and 650 seats indoors. The design does not include a banquet facility or permanent outdoor seats. The estimated total project cost is \$99 million, including a \$500,000 set aside for ten years of estimated maintenance costs associated with the movable floor and \$1.4 million for additional design costs associated with the larger facility and anticipated additional construction cost escalation.



### **Option if Additional Funds Are Available**

While an indoor aquatics center with 650 seats could host a number of competitive events, it would not be able to host the large events such as NCAA Division Championships, NCAA Conference Championships, USA Swimming Club Nationals, and other large events that require a minimum of 1,250 seats. Accordingly, the Committee feels strongly that additional spectator seats for the indoor pools are recommended, if additional funds were to become available. The Committee's assignment was to recommend a facility within the \$99 million of funds that are currently identified and available for this project, with a request from City staff to come \$2 million to \$6 million under the \$99 million if at all possible. While the Committee recommendation achieved the \$99 million goal, they wanted to provide the Mayor and City Council with an option to add additional seating capacity indoors if funds were available. Thus, on Attachment E the Committee is providing a second option showing what additional seating would cost.

### **Coastal Commission Input**

A key factor that informed the Committee's recommendations was input from the Coastal Commission, which must ultimately approve this project as it sits partially within the Coastal Commission's jurisdiction. The Coastal Commission has stated their preference for a public facility where the entire facility is primarily for public recreational use that can accommodate private and/or competitive uses when public recreational demand is low. The design of the building should not be primarily for private and exclusive and/or competitive use, and that the Commission places a high priority on low-cost public use, rather than exclusive private use (regardless of the use). City staff have had an informal discussion with local Coastal Commission staff about the Committee's recommendation to ensure it is in line with Coastal Commission staff's goals for the project. Upon initial review, Coastal Commission staff are supportive of the direction of the recommendation. They informed City staff they are supportive that the facility will primarily serve public recreation needs, but has the ability through the movable floor and seating to support competitive events. Coastal Commission staff stated explicitly they would not support a deep water indoor pool without a movable floor, as it would not meet their definition of public recreation. They are amenable to the reduced restaurant space and the elimination of the banquet facility. Formal input on the project will occur later in the process.

### **Next Steps**

The Committee will present this option to the community at the September 17, 2014 public meeting, and gather additional input. The City will also gather input online through a public engagement tool. In October, City staff will provide a recommendation to the City Council on a preferred design. If you have questions, please contact Tom Modica, Deputy City Manager, at (562) 570-5091.

cc: Charles Parkin, City Attorney  
Jyl Marden, Interim Assistant City Manager  
Reggie Harrison, Deputy City Manager  
Tom Modica, Deputy City Manager  
George Chapjian, Director of Parks, Recreation and Marine  
Amy Bodek, Director of Development Services  
Ara Maloyan, Director of Public Works

## Attachment A: List of Stakeholders Advisory Committee Members

| <b>Representative</b> | <b>Affiliation/Background</b>       | <b>Interests Represented</b>  |
|-----------------------|-------------------------------------|---|
| Frank Busch           | USA Swimming                        | <ul style="list-style-type: none"> <li>• Competitive swimming</li> <li>• Swimming skill development</li> </ul>                  |
| Steve Foley           | USA Diving                          | <ul style="list-style-type: none"> <li>• Competitive diving</li> <li>• Diving skill development</li> </ul>                      |
| Kathy Heddy Drum      | Long Beach Swimming Olympian        | <ul style="list-style-type: none"> <li>• Competitive swimmers</li> <li>• Private swimming organizations renting pool</li> </ul> |
| Ryan Bailey           | Long Beach Water Polo Olympian      | <ul style="list-style-type: none"> <li>• Water polo players</li> <li>• Private water polo organizations renting pool</li> </ul> |
| Raquel Bartlow        | Long Beach Competitive Diver        | <ul style="list-style-type: none"> <li>• Divers</li> <li>• Private diving organizations renting pool</li> </ul>                 |
| John Norris           | Long Beach Resident                 | <ul style="list-style-type: none"> <li>• Recreational swimmers</li> </ul>   |
| Lucy Johnson          | Long Beach Resident                 | <ul style="list-style-type: none"> <li>• Competitive aquatics programs</li> </ul>   |
| John McMullen, Sr.    | Long Beach Resident                 | <ul style="list-style-type: none"> <li>• All stakeholders</li> </ul>  |
| Shawn Oatey           | Long Beach Resident                 | <ul style="list-style-type: none"> <li>• All stakeholders</li> </ul>  |
| Kaia Hedlund          | Long Beach Resident                 | <ul style="list-style-type: none"> <li>• Competitive aquatics programs</li> </ul>   |
| Susan Miller          | Belmont Shore Residents Association | <ul style="list-style-type: none"> <li>• Resident interests</li> </ul>  |
| Dede Rossi            | Belmont Shore Business Association  | <ul style="list-style-type: none"> <li>• Local business interests</li> </ul>  |
| Dick Miller           | Aquatics Capital of America         | <ul style="list-style-type: none"> <li>• Aquatics Capital of America stakeholders</li> </ul>                                    |
| George Chapjian       | Parks, Recreation and Marine        | <ul style="list-style-type: none"> <li>• Public Recreation Users</li> </ul>   |

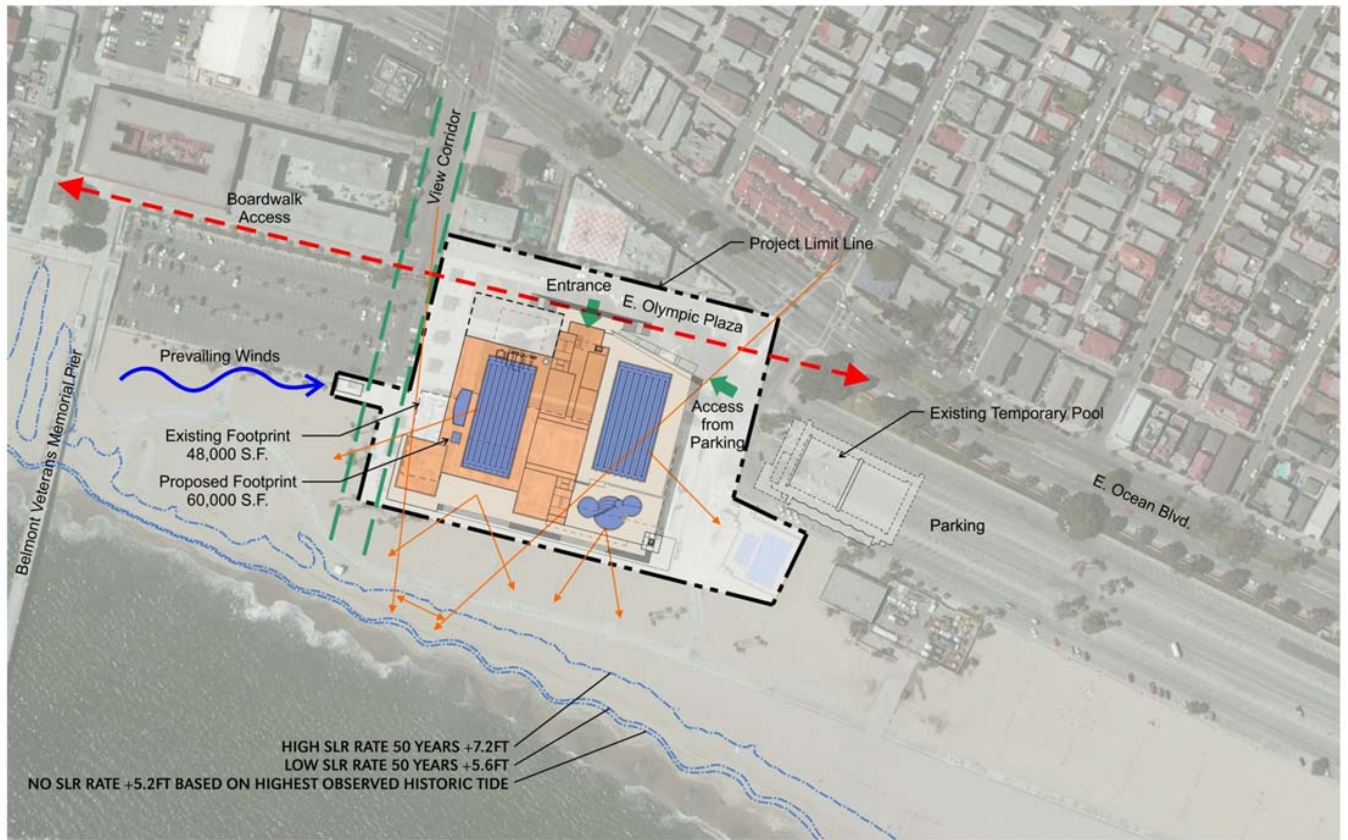
## **Attachment B: Stakeholders Advisory Committee Principles**

- The purpose of the Advisory Committee is to represent the various user groups, aquatics disciplines, residents, businesses, recreational users, and any other stakeholders, while making recommendations to the City of Long Beach on creating a high-quality aquatics facility within the resources identified for the project.
- Each member of the Advisory Committee representing individual stakeholders is responsible for gathering their input through individual meetings and dialogue.
- Upon the advice of the City Attorney, the Advisory Committee will consist of members who do not have a financial stake in the design of the pool, such as a permit for use or direct or indirect financial interest.
- The Advisory Committee is designed to make recommendations to City staff and the Mayor and Members of the City Council within 30 days.
- To ensure a collaborative process, members are asked to work through the Advisory Committee process and not to post details of the Advisory Committee's discussions on social media, blogs, or other avenues.
- The meetings will be for designated Advisory Committee members only and supporting City and project staff. Members that cannot make a meeting can participate remotely, or alternatively select one of the other appointed Advisory Committee members to represent their interests.

As a member of the Belmont Beach & Aquatics Center Stakeholders Advisory Committee, I am responsible for:

- Communicating with the specific user/stakeholder groups that I represent via email communication and/or face-to-face meeting prior to and after Advisory Committee meetings in order to share information and elicit input for the proposed project. I understand that it is my duty to conduct outreach with these groups and provide their feedback to the Advisory Committee members.
- Working collaboratively with the members of the Advisory Committee to recommend solutions that will result in a high-quality facility within identified financial resources.
- Listening to other Advisory Committee members as we debate the features of the new facility.
- Respecting ideas that other members may propose that I may not agree with, and to work on finding solutions.
- Realizing that compromise is the art of the possible, and to keep an open mind as the Advisory Committee explores recommendations.

# Attachment C: Concept Design Presented on June 17

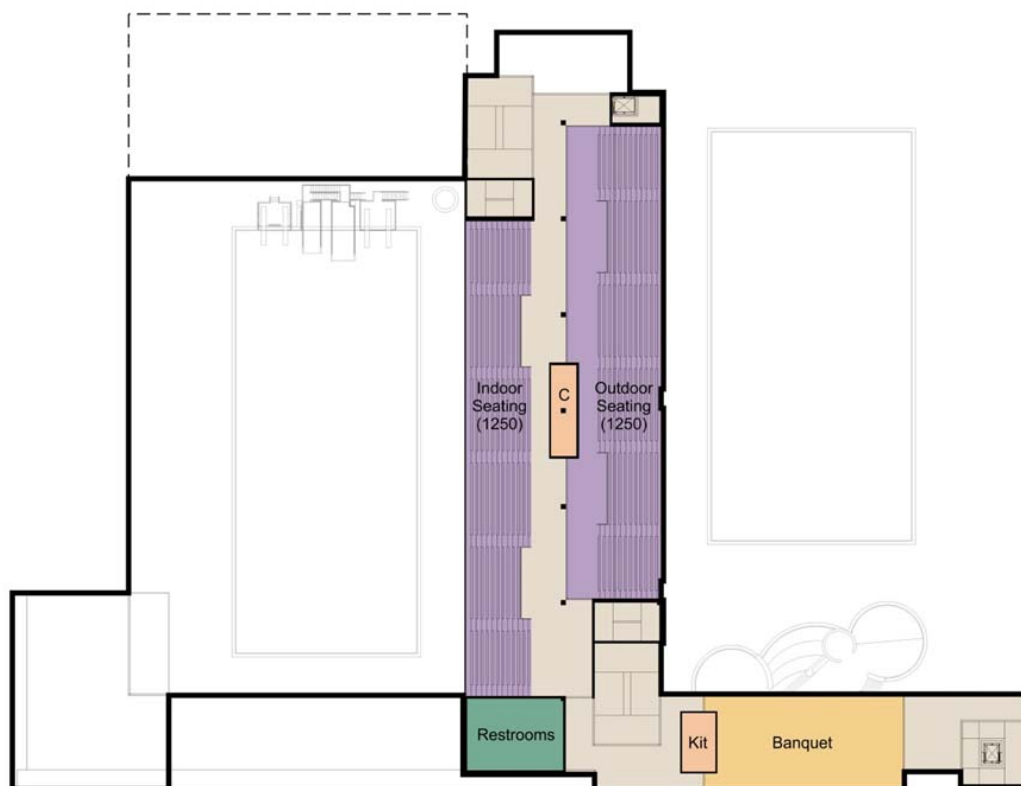


SITE PLAN

# Attachment C: Concept Design Presented on June 17



FIRST FLOOR PLAN



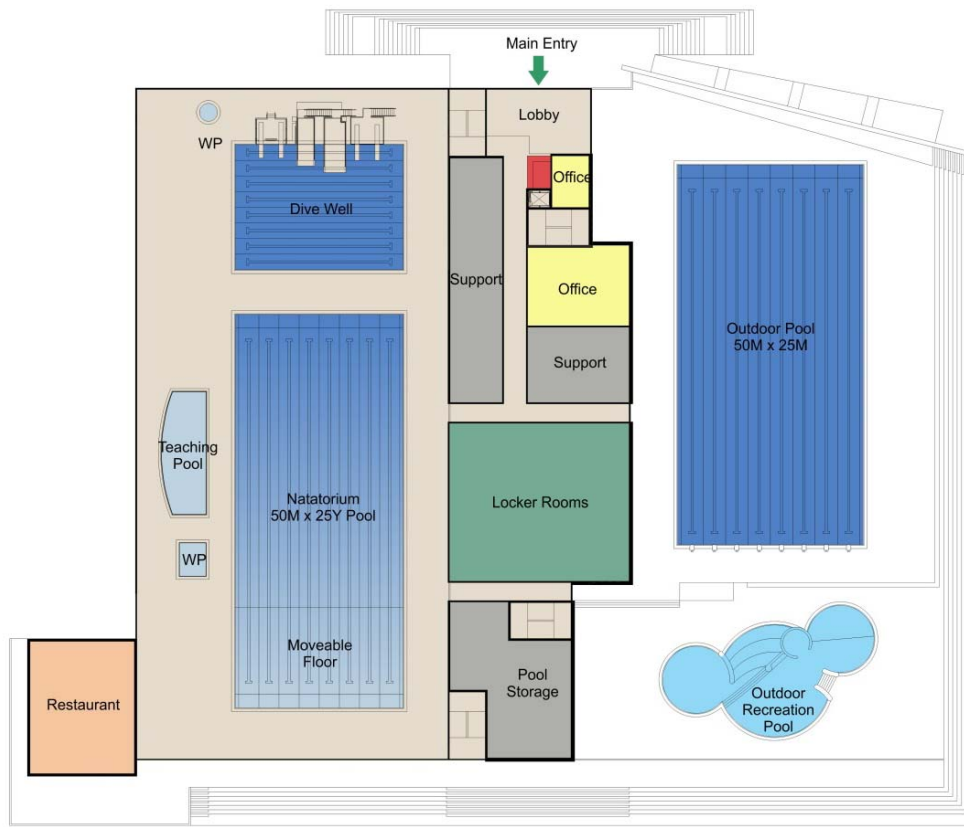
SECOND FLOOR PLAN

# Attachment D: Stakeholder Committee Recommended Design

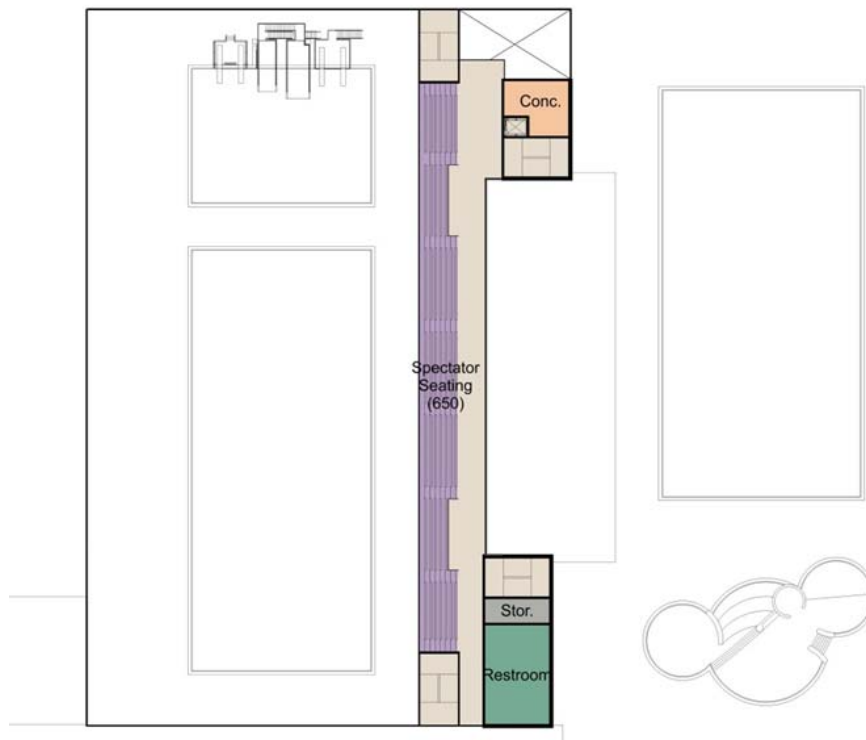


SITE PLAN

# Attachment D: Stakeholder Committee Recommended Design



FIRST FLOOR PLAN



SECOND FLOOR PLAN

# Attachment E: Stakeholder Committee Recommended Cost Components

|                                       |   |
|---------------------------------------|---|
|                                       | 50-m Indoor Pool<br>Separate Dive Well<br>650 Seats<br>Movable Floor<br>50-m Outdoor Pool |
| Indoor 50-m                           | \$66.3 M  |
| Outdoor Recreation Pool               | \$2.2 M   |
| Restaurant                            | \$1.7 M   |
| Separate Dive Well                    | \$12.5 M  |
| Indoor teaching / Therapy Pool 900 SF | \$2.2 M   |
| Movable Floor                         | \$1.4 M   |
| Movable Floor Maintenance Budget      | \$0.5M  |
| Indoor Seating 650                    | \$5.1 M   |
| Escalation due to redesign (3 months) | \$1.3 M   |
| <b>Total</b>                          | <b>\$99 M</b>   |

## OPTION TO ADD SEATS

| Increase Indoor Seating Increase to | Project Cost Subtotal | Project GSF Subtotal |
|-------------------------------------|-----------------------|----------------------|
| 900                                 | \$100.6 M             | 92,080 SF            |
| 1,000                               | \$101.7 M             | 93,080 SF            |
| 1,250                               | \$103.7 M             | 95,080 SF            |
| 1,500                               | \$105.7 M             | 97,080 SF            |





**Belmont Beach and Aquatics Center  
PUBLIC RELATIONS LOG**



| Date Received | First Name | Last Name     | Resident/ Company/ Org | Issue / Comment Detail  | Recommended Resolution                                    |
|---------------|------------|---------------|------------------------|---|---|
| 9/24/2014     | Rich       | A             | Resident               | I understand that such a structure can be built on such an unstable base as sand, but surely at an increased cost. I'll also hazard a guess that the atmosphere at the oceans edge is also more corrosive than more inland areas. So my question is: why build on the beach at an increased cost, as well as higher maintenance costs? Is there no other location within the city limits, that can be considered?   | Address alternative feasibility in EIR                    |
| 9/24/2014     | Reggie     | Akpata        | Resident               | <p>I was severely disappointed last week when I attended the public input session on the Belmont Plaza Olympic Pool. Twice - in breakout group number 7 - a top city official referred to me as a "troublemaker", which I found amusing but "un-seeming" and unbecoming of a public official. Maybe it was my questions: 1. Why spend \$62 million on a 2 pool facility when we know - from the new pool in the former parking lot - that a fantastic pool can be had for \$1.8 million (installed), this per the CEO of the constructing company's Americas division? 2. For 12 years - since my dog was 16 weeks old - I have traversed said parking lot to reach Dog Beach; it's primary function had been it's use as a meet-up spot - it would appear - for people who have met "maybe" on the internet! I would suggest that we install a second \$1.8 million Myrtha pool in that parking lot, this one with end to end deep water, enabling us garner another two water polo fields for the overall facility. 3. The proposed \$62 million indoor pool. There are extenuating circumstances regarding this part of the proposal that City officials didn't want us to hear about: A Long Beach resident has purchased the adjacent property to the pool that once that housed Yankee Doodles etc. The current proposal calls for the expenditure of some \$50 million to raise the ground under the proposed site diminishing the developer's land for retail use. While attempting to raise this point, he - the developer - was subject to actual physical intimidation by the proposed site developer who stood menacingly over him while he attempted to further his interests by exposing this situation. The site manager erred in his opining that this local Long Beach resident's interests didn't need to be served over his city government's. My suggestions for the main facility: For under \$6 million we could have TWO diving wells ( each large enough to accommodate Water Polo as well - and two full size 50 meter multi use above ground pools, one outdoor, one indoor surrounded by glass to improve visibility from all bleachers. These "above ground pools" remove the need to raise the ground to suit coastal commission requirements, and save a good \$50 million while maintaining the developer's retail viability across the street; tax revenue is an important source of income and any generated around the facility beats the city going into retail food, or ancillary businesses hands down. The city has placed itself in a difficult position - regarding the fractious situation regarding the adjacent commercial property - since to the casual onlooker it begins to seem like jealousy at best, and sabotage at worse; the proverbial "shooting of one's own foot".</p> <p>Satisfying "Swimming Long Beach": 1. The subject of "constituencies" is a fiction of division maintained by the city due to shortsightedness. There is only one constituency - the swimming community - and it seems to have been forgotten here. From beginner to future Olympian we are one community. To have eliminated all but one known local coach - from the advisory committee - claiming that they didn't want "self interest" is a "cop out" by the city. It's as if they know that the no-holds-barred knock down drag out fight between different professional coaching/training schools will continue, and so they seem to be "cherry picking" coaches instead of realizing that the facilities - as proposed - are going to be inadequate to make a dent on demand! On demand: <a href="http://www.usaswimming.org/DesktopDefault.aspx?TabId=2092&amp;Alias=Rainbow&amp;Lang=en">http://www.usaswimming.org/DesktopDefault.aspx?TabId=2092&amp;Alias=Rainbow&amp;Lang=en</a> For those unaware, the Belmont Pool actually pays - from it's operating budget - up to \$100,000 every year for gas to heat the pool; this doesn't make "a lick of sense" and is at the heart of the inability of the city to provide a credible "ramp" for indigent children swimming in the city. For even middle class parents, water polo at the local clubs is a staggering \$750/season! This fiscal constraint is evidenced by the premier high school swimming and water polo program in the city - Wilson High School - matriculating a whole 5 female students into 9th grade this school year, "5" freshmen swimmers, 3 of which are in Water Polo! This provides grist for those that claim Title 9 is a hoax due to the low participation rates. Again for those unaware, there is a levy of \$400 (minimum investment) for children to participate in a swim program in a public school because the school has to "buy pool time" to subsidize Long Beach Gas! It doesn't make any sense given the potential PR that could be derived from LB Gas gifting the pool gas from the \$100 million of gas it transacts annually, much of it derived from gas fields in Long Beach! On Demand: For example, there are 87,000 LBUSD kids, 90% of whom can't swim a credible straight 50 meters. One of my questions at the confab was: how will the current proposal make a dent in that statistic. There was no answer. What if we build it and 80,000 kids show up? Further on suggestions: It is apparent that there are legacy toxic materials in the mothballed building and toxic material abatement is a priority; how will people continue to swim - in the existing facility - while this is navigated? I would suggest another \$1.8 million 50 meter Myrtha pool in the lot under the Villa Riviera which will continue to serve that community - including St. Anthony's - for the next 50 years! A bargain if you ask me. Before the Coastal Commission is mentioned, let us not forget that said commission permitted the construction at the foot of the boat dock in Alamitos Beach of a functioning oil Derrick (photo attached). Returning to the Belmont, I would like to suggest that with these deliberations going on and with another 9/11 anniversary just gone by that the twin diving wells be enclosed in twin glass towers - with a light weight roof - to serve as a functioning 9/11 tribute. Lastly I would like to suggest that despite the City being the contracting agency, that they take a seat at the table of stakeholders in "true democracy" instead of acting as "puppet masters". Outdoor pools serve as recreation as no self respecting tourist would find themselves "indoors" while on holiday, a pool on a beach though might change that; see photos of the outdoor pool in Monaco, France and our current one - in Long Beach attached. Reggie Akpata Bay View Heights Long Beach 562-397-1444</p> | Address suggested alternatives and impact concerns in EIR |
| 9/25/2014     |            | Anonymou<br>s | Resident               | Public Comments no name or date on document. Comments: liquefaction smart to build on same area, resident views one, cut down trees birds will be gone, want landscape drawing, no water polo in outdoor pools, rest. Support to swim groups, casual, handicapped parking, outside walls.   | Address through EIR process                               |



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|---------------|---------------|---------------|---|---|--|
| 9/18/2014     | Anonym<br>ous | Anonymou<br>s | Resident  | Base cost of any configuration it too expensive to skimp on things that make it more than a lap pool. If we do it right, we can support recreational use while making it attractive to event that bring revenue to local business. Don't cut out key features like moveable floor, 1250 seats and adequate parking. Naming rights, sponsorships, fund raising. USC raised \$300K to names it tower. An Alum donated millions to their new pool. Ply don't discount the passion of former and current users that will spend to make this work.   | - Address seating capacity<br>movable floor in baseline<br>programmatic requirements for<br>City Council consideration.<br>- Staff will review current City<br>policy on sponsorships. |
| 9/24/2014     | Jenny         | Banh          | Resident  | This pool is super expensive to visit compared to other pools in long beach. What exactly do you think this will bring more money to long beach? We don't need to bring in tourism. We need businesses in long beach that pay decent wages that are related to the degrees our citizens are getting   | Address budget in baseline<br>programmatic requirements for<br>City Council consideration.   |
| 9/24/2014     | Ashley        | Borg          | Resident  | I want to be sure there is plenty of public recreation pool area available as well as ability for general public to swim laps while competitions are occurring. Are we also shaving off so much that it is pointless to attempt competition space? it seems like we are going part of the way for competitions but if we can't go all the way, why don't we reserve the funds for a better community experience? I'm also concerned that the environmental impacts as well as integration with the landscape will be severely overlooked. Lastly, Long Beach has a tendency to only think of tourism when we take on new projects and rarely consider the community both in what they want/need and aesthetics and accessibility. Please consider the neighborhood. | Address concerns in EIR  |
| 9/18/2014     | Jeff          | Boss          | Dir. Of<br>Aquatics<br>Concordia<br>University,<br>Irvine | Encourage building a world class outdoor and indoor aquatic complex. See his history of Belmont Pool. The aquatic community across the nation needs a great facility in Long Beach!!  | N/A project support comment  |



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| 9/18/2014     | Dana       | Buchanan  | Resident                     | We are interested in operating the restaurant at this facility. How can we creatively add banquet space for restaurant. It could go on top of restaurant. Both pools should be 25 meters.  | <ul style="list-style-type: none"> <li>- Include interested party in RFP for restaurant leasehold.</li> <li>- Address restaurant size in baseline programmatic requirements for City Council consideration.</li> <li>- Address 25 yd vs 25 meter pool widths in baseline programmatic requirements for City Council consideration.</li> </ul> |
| 9/18/2014     | Paul       | Buchanan  | Resident                     | LB residents need a location with a view for group events. Snack bar doesn't provide healthy of quality food. Nor would a fancy restaurant or "chain " restaurant be appropriate. A casual restaurant catering to families and be ideal with indoor and outdoor seating. Should be a local Long Beach based restaurant. Business lease would provide income to the City and would need to be sustainable when no events on site. | <ul style="list-style-type: none"> <li>- Address restaurant size in baseline programmatic requirements for City Council consideration.</li> </ul>   |



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| 9/18/2014     | Ann        | Cantrell  | Resident               | <p>CHALLENGING SITE Liquefaction As the current building is being demolished because it is not earthquake safe, does it make sense to build another pool in the same location? How will the new building be made to be seismically safe? Sea Level Rise When determining the rate of sea level rise as 7.2 feet in 50 years, was the possibility of lowering the breakwater, either by humans or by nature, considered? A recent hurricane has created a number of openings in the breakwater, which I understand will probably not be restored. What effect will this have on future tides? Is there a possibility the planned pools will become salt water pools? Building on sand I paraphrase Matthew: A foolish man builds his house on the sand and a wise man builds his house on rock. Loss of Park and Old Growth Trees The demolition plan for the existing pool states that every effort will be made to save the trees in front of the pool by fencing and watering. However, the Stakeholder Committee Design shows the elimination of the grass and trees altogether. When I asked about this, I was told that the trees would be transplanted! Then, Mr. Modica stated that they would be replaced one for one around the outside of the pool area. This is unacceptable. The Black-crowned Night Herons and Snowy Egrets, who nest in these trees, form rookeries in trees that are close together. This provides protection from non-human predators. There should be an effort made to save and transplant all of the existing trees, plus the addition of at least four to one of additional trees around the pool. The replaced trees should be large enough to accommodate the large nests of these birds. GOAL FOR DESIGN The CA Coastal Commission charges this should be: A public facility where the ENTIRE facility is primarily for public recreational use that can accommodate private uses when public recreation demand is low. In looking at the Stakeholder Committee Recommended Design Layouts, it appears that Polo and competitive swimming is the dominate purpose of the large pools, with the public regulated to an outdoor Mickey Mouse pool or one small teaching/therapy pool. How is this serving those who are not competitive swimmers? Much time and money is being spent trying to put a round peg in a square hole--moveable floors, bulkheads and diving pools, when an indoor pool with a gradual, sloping floor would serve the entire public much better. (And cut costs. Just because this is Tidelands money shouldn't mean some attempts shouldn't be made to save money.) Also, the future operating costs are going to become astronomical. What happens when all of the oil is finally fracked out of the tidelands--how will the City pay these expenses? I am concerned about allowing Filming opportunities as a use serving the public. I know this is a source of income for the City, but based on experiences in El Dorado Regional Park, filming takes away public access to park areas, sometimes for months at a time. A member of the public brought up Handicap Access to the second floor, which was not answered. Is there going to be an elevator? The current design eliminates the street in front of the pools, which means that handicap parking will need to be in the east parking lot. I was told there would be a ramp from the parking lot to the entry of the building. With a seven foot rise in the building, this will be a difficult distance to walk for disabled persons wishing to get to the therapy pool. The Stakeholder Committee design states there will be 650 indoor seats for spectators. However, Mr. Modica indicated there would be 1,250 for each pool, with 2,500 seats total. This brings up the problem of NOISE. With this many people attending the competitions, what are the plans for noise abatement? Nearby residents are already complaining about the noise from the temporary outdoor pool. This needs to be addressed in future plans for the outdoor pools without regulating the recreational swimmers to the outdoor pool and bringing the competitive ones inside. If two pools are truly needed for public recreation, it would seem to be more cost effective to just put them both inside, with one with deep water for competitive swimming and the other with a shallow end for teaching and aerobics. This eliminates the need for fencing, moveable floor and long-term heating costs. This could also save the park, trees and street in front of the pool and help the businesses there.</p> | Address concerns in EIR |



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| 9/24/2014     | Scott      | Choppin   | Resident                     | Reverse the location of the outdoor and indoor pool areas, to put the outdoor pool farther from the complaining condo owners across the street from Chucks. Adjust the design of the 2nd pool to be 25 meters by 50 meters, both pools should be full Olympic size pools. Last, make sure the Long Beach citizens and local aquatics clubs have priority access over outside clubs or groups. Do not give preferential access to any particular club, let's leave city politics out of equal club access to the new pools.   | <ul style="list-style-type: none"> <li>- Address 25 yd. vs 25 meter pool widths in baseline programmatic requirements for City Council consideration.</li> <li>- Address project impacts and mitigations in EIR</li> <li>- Programming priorities to be addressed by PRM and design team in detailed design / operations</li> </ul>   |
| 9/24/2014     | Deanne     | Conaway   | Resident                     | <ul style="list-style-type: none"> <li>- As a resident who lives a block away from the site I am concerned with hours of work. I think it's unreasonable to start at 7am (like the last month of work on the temporary pool) and no work should be done on the weekends.</li> <li>- I heard the reduced seating would eliminate the Belmont pool from being host to national and Olympic qualifying matches, if this is true why would the committee allow a pool design with not enough seats?</li> <li>- Will the demo be completed by an environmental company to protect the public from asbestos and lead exposure? The price for the project seems really high for not giving us everything we want, has that been thoroughly reviewed?</li> </ul> | <ul style="list-style-type: none"> <li>- Demolition hours restricted between 8AM to 6PM</li> <li>- Address construction hours in EIR</li> <li>- Address seating capacity in baseline programmatic requirements for City Council consideration</li> <li>- Demolition Contractor licensing and qualifications fully vetted. Mitigations for dust, storm water pollution prevention, work hours, truck route, hazardous materials removal protections, etc. all being implemented and continuously monitored.</li> </ul> |



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| 9/24/2014     | James      | Conn      | Resident                     | Does the cost exceed repairing the existing pool?<br>Is it possible build smaller pools around the city in existing parks in our city rather than having one giant pool in a gentrified neighborhood? I'd be interested more in building pools in neighborhoods that have poorer families in their neighborhoods, where the residents don't own a boat.  | - Address alternatives in EIR   |
| 9/18/2014     | Melinda    | Cotton    | Resident                     | I attended the Sept. 17th Belmont Pool meeting, and based on what I heard I oppose the \$12.5 million dollar diving well. This is too much money to be spent on an essentially one usage item, the Consulting Aquatics Designer Phil Graves said other "recreational" uses for the diving well would be for teaching kayaking, scuba diving and a pool climbing wall. Long Beach has bays and marinas for kayak lessons, and scuba diving lessons can be given in other existing pools, and the bay, a pool climbing wall seems frivolous. \$12.5 million saved on the diving well could be used to widen the indoor pool to 25 meters. I oppose the separate diving well. | - Address inclusion of separate dive well, 25 yd. vs 25 meter pool widths in baseline programmatic requirements for City Council consideration. |
| 9/22/2014     | Melinda    | Cotton    | Resident                     | (to Chuck Posner Costal Commission Staff). Requesting Oct Commission Agenda for demolishing Pool truck haul route and public comments.   | Truck Route, as approved by PW/Traffic Engineer, forwarded to concerned residents & Coastal Commission  |
| 9/24/2014     | Melinda    | Cotton    | Resident                     | Noise from the water polo matches held at the temporary outdoor Belmont Pool is reaching our house, which is some 10 blocks from the pool. On Thursday afternoon, Sept. 19th around 5 pm we were hearing clearly the Referees repeated whistles, horns for game times, and the cheers and applause of the crowd. We like water polo, but an outdoor competitive pool at this residential location is too loud and intrusive. There were only 200 in the audience, but their cheers and applause, plus the whistles and horns was not acceptable. There should be no outdoor competitive pool.  | Address noise impacts in EIR  |
| 9/24/2014     | Emily      | Davidson  | Resident                     | The facility needs to have enough seating to host national events and bring in revenue to the city. The facility should also have additional restaurant space on the beach front side. This will also generate revenue for the city.   | - Address seating capacity and restaurant size, inclusion in baseline programmatic requirements for City Council consideration.                 |



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| 9/18/2014     | Terence    | Endersen  | Resident                     | Facility needs to be built for community uses and size limited by constraints of parking. What is the correct capacity of Granada and Veterans Parking lots? These are currently used for multiple events (dog beach, swimming, volleyball, restaurants). What is the max # of individuals that can be brought into the facility? Will it exceed parking capacity? Nesting birds and old growth trees are protected by Coastal Act. | - Address parking requirements in EIR   |
| 9/24/2014     | Jack       | Gilmore   | Resident                     | Can the temporary outdoor pool be kept as part of the project?  | Determine disposition of Myrtha Pool re-use during schematic / detailed design process.   |
| 9/18/2014     | Willie     | Goffey    | Resident                     | Development of a utility/conference room may provide revenue opportunities that the City can use to operate facility. Appreciate the opportunity to connect. Money may become available in the future to add seating either permanent or temporary to the outside pool. I believe money should be devoted now to installing a moveable floor to the outside pool.   | - Address banquet facility exclusion, movable floor inclusion in baseline programmatic requirements for City Council consideration. |
| 9/24/2014     | Donna      | Grady     | Resident                     | Has an architect been chosen? Is this design going to impact the restaurant CHUCKS? I think this is fantastic! Hope this is a visually prettier design than the project on the bluffs!  | - Architectural design to be vetted through EIR / schematic design process<br>- Address impacts to adjacent uses in EIR             |
| 9/24/2014     | Jrus       | Gragson   | Resident                     | I rather you spend 99 million dollars on the Pier and surrounding area.   | Address alternative feasibility in EIR  |
| 9/18/2014     | Richard    | Greenwood | Resident                     | Recommend emphasize "facility replacement" in CEQA process and Coastal Development Permit. Thank you for your transparent process. If source of funding is Tidelands Oil Fund, the current benchmark is \$80.00/barrel oil. What contingency plan is anticipated if the Wilmington oil price drops below \$80.00? If price drops, will the funds available be reduced?  | Address funding concerns in council item for approval of Baseline Programmatic Requirements for City Council approval               |



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| 9/22/2014     | David      | Hansen    | co-owner<br>Belmont<br>Brewing<br>Co. | David asked DDE to confirm beach parking lot near Belmont Pool will not be used for construction staging and to be added to mailing list.  | <ul style="list-style-type: none"> <li>- Contractors involved in BP Demolition will not be allowed to impact parking at Belmont Pier parking lot.</li> <li>- Address any impacts on parking from permanent project in EIR.</li> </ul> |
| 9/18/2014     | Ellie      | Harlow    | Resident                              | We the residents do not want the park torn down. Black crowned night herons nest. I am a resident and have been put out by the noise from water polo games. Water polo should be indoors only. Losing parking around Chuck's is senseless. Chuck has lost business because of swimmers using curbs by his restaurant instead of parking lot.   | - Address impacts and mitigations in EIR  |
| 9/24/2014     | Melinda    | Harlow    | Resident                              | <p>Removal of grass, trees and green space, as well as street access and parking. Under Concepts Explored, nowhere are the needs of the community for green space (dog walking, general enjoyment, nature, etc.) addressed. The entire memo is focused on the needs of the aquatics community - both private and public. As you can see from the architectural diagram, there is extremely minimal green space in the area. Most residents nearby have no yard of their own and use that space to walk their dogs and/or enjoy nature. Also, the large pine trees in the park serve as nest building material for the black crested night herons which nest in the trees each year. In addition other wildlife (birds, squirrels, etc.) enjoy the area. Parking is at a premium in this neighborhood, with many residents parking 1, 2 or even 3+ blocks from their homes at night. E. Olympic Plaza is used not only to access businesses such as Chuck's Coffee Shop and the Belmont Shore Children's Center, but also for residents needing overnight parking. I request that the City of Long Beach and the Council change the pool development plans to preserve the grassy areas and pine trees as well as the climbing tree located near the entrance to the old pool. I also request that any green space removed be replace one-to-one in the immediate vicinity (perhaps where the current temporary pool exists now).</p> <p>How can a Stakeholder's committee where 9 out of the 14 participants are clearly representing only aquatics be considered fair and equal? There is only 1 representative from Parks and only 1 clearly non-aquatics resident representative on the committee. Are you, the Long Beach City Council really interested in how eliminating a 40+ year-old park affects residents living in this area?</p> | - Address impacts and mitigations in EIR  |





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| 9/24/2014     | Valerie & Bob | Hoffman   | Resident  | My husband Bob and I believe Long Beach must have a world-class pool facility with seating capacity to accommodate NCAA and Olympic events. That means 1250+ seats. It is clear that some superfluous budget items must be eliminated in order to accomplish this. We suggest dropping the restaurant because it lends no intrinsic value to the purpose and use of the pool complex. The only benefactors would be the restaurant owner/s and the city of Long Beach. As a point of fact, the restaurant La Palapa was not patronized by pool attendees. The purpose of the Tidelands money is not to build eating establishments. Another questionable item is the spa-type outdoor pool for recreational family use. In that the large outdoor pool can be configured for both swim-meet and general recreational use, the smaller outdoor pool could be reduced in size or even be eliminated in order to provide budget dollars for the main indoor pool seating, movable floor, and separate diving well | - Address restaurant inclusion, pool configurations and sizes, seating capacity in baseline programmatic requirements for City Council consideration. |
| 9/18/2014     | Dale          | Jensen    | Resident  | Seat is too small for events. Why not build a world class facility to hold the National Hall of Fame. The seating must be addressed.   | - Address seating capacity in baseline programmatic requirements for City Council consideration.  |
| 6/24/2014     | Andy          | Johns     | N. Arizona University, Swimming & Diving                | Andy Johns, NAU responded to Lucy Johnson's request for pool facilities recommendations.   | N/A   |
| 6/24/2014     | Lucy          | Johnson   | Resident / Competitive Swimming & Diving Representative | Respondent requested pool facilities recommendation from Andy Johns, NAU.  | N/A   |



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| 7/7/2014      | Lucy       | Johnson   | Resident / Competitive Swimming & Diving Representative | Respondent provided link and article regarding Indianapolis Natatorium  | N/A Comparative Project Information provided.   |
| 9/24/2014     | Brooke     | Jolly     | Resident  | Will this facility be able to accommodate PAC-12 and NCAA sporting events as well as Olympic events? We need to do this project right. If it costs more money up front we should work it out. This if for the long-term benefit of our community.   | - Address competitive event accommodating configuration of facility in baseline programmatic requirements for City Council consideration. |
| 9/24/2014     | Lilia      | Jorge     | Resident  | The city has 99 million to spend on a pool? 99 million would be better utilized remodeling rebuying and revamping some of those abandoned buildings downtown that are complete eye sores. Not to mention giving some to the schools for some remodeling as well. Some schools didn't even have ac during this heat wave a couple weeks ago. Wake up city of long beach!   | No Action   |
| 9/24/2014     | Robert     | Knouse    | Resident  | The Park and Pool have been enjoyed by the people for decades. It should remain a place to enjoy nature, animals and family. The peace and happiness we all enjoy should not be changed .R right across the street is one of the best places in all Long Beach. There is no place like Chucks to go to with a beautiful view of the park and great meals ,people and friends. Why change this?<br><br>Where all people going to park? | - Address impacts and mitigations in EIR  |



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| 9/24/2014     | Sue        | Kuhne     | Resident                     | <p>Why doesn't the current pool support international swimming requirements to allow our competitive children to both be a spectator as well as aspire to become major competitive swimmers in this "Aquatics Capitol" we call Long Beach?</p> <p>I believe that Long Beach pools should support a cohesive and non political competitive swim program for the benefit of our children for generations to come thru proper swimming pools meeting national and international standards as well as helping the current swim programs to provide superior swim programs. We have a competitive swimmer and are friends with many competitive swimmers who are frustrated with the fighting amongst the current swim clubs over pool use ultimately to the detriment of the children. The Belmont Pool has the opportunity to create a superior swim program that doesn't involve the local coaches getting in the way of a great uniform competitive swim program.</p> | <p>- Address competitive event accommodating configuration of facility in baseline programmatic requirements for City Council consideration.</p>  |
| 9/18/2014     | Jim        | Lent      | Resident                     | <p>See no reason for a restaurant. Need seating. Handicap access to main pool?</p>   | <p>- Address restaurant inclusion, seating capacity in baseline programmatic requirements for City Council consideration.</p> <p>- ADA accessibility to be fully addressed through detailed design.</p> |
| 9/18/2014     | Hongping   | Li        | Resident                     | <p>Min. of 3 showers are universally used in today's diving facilities, particularly during competition such as PAC 12, NCAA's, USA Nat'l's and International events. Please consider this when building the pool.</p>   | <p>Continued coordination and confirmation that design meets requirements through design process.</p>   |
| 9/18/2014     | Kristen    | Martineau | Resident                     | <p>Plans are slightly misleading when only pool length is labeled vs. pool length and width. If the footprint of the indoor pool currently house a 50m x 25m pool and the outdoor pool is currently 50m x 25m, why would we need to minimize the size of either pool to 50m x 25yds. By having 2 equally sized pool all pool activity could be replicated outside while competition remain indoors. It would be a competitive size practice pool for swim, water polo, and/or rec.</p>   | <p>- Address 25 yd. vs 25 meter pool widths in baseline programmatic requirements for City Council consideration.</p>   |



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| 9/24/2014     | Sunshine   | Martinez                   | Resident                     | 99 million? Our school district is struggling, never have enough supplies and are constantly fundraising, give the money to the schools.   | No Action   |
| 9/18/2014     | Keith      | Mason                      | Resident                     | Make 2 pools, 25m x 50m. Eliminate restaurant. Increase indoor seating to 1250. keep moveable floor, really good.  | - Address 25 yd. vs 25 meter pool widths and seating capacity in baseline programmatic requirements for City Council consideration.     |
| 9/24/2014     | James      | McChesney<br>Ranson        | Resident                     | Are Seniors (60+) afforded special use of these pools?   | - Address seniors programming through detailed design / program development process   |
| 3/19/2014     | Debby      | McCormick                  | McCormick<br>Divers          | Requirements for dry land area for hosting Olympic Trials  | Adequate space is allocated in revised baseline programmatic requirements. Details to be developed during schematic and detailed design |
| 6/19/2014     | Debby      | McCormick                  | McCormick<br>Divers          | Introduction of Don Leas, FINA, and international diving facilities requirements   | Continued coordination and confirmation that design meets requirements through design process.  |
| 9/24/2014     | Rick       | McGilton-<br>McGlamer<br>y | Resident                     | My concern is the upkeep of the outdoor pool equipment from sand, dirt and other outdoor elements. Also, how often will the outdoor pool actually be in use and will it be heated? If heated, has solar been considered to keep down the heating cost? | Address concerns through schematic, detailed design and operations coordination   |



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| 9/18/2014     | So Cal     | Meb       | ?                             | Keep temp pool   | <p>Temporary pool cannot remain in current location due to Coastal Commission Restrictions.</p> <p>Determine disposition of Myrtha Pool re-use during schematic / detailed design process.</p> |
| 9/18/2014     | Jeff       | Miller    | Resident                      | <p>Facility should be primarily for recreational use by public. Whenever open, pools should always remain open to public and not reserved for competitive or restricted or private uses. Facility should not encroach in the inland direction beyond current footprint. Green space, trees, and E Olympic Plaza street should be preserved as they exist now to prevent increased congestion on Ocean Blvd. Any competitive event should be confined to indoor, enclosed pools. Outdoor pools should only be for recreations swimming to minimize impact of lights and noise to nearby residents and wildlife.</p> | <p>Address impacts and mitigations thereto through EIR process</p>   |
| 9/11/2014     | Susan      | Miller    | Resident / HOA representative | <p>Closure of street and street parking may close down Chuck's Coffee Shop an established coffee shop for older demographic customers. Emailed to dede@belmontshore.org &amp; suzie@suzieaprice.com.</p>   | <p>Address parking impacts and mitigations thereto through EIR process</p>   |
| 9/24/2014     | Susan      | Miller    | Resident                      | <p>Most important thing is to save the existing trees and grassy area in the exact location and size it is now. The street and parking needs to stay. Size and location of pools and building are unacceptable. Outdoor pools and outdoor seating is unacceptable for the environment and peace/quiet in the neighborhood. No water polo outside/against Noise Codes.</p>  | <p>- Approved truck / haul route forwarded to concerned residents and Coastal Commission</p> <p>- Address impacts from proposed permanent facility, and mitigations thereto in EIR</p>         |



**Belmont Beach and Aquatics Center  
PUBLIC RELATIONS LOG**



| Date Received | First Name | Last Name | Resident/<br>Company/<br>Org  | Issue / Comment Detail  | Recommended Resolution   |
|---------------|------------|-----------|-------------------------------|---|--|
| 9/27/2014     | Susan      | Miller    | Resident / HOA representative | Email to BP Team. Afternoon winds pick up, trash from temp outdoor pool has acerbated trash problem in neighborhood. People attending swim events leave trash which blows into neighborhood and ocean. Residents upset that proposed plans eliminate existing trees and grassy area at the pool.  | <ul style="list-style-type: none"> <li>- PRM to address trash cleanup measures</li> <li>- Address impacts from proposed permanent facility, and mitigations thereto in EIR</li> </ul>                |
| 9/24/2014     | Zaya       | Miller    | Resident                      | As a tax paying citizen of Long Beach, I strongly believe the proper size of the both pools should be 25 meters, not 25 yards. It makes no sense to build a world class facility and have a pool that is less than the standard 25 meter that is required for most aquatic events, including water polo. I hope the city makes the right decision and builds the proper facility. Thank you, Zaya Miller. | <ul style="list-style-type: none"> <li>- Address 25 yd. vs 25 meter pool width in baseline programmatic requirements for City Council consideration.</li> </ul>                                      |
| 9/24/2014     | Jennifer   | Moran     | Resident                      | <p>Will the pool be able to accommodate USA Swimming events?</p> <p>I fully support a new pool but hope the committee can find a way to increase the seating.</p>   | <ul style="list-style-type: none"> <li>- Address seating capacity in baseline programmatic requirements for City Council consideration.</li> </ul>   |
| 9/24/2014     | Meritt     | Morris    | Resident                      | <p>Why is a restaurant and banquet hall necessary?</p> <p>I believe a moveable floor is extremely problematic and prone to high maintenance needs. 50 meter indoor competition pool at the proper depth is necessary.</p>   | <ul style="list-style-type: none"> <li>- Address restaurant inclusion, banquet facility exclusion and movable floor in baseline programmatic requirements for City Council consideration.</li> </ul> |
| 9/18/2014     | Tom        | Nantais   | Resident                      | Build a pool that accommodates as many swimmers, polo players, competition as possible. 2 pools 25m and 50m. Smaller parkway, restaurant, banquet room, more seats. Use Wind up wall to prevent sand entering and sound from exiting facility.  | <ul style="list-style-type: none"> <li>- Address facility configuration in baseline programmatic requirements for City Council consideration.</li> </ul>   |



**Belmont Beach and Aquatics Center  
PUBLIC RELATIONS LOG**



| Date Received | First Name | Last Name | Resident/ Company/ Org          | Issue / Comment Detail   | Recommended Resolution   |
|---------------|------------|-----------|---------------------------------|--|--|
| 9/24/2014     | Gary       | Newkirk   | Resident                        | We should build a world class facility for swimming and diving.  | - Address competitive event accommodating configuration of facility in baseline programmatic requirements for City Council consideration.  |
| 9/24/2014     | Vincie     | Orconez   | Resident                        | Picnic area would be awesome!!!<br>Where is it located?  | Address hardscape / landscape / plaza / park design in EIR, schematic and detailed design  |
| 8/27/2014     | J          | Regnier   | Retired "Father of the Pyramid" | CSULB design seating challenges. Fixed seating raised above the activity floor. Long Beach Grand Prix fixed portable bleachers. Lightweight hanging bleachers solution for BP.   | Address detailed bleacher design during schematic / detailed design phases   |
| 9/24/2014     | Steve      | Reinisch  | Resident                        | WOULD LIKE TO SEE THE SEPARATE DIVING WELL ON THE INDOOR POOL. THOUGHT THAT WOULD ANOTHER \$17 MILLION TO THE \$99 MILLION. THE COST ABOVE SAYS THE DIVING POOL IS IN THE \$99 MILLION. RIGHT? ALSO HAVE YOU SOUGHT BUSINESS SPONSORS AS SUGGESTED IN THE CITY COUNCIL PRESENTATION?<br><br>AGAIN FAVOR THE SEPARATE DIVING WELL. HOW CAN I GET EMAILS OF ADDITIONAL MEETINGS. MISSED THE RECENT HIGH SCHOOL MEETING. WOULD LIKE TO OFFER FREE SIGN GRAPHICS DESIGN AND DOCUMENTATION SERVICES AS THE POOL IS IN MY NEIGHBORHOOD. MAYBE THE COST SAVINGS WILL BUY A BENCH! | - Address separate dive well inclusion in baseline programmatic requirements for City Council consideration.<br>- Email added to distribution list<br>- Staff will review current City policy on sponsorships. |
| 9/24/2014     | Misleidhy  | Rodriguez | Resident                        | Where is the money for this project coming from?<br><br>I believe its a terrible idea for 99 million dollars to be used for the new pool, when there are major repairs to be made thru out long beach, not to mention the maintenance some of our long beach schools need.   | No Action  |



**Belmont Beach and Aquatics Center  
PUBLIC RELATIONS LOG**



| Date Received | First Name | Last Name | Resident/ Company/ Org             | Issue / Comment Detail  | Recommended Resolution  |
|---------------|------------|-----------|------------------------------------|---|---|
| 9/10/2014     | Dede       | Rossi     | Belmont Shore Business Association | <p>Responding to other resident concern that Closure of street and street parking may close down Chuck's Coffee Shop an established coffee shop for older demographic customers.</p> <p>Feels there is plenty of parking in lot area and may need to review load area in front of businesses.</p>   | Address parking impacts and mitigations thereto through EIR process   |
| 9/24/2014     | Sonia      | Saenz     | Resident                           | <p>Why are we investing \$99 Million dollars on something recreational for residents, when most residents don't even have a place to securely park at night?</p> <p>I feel that this is a tremendous waste of tax payers dollars. If you put this to a ballot, I guarantee you that it would not pass. Citizens of this city want what they REQUIRE as a people. My family and I feel that the money would be better spent on building small parking structures for residents only in the Alamitos Beach/Downtown area. If priced affordably on a monthly basis, the lots could provide income for the city, and also a healthier and happier way of being for it's residents. Please give this a second thought and consider what the people NEED as opposed to what the city WANTS.</p> | No Action   |
| 9/18/2014     | Jim        | Silva     | Resident                           | Letter to Council supporting world class pool facility  | No Action   |
| 9/24/2014     | Andrew     | Smith     | Resident                           | <p>How long will the project take? What plans are there to recoup the costs and how long will it take to recoup the costs. What are the projected benefits to the community(financial and social)</p> <p>Usually projects such as these run over time and over budget. How many bids were considered? What guarantees are there that this will not run over budget and time (e.g.. Bluff Park redevelopment)</p>  | <p>Address life cycle and operating costs through schematic and detailed design phases</p> <p>- L83Address budget and schedule controls through qualified project and construction management practitioners, and quality plans and specifications</p> |
| 9/24/2014     | Don        | Smith     | Resident                           | <p>Why is the city allowing a special interest group (diving) to drive cost to unreasonable levels? What would the cost be is diving was eliminated completely? Pools remove diving board to reduce insurance cost, City should do the same. City should provide a facility to teach people to swim and thus save a life. Beyond that, provide a place where the community can exercise, stay fit, and thus not burden society with ill health.</p>   | - Address separate dive well inclusion in baseline programmatic requirements for City Council consideration.  |





**Belmont Beach and Aquatics Center  
PUBLIC RELATIONS LOG**



| Date Received | First Name | Last Name  | Resident/ Company/ Org | Issue / Comment Detail   | Recommended Resolution   |
|---------------|------------|------------|------------------------|--|--|
| 9/17/2014     | Lesley     | Sonnenberg | Resident               | Get pool built. Taking too long. Pool should have separate dive well so it can host all major swim & dive event, including Olympics  | Proceed with project   |
| 9/24/2014     | Henry      | Sprague    | Resident               | How many local residents walk their dogs in the existing park everyday?  | Address hardscape / landscape / plaza / park design in EIR, schematic and detailed design  |
| 9/24/2014     | Jeb        | Sprague    | Resident               | Currently Termino Ave ends and gives option to A. enter the Veterans Parking Lot or B. turn left heading towards Chucks restaurant. With this in mind: How will traffic exit Termino Ave if they don't want to enter the Veteran's Parking Lot?  | Address reconfiguration of parking lot entrance / Termino Ave at E. Olympic in schematic / detailed design.                                  |
| 9/24/2014     | Lisa       | Squires    | Resident               | Is it possible to have a membership rate similar to that of Cerritos?  | PRM to address pool user fees in detailed design / development of life cycle and operational costs.  |
| 9/24/2014     | Tara       | Stabile    |                        | Thrilled and hopeful dive wells are being built - we travel from Hermosa to Long Beach 2x a week so my daughter can train for diving - there are very few diving facilities in SoCal. We usually spend money on refreshments, dinner, gas and sometimes retail while we are in LB. Thank you for this revitalization of Belmont! | No Action  |
| 9/18/2014     | Neal       | Vincent    | Resident               | Suggestion to work with Olympic Water Polo National Training Facility, Curt Ramsey. Wounded Warriors, therapeutic training. Olympic Historical branding. Olympic campus training for young talent. Branding naming rights (sports). Video demolition.  | Referrals to be coordinated with A/E Design team and PRM.<br><br>Video of demolition is implemented through Construction Management Contract |



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|---------------|------------|------------|------------------------------|---|--|
| 9/24/2014     | Terry      | Watts      | Resident                     | Why are we investing in a pool so close to a beach? we have other things we should be investing in around Alamitos beach! Like the water? and the beach your bringing people. we have other things we should be investing in around alamitos beach! Like the water and the beach that surrounds our city!   | No Action  |
| 9/18/2014     | Ken        | Weiss      | Resident                     | I would like to suggest that we look at obtaining Sponsors for each of the pools as well as Naming rights to banquet facilities and Spectator viewing area's and Locker Rooms before there is a commitment to spending Ninety Nine Million Tidelands dollars. This is not a City Staff task, the City will need to retain a Sports Agency to represent the project. I support the concept plan developed by the City. | - Staff will review current City policy on sponsorships.   |
| 9/18/2014     | Ken        | Weiss      | Resident                     | Phone call to City Manager. Concern regarding incident with design team member at public meeting. Naming right should be sold, dislikes elimination of revenue generators, dislikes format, more engagement for project of this size recreational community.  | - Staff will review current City policy on sponsorships.<br>- Address restaurant inclusion, banquet facility exclusion in baseline programmatic requirements for City Council consideration. |
| 9/24/2014     | Connie     | Wildasinn  | Resident                     | - Needs to have the additional seating to be used in as many competitions as possible to recoup monies spent by us the tax payer<br>- Admissions price to residences of Long Beach w/o tax subsidies  | - Address seating capacity in baseline programmatic requirements for City Council consideration.   |
| 9/24/2014     | Jay        | Williamson | Resident                     | I attended the meeting at Rodgers and all the components are there. My concern is that it will be a \$100,000,000 training facility if the indoor pool is not 50m x 25m and seating is not 1250+ for elite competitions.  | - Address pool width, seating capacity in baseline programmatic requirements for City Council consideration.   |



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|---------------|------------|-----------|------------------------------|--|---|
| 9/24/2014     | J.         | Wilson    | Resident                     | <p>Can we detour the homeless and druggies from using it as a place to sleep and urinate? Sick of the vagrants in our community.</p> <p>It would be far cheaper to put the high dive at the end of the Belmont pier! This money could be spent on improving our community and removal of the breakwater. We need to bring surfing, and clean water back to Long Beach. The Current location of the swim center could be made into a city owned hotel which would provide jobs and provide more income generating possibilities. If the water and beach were clean then people would come in droves... Think about it! JW</p> | <p>- Address available alternatives in EIR</p> <p>- Security substantially increased at site. Demolition, new facility is anticipated to increase general activity in area, reducing current activities of concern.</p> |
| 9/18/2014     | Rian       | Wise      |                              | <p>A replacement facility is imperative to the aquatics program throughout the Nation because of the amount of athletes that are increasing in aquatics and lack of facilities. Personal experience completing and coaching at Belmont Pool with both positive experiences.</p>  | <p>No Action</p>  |
| 9/24/2014     | Erik       | Wynkoop   | Resident                     | <p>Cost. Crazy!</p>  | <p>Address budget in baseline programmatic requirements for City Council consideration.</p>   |
| 9/24/2014     | Daniel     |           | Resident                     | <p>No questions build it!!!</p> <p>BUILD IT and teach kids to swim for our community.</p>  | <p>Proceed with project</p>   |
| 9/24/2014     | Dr. Lunne  |           | Resident                     | <p>Of course this pool would be good for the community, but I would rather the money be spent on: 1) building something almost as grand; and 2) emergency services. Between routine emergency response and disaster response, we are quite underfunded. Imagine the image of this \$99M pool surrounded by the smoldering rubble of a major earthquake; we'd be the laughing stock of the world.</p>   | <p>No Action</p>  |



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PUBLIC RELATIONS LOG**



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|---------------|------------|-----------|--|--|--|
| 9/18/2014     | Gale       |           | HOA<br>President<br>Belmont<br>Shore<br>Condos | Neighbors & residents use green area to take their dogs. No other areas. Our building has bushes on bike path in front of resident balconies and we don't want dogs using this area to do their business, smells and health issues. Pier parking lot needs to be closed at night with not car entering. Regarding pool area: What will happen to the grass area w/trees and endangered birds? Where will neighbors take their dogs? Why demolish temporary outside pool as it is now? Is there a plan to repair, remodel the pier to eliminate the homeless & transients including area by the BBC?                      | <ul style="list-style-type: none"> <li>- Address hardscape / landscape / plaza / park design in EIR, schematic and detailed design</li> <li>- Temporary pool cannot remain in current location due to Coastal Commission Restrictions.</li> <li>- Determine disposition of Myrtha Pool re-use during schematic / detailed design process.</li> </ul> |
| 9/24/2014     | Matt       |           | Resident                                       | Is the water cold? No cold water   | PRM to address pool water temperatures in operation of facility.   |
| 9/24/2014     | Noah       |           | Resident                                       | Why are you wasting my tax payer money when there are perfectly serviceable alternatives? Pretend like you were using your own money, and quit trying to enrich developers and a small city govt interest groups.  | Address budget in baseline programmatic requirements for City Council consideration.   |
| 9/25/2014     | Francesca  | Masoller  | Resident                                       | Since the plan is to spend \$99 Million in this ridiculous project, how much will the entrance fee increase? This pools will be used by Long Beach residents and it should not made expensive to attend our local pool. Why is Long Beach spending almost \$100 MILLION in a pool site when our schools need the money more? \$99 million will do amazing things in our schools which harvest the future of Long Beach! I understand the pool site will attract more events and tourism but \$99 Million is allot of money for a pool site that already exist. Long Beach has allot more issues than a new Olympic pool. | PRM to address pool user fees in detailed design / development of life cycle and operational costs. - suggested uses of funds infeasible due to restrictions   |



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|---------------|------------|------------|------------------------------|---|--|
| 9/25/2014     | Jeannine   | Saucedo    | Resident                     | Limiting seats to 650 Our city would benefit greatly but having a facility that would qualify to host a NCAA event, as well as a USA Swimming event. (USA Swimming organization host all Jr. Olympics, Olympic Trials and swimming Nationals). The amount of revenue our city would earn by hosting these events would in the long run would more then cover the \$4.7 million over budget. Just this summer my family drove to Irvine to attend the USA Nationals. I witnessed the huge amount of people that attended the event over the weeks time. Like we us, 80% of those that attend are from out of town. They spent money in city while they are there, hotels, restaurants, transportation, etc. It would be a travesty to build a state of the art swimming facility in the "Aquatic Capital of the World" and not be able to host a major swimming event. These events will bring in major revenue to our city. Not to increase the budget by less then 5% to be able to have a facility that seats 1,250 is a west of time and money to build. Please do the right thing and build a "true" swimming facility. | ' - Address seating capacity movable floor in baseline programmatic requirements for City Council consideration. |
| 9/26/2014     | Wanda      | Wallace    | Resident                     | When is this project expect to start and how long is expected to take to finish? Is there going to be any kids programs?  | Address in timeline; impacted by Council decisions, design, and entitlement process                              |
| 9/26/2014     | Trevor     | Fitzgerald | Resident                     | I hope the outdoor pool is as enjoyable to swim in as the current temp pool!  | PRM to address pool temperature  |
| 9/26/2014     | Patricia   | zieg       | Resident                     | Have those with final decision power seen aquatics facilities in Europe (France, Italy, Hungary, etc.) where their world class athletes train and develop?  | No action  |
| 9/26/2014     | Andres     | Audile     | Resident                     | Is that true that they gonna close the park? I heard that they want to rid off the park in front of the pool, we use that park to walk our dogs also that park makes the view better so I hope they have something planned to keep that space open to the community.  | Address impacts and mitigations through EIR process  |
| 9/26/2014     | Marilyn    | Stuart     | Resident                     | I think the improvements will be great. I do not agree with eliminating the park area. I think it also benefits the community and do not want to see it eliminated.   | Address impacts and mitigations through EIR process  |



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|---------------|------------|-----------|------------------------------|--|--|
| 9/27/2014     | Julie      | Kirkham   | Resident                     | Why do we need so many pools? If water shortages are a major concern in CA why would we invest so much in something that needs large quantities of water? Why not leave the existing park area as a way to attract families with children, dogs, bicyclists, etc.? Why more buildings and cement when they are not environmentally friendly, causing more global warming? Why not build something on the current footprint, leave a lovely park, enhance the area so that more varieties of people will visit, eat there, enjoy the ocean and pier and be safe doing so? Why not be proud of having many nesting sites for birds and make the park a place people can come and see their extraordinary behavior? Have you every visited the area at the height of nesting time and listened to the birds? I know they are messy, but they are beautiful and part of the landscape? I am not happy with the proposed recommendations. | Address impacts and mitigations through EIR process  |
| 9/27/2014     | Joyce      | Thomas    | Resident                     | The cost limit. This could be a big revenue maker for the city and we should spend the extra money to make it a world class swim facility. The revenue it will bring to the city will far exceed the extra cost. My concern is the city is trying to limit the cost of the facility. This is short sighted and we should spend the extra money to make it a world class swim facility. Extra seating. If LA gets the Summer Olympics think of the revenue that event alone will bring to the city. It is short-sighted to focus on limiting the cost. There are so many long term benefits including increased revenues, visitors and exposure to the city of Long Beach. We have one shot to get this correct - don't limit it by short term money concerns.  | - Address seating capacity in baseline programmatic requirements for City Council consideration. |
| 9/28/2014     | Mark       | Henderson | Resident                     | I would like to see the park area preserved and E. Olympic Plaza to remain an open street  | Address impacts and mitigations through EIR process  |
| 9/29/2014     | Robert     |           | Resident                     | If there is a separate diving well included will it be up to tournament specifications ?? And the diving well is to be built will it actually host enough diving events to justify the cost and sacrifices required ?? Where is the closest competitive diving well ? Is there actually a need and demand for a brand new diving well in Long Beach?? If there is a need and demand for a diving well and for sure the new facility will bring in NCAA and Olympic style events then I would say build it. If it is just for a select few, and limited events and uses then I say do not build the diving well. It is important to me and many residents and visitors that there be another high quality, full-service restaurant location at this new site.   | Address impacts and mitigations through EIR process  |



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|---------------|------------|-----------|------------------------------|---|--|
| 9/29/2014     | Keith      | Mason     | Resident                     | The opportunity to create a world class facility shouldn't be missed. The indoor pool should be able to support ALL activities. This means that it should be deep (25 meters x 50 meters). I like the moveable floor. Seating capacity should be expanded to 1250. The outdoor pool should be targeted for training and recreation- not competition. Having the outdoor pool be 25 ft. with a sloped bottom would be fine. There is no need for a restaurant, dining or banquet facility. The separate diving well is important.  | Address impacts and mitigations through EIR process  |
| 9/30/2014     | Elizabeth  | tholl     | Resident                     | Why not just leave the temporary outdoor pool where it is and use the current space for the indoor pool. I am next door to the pool and I was not aware until now of the plans to build over the current park and roadway. I am very upset about this. We have such little green space and my neighbors and I have been enjoying that park for years.   | Determine disposition of Myrtha Pool re-use during schematic / detailed design process.  |
| 9/30/2014     | Frank      | Elizondo  | Resident                     | This would be a great addition to Long Beach, please move forward with this.  | Proceed with project   |
| 9/30/2014     | Chi        | kredell   | Resident                     | Why are we not building two Olympic sized pools? You knew that the residents are unhappy with lights and noise, why didn't you place the outdoor pool on the ocean side and the indoor pool in between the residents and the outdoor pool? two major things I don't understand with the decision of where the pools are at and the size. Why would we build a 100 million dollar complex with one main pool being Olympic size and the other 25yd width. Should both of them be 50mt by 25mt. If you hold a competition, we know that the people of long beach will be forced to use the smaller of the two. That makes no sense. If you do have competitions and we all know you plan on it, don't you want the kids growing up in this town to be moved to another Olympic size pool. Why should we only cater to the people from outside of this town and sell ourselves and our future short. #1 - need to build two 50mt by 25mt pools. Second point. I direct and operate Shore Aquatics. With that being said, we were told during last summer that the residents across the street were complaining about the noise level. Why would you build the outdoor pool right in front of their condos? If we as a club and future users of the pool can compromise for the residents and reduce the noise, why wouldn't you place the pool on the ocean side? makes sense to me. Both pools can have views of the ocean still. You can erect a see through Plexiglas or other manufacturer see through wall surrounding the pool. The light problem would be solved by the building between the outdoor pool and the residents. It makes perfect sense to think of the residents also. | Address impacts and mitigations through EIR process - Address 25 yd. vs 25 m in baseline programmatic requirements for City Council consideration. |



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|---------------|------------|-----------|------------------------------|--|------------------------|
| 10/1/2014     | Peter      | Wiechers  | Resident                     | Not a question, but a statement: I would hope that recreational lap swimming would be done mainly in the outdoor pool. I'm a retired school teacher and recreational swimmer. I workout at the currently temporary pool approximately five times per week. I am really glad to see a 50m outdoor pool as part of the plan. I would hope that this would be the principal recreational pool for lap swimming. (I do not particularly like indoor pools: constant echo's, chlorine smell, etc.). I would also hope that views of the ocean would be incorporated into the design of both pools. The current -soon to be demolished- indoor pool has a design which seems to relegate ocean/beach views as not important. | Proceed with project   |



## **New Belmont Beach and Aquatics Center Potential Economic Impacts**

Prepared by Joseph P. Magaddino, Ph.D.  
Economic Forecasting Group

The new Belmont Beach and Aquatics Center is primarily a recreational facility for residents of Long Beach. There is the potential to utilize the pool for aquatic competitions and, to some extent, generate economic activity in the City of Long Beach. To do so, the Belmont Beach and Aquatics Center must be able to attract visitors from outside of the region to generate additional economic activity. This report summarizes these *potential* economic impacts.

### ***Possible Events***

Working with members of the Belmont Beach and Aquatics Center Stakeholders Advisory Committee, City Staff, members of the design team and national organizations (such as USA Swimming, USA Diving and USA Water Polo), the following table listing the possible events and their frequency was developed.

| <b><i>Table 1. Possible Events</i></b>                | <b>Potential Quantity of Annual Events</b> |
|---|--|
| <b><u>Swimming</u></b>                                | -  |
| HS Dual Meets (coincides with diving)                 | 15   |
| HS Regional Meets (coincides with diving)             | 1  |
| HS Championships (coincides with diving)              | 1  |
| NCAA <sup>1</sup> Dual Meets (coincides with diving)  | 0  |
| NCAA Invitational (coincides with diving)             | 2  |
| NCAA Conference Championships (coincides with diving) | 2  |
| NCAA Division Championships (coincides with diving)   | 1 per 4 years                              |
| USA Swimming Club Invitational                        | 7  |
| USA Swimming Club Regional Championships              | 4  |
| USA Swimming Club Nationals / Grand Prix              | 1  |
| USA Swimming Club International                       | 1 per 4 years                              |

<sup>1</sup> The Mountain Pacific Sports Federation (MPSF) is a college conference that falls under NCAA jurisdiction. MPSF serves the competitive needs of member institutions from the Big West, Pacific-10 and Western Athletic Conferences as well as other selected universities in the western United States. Throughout this report the NCAA is used to refer to these collegiate events.

|   |               |
|---|---------------|
| USA Master Swimming Club Invitational                   | 1             |
| USA Master Swimming Club Regional Championships         | 1             |
| USA Master Swimming Club Nationals                      | 1 per 4 years |
| Olympic Trials  | 0             |
| <b><u>Water Polo</u></b>                                | -             |
| HS League (Dual) Games                                  | 20            |
| HS Invitational Tournaments                             | 1             |
| HS League Championships                                 | 1             |
| HS State Division Championships                         | 1 per 2 years |
| NCAA League (Dual) Games                                | 0             |
| NCAA Invitational Tournaments                           | 2             |
| NCAA Conference Championships                           | 2             |
| NCAA Division Championships                             | 1 per 4 years |
| USA Polo Invitational                                   | 2             |
| USA Polo Zone Championships                             | 1             |
| USA Polo National / International                       | 1 per 4 years |
| <b><u>Diving</u></b>                                    | -             |
| HS Dual Meets (coincides with swimming)                 | 15            |
| HS Regional Meets (coincides with swimming)             | 1             |
| HS Championships (coincides with swimming)              | 1             |
| NCAA Dual Meets (coincides with swimming)               | 0             |
| NCAA Invitational (coincides with swimming)             | 2             |
| NCAA Conference Championships (coincides with swimming) | 3             |
| NCAA Zone Championships                                 | 1             |
| NCAA Division Championships (coincides with swimming)   | 1 per 4 years |
| USA Diving Invitational                                 | 2             |
| USA Diving Regional Championships                       | 1             |
| USA Diving National / International                     | 1 per 4 years |
| Olympic Trials  | 1 per 4 years |
| <b><u>Synchronized Swimming</u></b>                     | -             |
| USA Syncro Invitational                                 | 2             |

|                                     |               |
|-------------------------------------|---------------|
| USA Syncro Regional Championships   | 1             |
| USA Syncro National / International | 1 per 4 years |

An assessment of events in Table 1 determined which events should be included and excluded from the economic analysis. The events are highlighted,<sup>2</sup> with each color indicating exclusion or separate treatment in the analysis. The analysis excludes high school competitions as these events are unlikely to generate overnight visitors and their associated expenditures. Stated differently, expenditures by high school athletes, coaches, students, parents and others are likely to have been spent on other activities, in the absence of these events, and do not represent a net increase in expenditures.<sup>3</sup> Other events, such as the NCAA Dual Meets and the Olympic Trials are events that Long Beach is unlikely to attract and were excluded. Lastly, there are several events that are held every year, but locations rotate across the country. For example, the western region would only host a national event every fourth year. These events are calculated separately.

### *Seating Capacity*

Table 2 lists the minimum seating capacity required for bids to host the event.

| <i>Events</i>   | <i>Minimum Seating Required</i> |     |     |      |      |      |
|---|---------------------------------|-----|-----|------|------|------|
|   | 250                             | 500 | 750 | 1000 | 1250 | 1500 |
| <b>Swimming</b>                                       |                                 |     |     |      |      |      |
| NCAA Invitational (coincides with diving)             |                                 |     | x   |      |      |      |
| NCAA Conference Championships (coincides with diving) |                                 |     |     |      | x    |      |
| NCAA Division Championships (coincides with diving)   |                                 |     |     |      | x    |      |
| USA Swimming Club Invitational                        |                                 | x   |     |      |      |      |
| USA Swimming Club Regional Championships              |                                 |     | x   |      |      |      |
| USA Swimming Club Nationals / Grand Prix              |                                 |     |     |      | x    |      |
| USA Swimming Club International                       |                                 |     |     |      |      | x    |
| USA Master Swimming Club Invitational                 |                                 | x   |     |      |      |      |
| USA Master Swimming Club Regional Championships       |                                 |     |     | x    |      |      |

<sup>2</sup> Events highlighted in yellow are high school competitions which were excluded from the analysis. Competitions highlighted in grey are events that Long Beach is unlikely to attract on a recurring basis and were therefore excluded from the analysis. Events highlighted in pink are included in the analysis but are treated separately as they are held once every four years in the West.

<sup>3</sup> To the extent that High School State and Regional Championships attract out of area visitors, then this omission understates the overall economic impact.

|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| USA Master Swimming Club Nationals                      |   |   |   |   | x |   |
| <b><u>Water Polo</u></b>                                |   |   |   |   |   |   |
| NCAA Invitational Tournaments                           |   |   |   | x |   |   |
| NCAA Conference Championships                           |   |   |   | x |   |   |
| NCAA Division Championships                             |   |   |   |   |   | x |
| USA Polo Invitational                                   |   | x |   |   |   |   |
| USA Polo Zone Championships                             |   |   |   | x |   |   |
| USA Polo National / International                       |   |   |   | x |   |   |
| <b><u>Diving</u></b>                                    |   |   |   |   |   |   |
| NCAA Invitational (coincides with swimming)             |   |   | x |   |   |   |
| NCAA Conference Championships (coincides with swimming) |   |   |   |   | x |   |
| NCAA Zone Championships                                 |   |   |   |   | x |   |
| NCAA Division Championships (coincides with swimming)   |   |   |   |   | x |   |
| USA Diving Invitational                                 | x |   |   |   |   |   |
| USA Diving Regional Championships                       |   | x |   |   |   |   |
| USA Diving National / International                     |   |   |   | x |   |   |
| Olympic Trials  |   |   |   | x |   |   |
| <b><u>Synchronized Swimming</u></b>                     |   |   |   |   |   |   |
| USA Syncro Invitational                                 | x |   |   |   |   |   |
| USA Syncro Regional Championships                       |   |   | x |   |   |   |
| USA Syncro National / International                     |   |   |   |   | x |   |

To estimate the potential for overnight visitors, the consulting team and community representatives provided estimates of the number of spectators, athletes and coaches. This information appears in Table 3.

| <b>Table 3. Events and Expected Attendance</b>          | <b>Anticipated Visitors</b> |                 |                  |
|---|-----------------------------|-----------------|------------------|
|   | <b>Spectators</b>           | <b>Athletes</b> | <b>Officials</b> |
| <b><u>Swimming</u></b>                                  |                             |                 |                  |
| NCAA Invitational (coincides with diving)               | 750                         | 500             | 30               |
| NCAA Conference Championships (coincides with diving)   | 1250                        | 400             | 30               |
| NCAA Division Championships (coincides with diving)     | 1250                        | 350             | 40               |
| USA Swimming Club Invitational                          | 500                         | 250             | 20               |
| USA Swimming Club Regional Championships                | 750                         | 400             | 40               |
| USA Swimming Club Nationals / Grand Prix                | 1250                        | 600             | 30               |
| USA Swimming Club International                         | 1500                        | 350             | 40               |
| USA Master Swimming Club Invitational                   | 500                         | 500             | 20               |
| USA Master Swimming Club Regional Championships         | 1000                        | 800             | 30               |
| USA Master Swimming Club Nationals                      | 1250                        | 1000            | 40               |
| <b><u>Water Polo</u></b>                                |                             |                 |                  |
| NCAA Invitational Tournaments                           | 1000                        | 250             | 15               |
| NCAA Conference Championships                           | 1000                        | 500             | 20               |
| NCAA Division Championships                             | 1500                        | 400             | 20               |
| USA Polo Invitational                                   | 500                         | 300             | 15               |
| USA Polo Zone Championships                             | 1000                        | 650             | 20               |
| USA Polo National / International                       | 1000                        | 250             | 20               |
| <b><u>Diving</u></b>                                    |                             |                 |                  |
| NCAA Invitational (coincides with swimming)             | 750                         | 20              | 15               |
| NCAA Conference Championships (coincides with swimming) | 1250                        | 625             | 30               |
| NCAA Zone Championships                                 | 1250                        | 500             | 30               |
| NCAA Division Championships (coincides with swimming)   | 1250                        | 300             | 30               |
| USA Diving Invitational                                 | 250                         | 150             | 10               |
| USA Diving Regional Championships                       | 500                         | 300             | 15               |

|                                     |      |     |    |
|-------------------------------------|------|-----|----|
| USA Diving National / International | 1000 | 400 | 30 |
| Olympic Trials                      | 1000 | 350 | 30 |
| <b>Synchronized Swimming</b>        |      |     |    |
| USA Syncro Invitational             | 250  | 150 | 10 |
| USA Syncro Regional Championships   | 750  | 400 | 15 |
| USA Syncro National / International | 1250 | 500 | 30 |

Based upon the above tables, estimates of the economic impacts were calculated given the seating capacities of 1,500, 1,250, 900, and 650.

***Economic Impact of a Facility seating 1,500 Spectators***

A facility with seating for 1,500 is capable of accommodating all of the events identified by the consultants and community members. The potential economic impacts are listed in Table 4.

***Table 4. Direct Economic Impacts of a 1,500 Seat Facility***

|  |                   |
|--|-------------------|
| Lodging Expenditures                           | 12,549,950        |
| Food & Beverage Expenditures                   | 9,585,124         |
| Other Retail (including ground transportation) | 6,901,289         |
| Long Beach TOT Revenues                        | 1,505,994         |
| Long Beach Taxable Sales Revenues              | 82,432            |
| <b>Annual Economic Impact</b>                  | <b>30,624,789</b> |

**The potential total direct economic impact is estimated to be \$30.6 million.**

***Economic Impact of a Facility Seating 1,200 Spectators***

A facility seating 1,250 captures all of the possible events, except the USA Swimming International and the NCAA Division Championships. Since these two events are held every fourth year, there is *no difference in the annual economic impact of a facility of 1,250 or 1,500 seats*. There is, of course, a difference in the events scheduled on a four year rotation.

***Economic Impact of a Facility Seating 900 Spectators***

A smaller facility eliminates several NCAA competitions. Table 5 summarizes the economic impacts.

***Table 5. Direct Economic Impacts of a 900 Seat Facility***

|  |                   |
|--|-------------------|
| Lodging Expenditures                           | 4,901,960         |
| Food & Beverage Expenditures                   | 3,772,652         |
| Other Retail (including ground transportation) | 2,716,309         |
| Long Beach TOT Revenues                        | 588,235           |
| Long Beach Taxable Sales Revenues              | 53,633            |
| <b>Annual Economic Impact</b>                  | <b>12,032,789</b> |

**The total direct economic impact is estimated to be \$12.0 million.**

As can be seen in comparing Table 5 and Table 4, there is a substantial difference when the NCAA competitions are excluded.

***Economic Impact of a Facility Seating 650 Spectators***

A 650 seat facility further reduces the number of competitions that the New Belmont Aquatic Center is eligible to submit bids. These results are contained in Table 6.

***Table 6. Direct Economic Impacts of a 650 Seat Facility***

|  |                  |
|--|------------------|
| Lodging Expenditures                           | 1,580,985        |
| Food & Beverage Expenditures                   | 1,248,711        |
| Other Retail (including ground transportation) | 899,072          |
| Long Beach TOT Revenues                        | 189,718          |
| Long Beach Taxable Sales Revenues              | 10,739           |
| <b>Annual Economic Impact</b>                  | <b>3,929,225</b> |

**The total direct economic impact is estimated to be \$3.9 million.**

### ***Economic Impact of Events Held Every Fourth Year***

Table 1 lists several events that are held every fourth year. To simplify the calculations, it is assumed that these events would all take place in the same calendar year. Table 7 summarizes these results

***Table 7. Direct Economic Impact of Events Held Every Fourth Year***

| <b>Facility Size</b>                           | <b>1,500 seats</b> | <b>1,250 seats</b> |
|--|--------------------|--------------------|
| Lodging Expenditures                           | 8,143,800          | 5,317,480          |
| Food & Beverage Expenditures                   | 6,236,450          | 4,088,447          |
| Other Retail (including ground transportation) | 4,490,244          | 2,943,682          |
| Long Beach TOT Revenues                        | 977,258            | 638,098            |
| Long Beach Taxable Sales Revenues              | 53,633             | 35,161             |
| <b>Annual Economic Impact</b>                  | <b>19,901,385</b>  | <b>13,022,868</b>  |

**The total direct economic impact is estimated to be \$13.0-\$19.9 million.**

#### ***Conclusion***

Depending upon the spectator seating capacity (650 versus 1,250), the Belmont Beach and Aquatics Center has a potential annual economic expenditure impact of \$3.9 million to \$30.6 million. In addition, a facility accommodating 1,500 spectators holds the potential of capturing a series of events every fourth year. This yields an anticipated economic expenditure impact of \$19.9 million every fourth year.

To provide some comparison of the relative value of these estimated impacts, one can compare these estimates to the overall economic impact attributable to overnight visitors in Long Beach. The most current study available is for data in 2011. In 2011, overnight visitors' direct expenditures were \$328.0 million. A larger Belmont Beach and Aquatics Center would have added as much as 9.3% and a smaller facility would have added 1.2% to overall overnight visitors' direct expenditures in the City of Long Beach.

#### ***Discussion***

##### ***Tradeoff: Private versus Public Use***

While the economic development aspects of the Belmont Beach and Aquatics Center are not inconsequential, they do come with a cost--reduced public access to the facility. Table 8 lists the days of access needed for competitive events. In reviewing the table several items need to be considered: the events, as in other parts of the study, refer to a series of competitions and not a single competition. For example, NCAA events include the NCAA Invitational Swimming and Diving competition and the NCAA Swimming and Diving Division Championships. Secondly, for some events pool access may not involve a full day of pool closure to the public.



As can be seen from the table, the NCAA Swimming and Diving competitions and the USA Swimming Club competitions utilize 40 days (or 30% non-public usage days) and generate \$16.3 million in direct benefits (or 53% of the total direct benefits).

**Table 8. Comparison of Access Days and Direct Economic Impacts**

| <b>Event</b>               | <b>Number of Days</b> | <b>Percent of Days</b> | <b>Direct Economic Impact</b> | <b>Percent of Impact</b> |
|----------------------------|-----------------------|------------------------|-------------------------------|--------------------------|
| <b>Swimming and Diving</b> |                       |                        |                               |                          |
| High School                | 20                    | 15%                    | 0                             | 0%                       |
| NCAA                       | 16                    | 12%                    | 9,565,459                     | 31%                      |
| USA Club Swimming          | 24                    | 18%                    | 6,745,385                     | 22%                      |
| USA Masters Club Swimming  | 7                     | 5%                     | 2,693,927                     | 9%                       |
| <b>Water Polo</b>          |                       |                        |                               |                          |
| High School                | 26                    | 19%                    | 0                             | 0%                       |
| NCAA                       | 14                    | 10%                    | 5,737,265                     | 19%                      |
| USA Water Polo             | 10                    | 7%                     | 2,958,669                     | 10%                      |
| <b>Diving</b>              |                       |                        |                               |                          |
| USA Diving                 | 9                     | 7%                     | 1,267,064                     | 4%                       |
| <b>Synchro Swimming</b>    |                       |                        |                               |                          |
| USA Synchro                | 9                     | 7%                     | 1,657,021                     | 5%                       |
| <b>Total</b>               | <b>135</b>            | <b>100%</b>            | <b>30,624,789</b>             | <b>100%</b>              |

**Summary of Seating Capacity and Direct Economic Benefits**

Table 9 lists the direct economic benefits associated with the different seating capacities. Increasing the facility from 900 to 1250 more than doubles the potential economic impact.

**Table 9. Seating Capacity and Direct Economic Benefits**

| <b>Facility Seating</b> | <b>Direct Benefits</b> |
|-------------------------|------------------------|
| 650 Seats               | 3,935,468              |
| 900 Seats               | 12,030,464             |
| 1250 seats              | 30,624,789             |

A facility that seats 1,500 allows the Belmont Beach and Aquatics Center to bid on several premier events that are held every fourth year. These include the USA Swimming International and the NCAA Water Polo Division Championship<sup>4</sup>. These two events comprise \$5.1 in direct economic benefits.

<sup>4</sup> The NCAA Swimming and Diving Division Championships and the USA Diving National/International competitions are also held every fourth year but only require a minimum seating of 1,250.

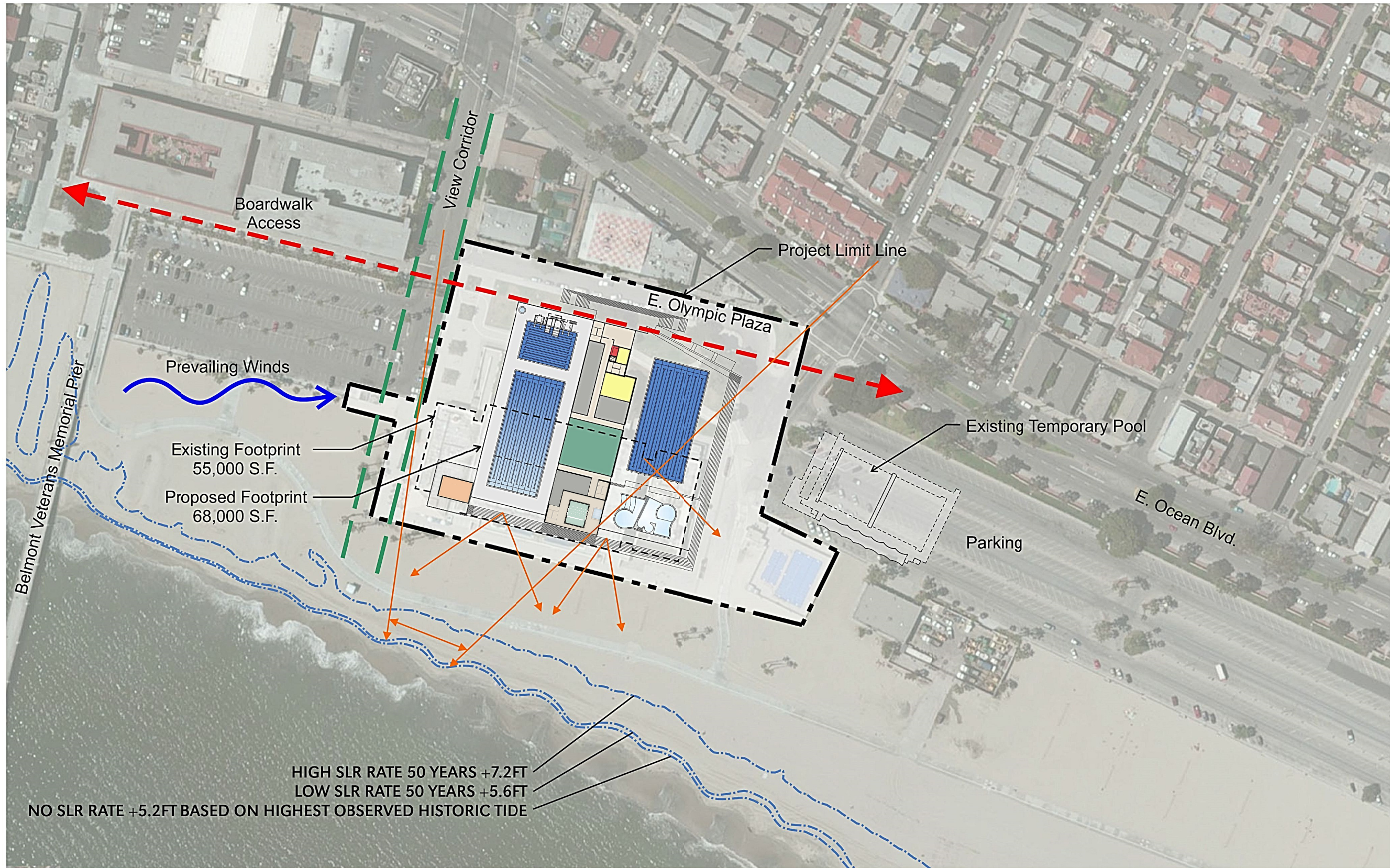
### *Caveats and Assumption*

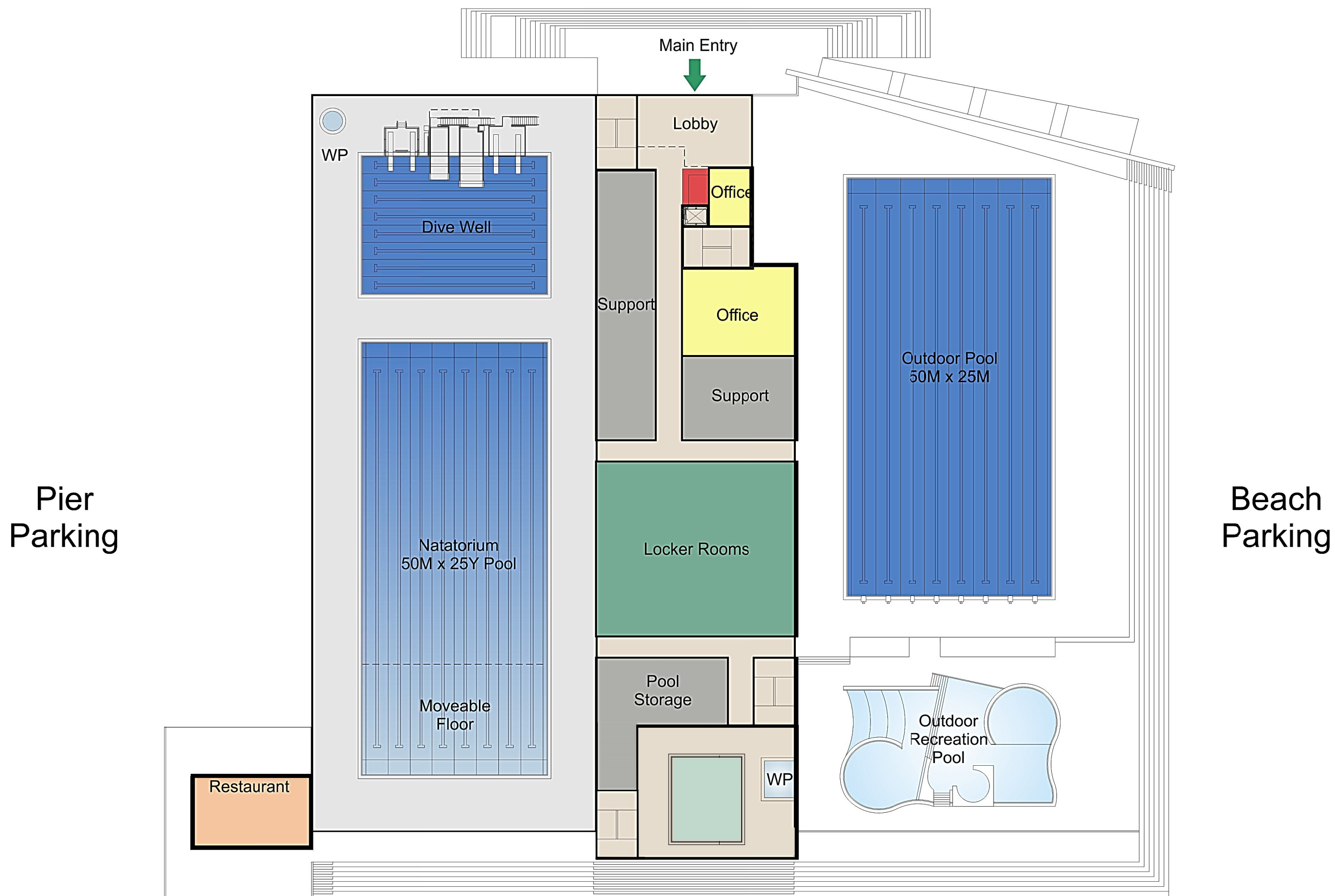
This study addresses the potential direct economic benefits of the Belmont Beach and Aquatics Center. There are, however, several issues that are not addressed. The new Belmont Beach and Aquatic Center is primarily intended as a recreational facility for the residents of Long Beach. Using the facility as a tool for economic development involves reducing public access. No attempt is made in this study to measure the value of public use. Like many public versus private issues, the decision of competing uses is to be made by our elected officials.

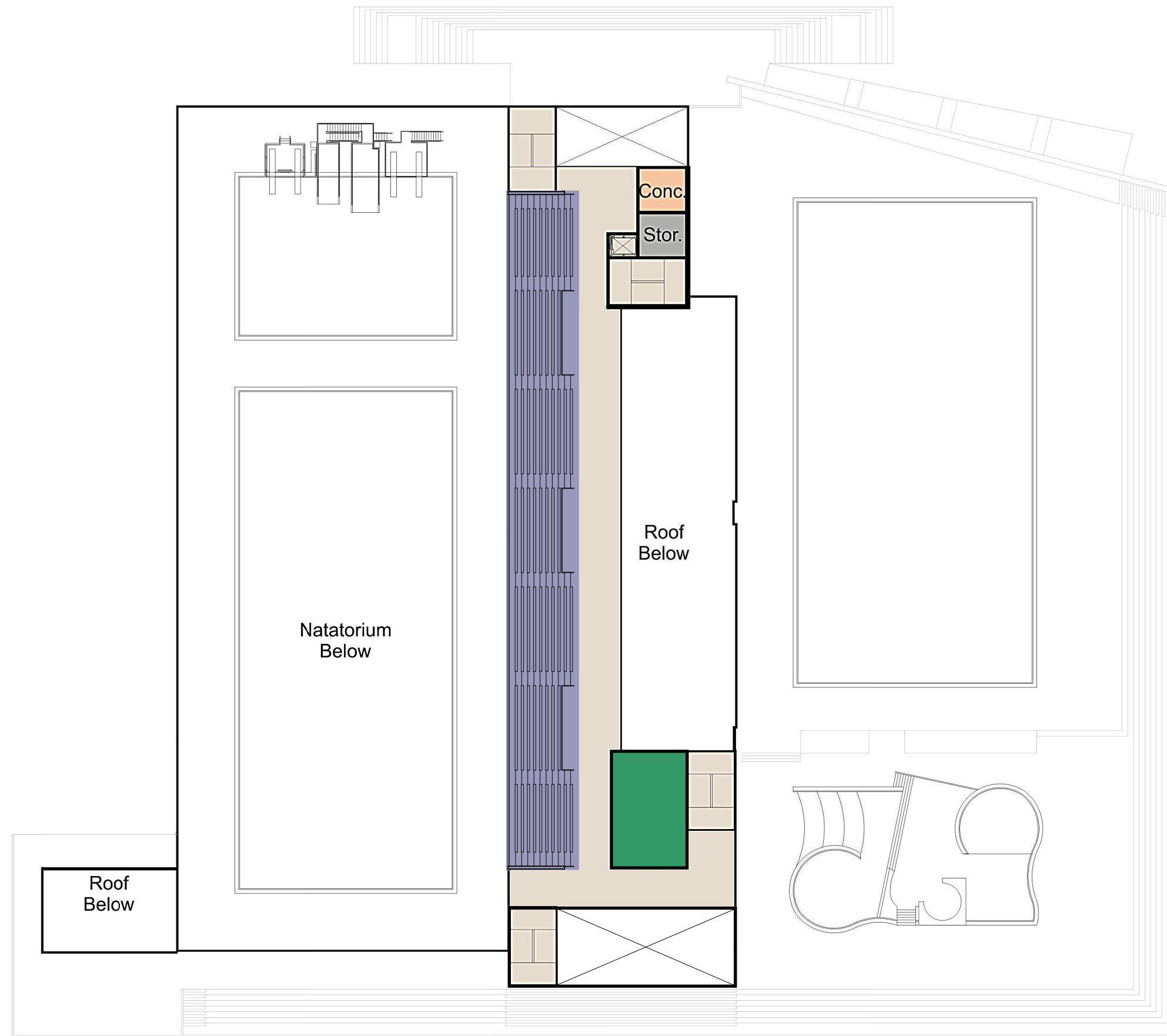
Implicit in the measurement of potential economic benefits are a series of assumptions. First, it is assumed that as a new facility on the west coast, the Belmont Beach and Aquatics Center would be an attractive site and would receive winning bids for these events. Nonetheless, it is important to recognize that these are competitive events and there are other facilities that have hosted these events and may have an interest in continuing to host these events in the future. No attempt was made to adjust the estimates based on the probability of a winning bid to host the event. Thus it is likely that the City will not see the maximum amount listed in this report on an annual basis as some undetermined amount of competitions will either select another venue, conflict with other events, or not be possible due to the impact on the surrounding neighborhood.

The calculation of direct economic benefits is based on previous studies of the Long Beach convention and tourism market. It is assumed that the athletes, coaches, officials, and spectators would have similar expenditure patterns as an average conventioner or tourist in Long Beach. For example, the calculation for lodging expenditures is based on an average cost of a room. However it is possible that the aquatic's population is skewed to lower cost lodging and, as a consequence, the estimates are too high. While there is no doubt that some in the aquatic's community are very thrifty, the same can be said for some conventioners and tourist. In the absence of a detailed study of the expenditure patterns of the aquatic community, the average is our best measure.

|                   | Type of competition                           | Lanes / Courses                                   | # of swimmers                         | Typical user   | Notes   | Analysis   |  |
|-------------------|---|---|---------------------------------------|--|---|--|--|
| <b>Swimming</b>   | 50 meter long race                            | 25 YD width                                       | 8                                     | 8  | USA club swim and Masters - between May-Aug, International Events | USA Swim prefers 25 M, but does not require it.                            | A 25 yard width can accommodate all but Olympic level events likely to be held at the Belmont Beach and Aquatic Center.<br><br>25 yards maximizes the use of the pool for CIF, local, regional, and national competitions.<br><br>25 yards maintains deck space critical to securing competitions.<br><br>Large national and international events, Olympic and World Championships, cannot be held in a 25 yard pool. These events are not held in facilities with less than 20,000 seats. |
|                   |   | 25 M width  | 10                                    | 10   |   |  |  |
|                   | 50 meter Olympic and World Championship races | 25 YD width                                       | not feasible                          |  | Olympic and World Championships                                   | Only 25M width would work. Also requires that two end lanes be closed.     |  |
|                   |   | 25 M width  | 8                                     | 8  |   |  |  |
|                   | 25 meter race                                 | 25 YD width                                       | 16                                    | 16   | USA Swimming; Master's Swimming; International Events             | Least competed race / course length in USA                                 |  |
|                   |   | 25 M width  | 23 lanes                              | 23   |   |  |  |
| 25 yard race      | 25 YD width                                   | 20 lanes (competition) or 23 lanes (training/lap) | 20 (competition) or 23 (training/lap) | CIF Swimming; NCAA Swimming; USA Swimming; Master's Swimming | Most frequently competed race / course length in the USA          |  |  |
|                   | 25 M width                                    | 20 lanes  | 20                                    |  |   |  |  |
| <b>Water Polo</b> | USA NCAA Men's Water Polo                     | 25 YD width                                       | 1 course (30M x 20M)                  | 1 game   | USA , NCAA Men's Water Polo                                       | Neither 25Y nor 25M width can accommodate full course across width of pool | A 25 yard or 25 meter wide pool both accommodate only 1 game course for all levels of water polo.<br><br>25 yards provides a slightly narrower pool for practice (7.5 feet narrower).<br><br>A 25 yard pool can meet practice needs.<br><br>25 M pool can meet game needs using wall goals; though floating goals are strongly recommended.  |
|                   |   | 25 M width  |                                       |  |   |  |  |
|                   | USA & NCAA Women's Water Polo                 | 25 YD width                                       | 1 course (25M x 20M)                  | 1 game   | USA, NCAA Women's Water Polo                                      | Neither 25Y nor 25M width can accommodate full course across width of pool |  |
|                   |   | 25 M width  |                                       |  |   |  |  |
|                   | CIF boys/girls water polo                     | 25 YD width                                       | 1 course (25M x 20M)                  | 1 game   | CIF Boys/Girls Water Polo   | Neither 25Y nor 25M width can accommodate full course across width of pool |  |
|                   |   | 25 M width  |                                       |  |   |  |  |
|                   | Cross course water polo practice              | 25 YD width                                       | 3 courses                             | 3 courses  | All Water Polo Training   | 25M width cross court is 7.5 feet longer than 25YD                         |  |
|                   |   | 25 M width  |                                       |  |   |  |  |







# Recommended Baseline Programmatic Requirements

| Project Component                     | Total Estimated Cost |
|---------------------------------------|----------------------|
| Indoor 50-m Pool                      | \$66.3 M             |
| Outdoor Recreation Pool               | \$2.2 M              |
| Restaurant (1,500 SF)                 | \$1.1 M              |
| Separate Dive Well                    | \$12.5 M             |
| Indoor teaching / Therapy Pool 900 SF | \$2.2 M              |
| Outdoor 50-m                          | \$5.8 M              |
| Movable Floor                         | \$1.4 M              |
| Movable Floor Maintenance Budget      | \$0.5M               |
| Indoor Seating 1,250                  | \$9.8 M              |
| Escalation due to redesign (3 months) | \$1.3 M              |
| <b>Total</b>                          | <b>\$103.1 M</b>     |



| Projects to Fund Belmont Pool                            |                 |                    | Attachment F   |
|--|-----------------|--------------------|--|
| Project  | Original Budget | Amount Avail.      | Notes  |
| Belmont Temporary Pool                                   | \$ 6,400,000    | \$500,000          | Project completed under budget; funds available for other Tidelands projects.  |
| Belmont Early Planning/Structural Assessment/Misc. Costs | \$ 1,000,000    | \$300,000          | Project completed under budget; funds available for other Tidelands projects.  |
| Belmont Pier Restroom                                    | \$ 657,438      | \$400,000          | New trailer installed instead of new building due to structural conditions of pier and upcoming pier rebuild effort. Funds available for other Tidelands projects      |
| Colorado Lagoon Restroom                                 | \$ 600,000      | \$350,000          | Staff is looking at renovating restroom instead of rebuilding it, similar to Bayshore North, which reduces the budget necessary  |
| Marina Vista Park Restroom                               | \$ 634,000      | \$634,000          | This restroom does not require renovation/rebuild at this time. It is currently only used for special events and is in adequate condition                              |
| Other currently funded Tidelands projects                |                 | \$366,000          | Additional Tidelands projects that can be delayed or where excess funds can be identified will be determined. These must be identified before the project can proceed. |
|  | <b>Total</b>    | <b>\$2,550,000</b> |  |





## Attachment G

Date: October 8, 2014

To: Patrick H. West, City Manager *PH West*

From: John Gross, Director of Financial Management *JG*

For: Mayor and Members of the City Council

Subject: **UPDATE ON TIDELANDS CAPITAL PROJECT FUNDING**

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### Summary

This memo provides an update on the status of the funding for Tidelands capital projects. It also provides a more comprehensive review of the debt and risk issues and makes recommendations to deal with a potential oil revenue shortfall.

A review of recent Tidelands oil revenue information indicates that the projected oil revenues may not be sufficient to support the FY 15 Tidelands Capital Budget or the associated 5-Year Capital Plan (Tidelands Budget and Capital Plan). Oil prices have recently declined and the Tidelands/Uplands oil producer may be reevaluating production strategy.

In this even more uncertain oil revenue environment, it is beginning to appear likely that there may not be enough funding available in the short-term to fund the proposed Tidelands Budget and Capital Plan. As a result, the City Manager will be developing a strategy by the end of December 2014 to address this situation. The strategy will include consideration of an alternative FY 15 Tidelands Budget and Capital Plan that defers or reduces the budgets for some projects. The strategy will take into account any updated revenue information and review cash flow needs.

The issuance of debt or the use of the Operating Reserve to address the oil revenue issues is not recommended. These options are discussed in this memo and will not be further explored unless City Council directs staff to do so.

### Background and Overview of Options

The FY 15 Tidelands Budget and Capital Plan was presented to the City Council on June 17, 2014, as part of a review of the Aquatics Center. The FY 15 portion of that Tidelands Budget and Capital Plan was subsequently adopted with the FY 15 budget. A financial update on mid-term bond financing, and the financial risks associated with the Tidelands Budget and Capital Plan, was provided to the City Council on July 24, 2014 (attached).

The approved FY 15 Tidelands Budget and Capital Plan assume that oil revenue will be received based on what was then, and had been the price of oil for some time, \$100 per barrel. The price of \$100 per barrel was assumed only for the Tidelands Budget and Capital Plan; a price of \$70 per barrel was used for the Tidelands Operating Budget. Oil is currently at about \$90 per barrel. The price has been nearer to \$90 per barrel since about mid-August. If oil remains below \$100 per barrel, there will not be enough revenue to support

the Tidelands Budget and Capital Plan. In addition, the Tidelands Fund, even with oil at \$100 per barrel, has little capacity to absorb increased project costs. Further, the tight budget, coupled with a potential oil revenue shortfall, may make it difficult or impossible to ensure that the necessary cash is currently available to fund Tidelands projects when their construction contracts are ready for approval by the City Council. If cash cannot be shown to be available, the construction contracts cannot be approved. These issues could result in the delay or deferral of projects. Following is an overview of the options that address a potential situation where revenues are below that needed to fund projects or there are over budget project costs.

## **Options to Address Tidelands Capital Revenue Shortfalls or Cost Overages**

### Recommended Options

- Develop a strategy by the end of December 2014 to address the potential revenue shortfall, including consideration of adjustments to the FY 15 Tidelands Budget and Capital Plan.
- As much as feasible, keep project costs within the amounts approved in the Tidelands Budget and Capital Plan.
- Adjust the Tidelands Budget and Capital Plan of existing projects.

### Not Recommended

- Borrow funds to allow projects already in the Budget and Capital Plan to proceed as scheduled.  
Borrowing may not be feasible due to current high debt load and unreliability of oil revenue. It is not recommended, in any event, because borrowing would result in the loss of flexibility during an emergency, would have a potential adverse impact on the ABM Rebuild project, and would be expensive, ultimately reducing funding for projects.

### Not Feasible

- Use the Tidelands Fund Operating Reserve.  
Use of the Tidelands Operating Reserve is not feasible because the Operating Reserve is needed to make up any cash shortfall that may exist for approving contract awards until revenue is received during the year. The Operating Reserve is also needed for emergencies.

Appendix A provides details on the status of oil revenues and the implications to the Tidelands Budget and Capital Plan, as well as more explanation of the options that could be considered. At the request of the City Council, Appendix B provides details on the types of borrowing the City could, in theory, use to borrow funds to complete Tidelands projects.

K:\EXEC\JOHN GROSS\UPDATE ON TIDELANDS FUND CAPITAL PROJECT FUNDING DRAFT 6 01.DOCX

ATTACHMENT: JULY 24, 2014 MEMO: BELMONT POOL: MID-TERM BOND ISSUE AND REVENUE RISK

CC: JYL MARDEN, INTERIM ASSISTANT CITY MANAGER  
REGINALD I. HARRISON, DEPUTY CITY MANAGER  
TOM MODICA, DEPUTY CITY MANAGER

## Appendix A Update on Tidelands Capital Project Funding

### Background and Supporting Information

At the June 17, 2014 City Council meeting on the Aquatics Center, Mayor Foster requested that staff analyze the risk of the budgeting approach used for Tidelands. At the same time, City Council asked staff to explore the use of mid-term debt issuance to determine if it could be used to help fund the Aquatics Center at a level higher than in the FY 15 Tidelands Capital Budget and 5-year Capital Plan (Tidelands Budget and Capital Plan) without impacting other projects in the Capital Plan. A memo on those two subjects was issued on July 24, 2014. That memo recommended the City Council not consider the issuance of debt for the purpose of financing a cost increase to the Aquatics Center. The memo also identified financial risk factors associated with the fact that the Tidelands Budget and Capital Plan assume that oil will be sold at what had been the price for a number of months, \$100 per barrel, rather than the budget methodology normally used for oil: \$70 per barrel for the current year, with any extra, above the \$70 per barrel price, available in the following year. Since that time, oil has dropped in price and is now significantly lower than the \$100 per barrel used in the Budget and Capital Plan. In addition, one of the two commercial pipelines the City was using to distribute oil is indefinitely out of service. Oil is now being routed through a single pipeline and this could also adversely impact oil revenue.

The Tidelands Fund has both operations and capital components. The Fund receives its monies from oil revenues, a transfer from the Port (now 5 percent of gross revenues in accordance with the City Charter), and various operating revenues associated with operations in the Tidelands area. The capital portion of the Tidelands budget is funded almost exclusively from oil revenues. Less than ten years ago, the Tidelands Fund had serious financial problems. However, that problem was solved with actions the City took to manage expenses of the Fund, the generally increasing price of oil, new oil exploration, a strong transfer from the Port, and the approval of Measure D. The Fund has been doing well financially in recent years. Measure D, approved by the voters in 2010, redirected additional oil money from the Port to the Tidelands Fund. Primarily as a result of Measure D, significant *funds available* (cash that could be appropriated by City Council) had built-up in the Tidelands Fund over the last few years for capital projects. The increase in funds available occurred even though annual capital spending increased significantly. With the closing of the Belmont Pool, the situation changed. Substantial funding totaling about \$60 million was allocated to replacing the Pool (with the Aquatics Center). That allocation used up most of the funds available and the ability to fund new projects in the next five years. With the updated estimate of \$99 million for the Aquatics Center, it became necessary to take other steps to try to fund the Aquatics Center and to complete it in the desired timeframe and without impacting other planned projects.

To accommodate the increased cost of the Aquatics Center (from \$60 million to \$99 million), important changes were made to the way capital projects are budgeted and planned in the Tidelands Fund. The FY 15 Capital Budget (and associated Capital Plan) was changed to include oil revenue at an assumed \$100 per barrel in each year of the 5-year plan. When this action was taken for the proposed Tidelands Budget and Capital Plan, oil had been relatively steady at about the \$100 level for some time. In addition to assuming

oil revenues would be available at \$100 per barrel, all funds available (surplus) were used, leaving no funds in reserve except for the Tidelands Fund Operating Reserve of \$10 million. The methodology was first used in the proposed FY 15 Budget (subsequently adopted by City Council) and the associated 5-Year Capital Plan that was presented to, and discussed with, the City Council on June 17, 2014. The Budget and Capital Plan, as presented to City Council at that time, is shown below.

**Tidelands Capital Budget (FY 15) and 5-Year Capital Plan  
As Presented to City Council June 17, 2014**

| Project                                    | FY 15         | FY 16         | FY 17         | FY 18         | FY 19         |
|--|---------------|---------------|---------------|---------------|---------------|
| Naples Seawall Mitigation- Colorado Lagoon | (5.0)         |               |               |               |               |
| Naples Seawalls Phase II/Sorrento Walkway  |               | (11.8)        | (8.0)         |               | (12.0)        |
| Belmont Pool                               | (39.0)        |               |               |               |               |
| ABM Rebuild                                |               |               | (15.1)        |               |               |
| Belmont Pier Set Aside                     |               |               |               | (10.0)        | (15.0)        |
| Rainbow Lagoon Rebuild                     |               |               |               | (11.0)        |               |
| Main Lifeguard Headquarters                |               | (2.5)         |               |               |               |
| Alamitos Beach Concession                  |               | (2.5)         |               |               |               |
| Concession Stand Improvements              | (2.0)         |               |               |               |               |
| Miscellaneous Projects                     | (0.3)         | (3.1)         | (2.0)         |               | (3.6)         |
| Tidelands Critical Facilities              | (2.0)         |               |               |               |               |
| <b>Total</b>                               | <b>(48.3)</b> | <b>(19.9)</b> | <b>(25.1)</b> | <b>(21.0)</b> | <b>(30.6)</b> |

| Funding                          | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 |
|----------------------------------|-------|-------|-------|-------|-------|
| Projected Capital Revenue (Cash) | 21.9  | 18.9  | 28.3  | 17.7  | 36.0  |
| From Funds Available             | 26.4  | 1.0   | (3.2) | 3.3   | (5.4) |

Oil revenue received by the Tidelands Fund is based on a complex interrelationship between oil production, the price of oil, the oil producer's production costs, and contractual revenue disbursements with the State of California, the City's oil field contractor, and the other owners of the oil. The revenue formula by which the Tidelands Fund receives revenue is now based on a 2013 "Optimized Waterflood Program" Agreement that further encourage oil production with what was the Tidelands Oil Production Company, the Occidental Petroleum (Oxy) and is now the California Resources Corporation (CRC). This agreement has had substantial positive impact on revenue and will continue to do so. The FY 15 Tidelands Budget and Capital Plan were based not only on an assumption that oil would continue to be priced at \$100 per barrel, but also on the current oil production and exploration plans of Oxy. At this time, although oil's future price is impossible to predict, at least some industry analysts believe it may oscillate around the \$90 per barrel price range for the short-term. In addition, Oxy has recently transferred its California oil interests, including its interests in Long Beach, to CRC. Because of the current drop in oil prices, and the fact that CRC may have different approaches to production and exploration than Oxy did last year, there appears to be a significant risk in assuming continued oil revenue at \$100 per barrel.

Based on this information, it is reasonably possible, if not likely, that the actual oil revenues for the Tidelands Fund may not match the projections assumed in the Tidelands Budget and Capital Plan for the next five years, including FY 15. In addition, because of the very tight budget and the new information on the potential of underperforming revenues, if the lower revenue situation continues, there may be inadequate Tidelands Fund cash flow in FY 15 to support the award of a contract for the Aquatics Center or to support the overall FY 15 Budget and Capital Plan. The possible options and associated recommendations to addressing these issues are described below:

### **Options to Address Project Cost Increases or Revenue Shortfalls**

#### Develop a strategy by the end of December to address the potential revenue shortfall, including consideration of adjustments to the Tidelands Budget and Capital Plan

The City Manager will develop a strategy by the end of December 2014 that addresses the increased level of uncertainty in oil revenues for the Tidelands Fund. The strategy will include consideration of an alternative FY 15 Tidelands Budget and Capital Plan that defers or reduces the budgets for some projects. The strategy will take into account any updated revenue information and review cash flow needs.

#### As much as feasible, keep project costs within the amounts approved in the Tidelands Budget and Capital Plan

Where feasible, the scope of a potentially over-budget project should be adjusted to stay within budget. In some cases this may not be feasible, particularly where the budget is based on pre-engineering/design estimates.

#### Adjust the budget or capital plan of existing projects

As necessary, budgets for existing projects should be reduced or deferred to support higher priority projects until funding is available. This could include projects previously funded to determine if they continue to be high-priority projects.

#### Borrow funds to allow projects already in the Tidelands Budget and Capital Plan to proceed as scheduled

Because of City Council interest, staff has spent considerable time working with the City's financial advisors to determine the potential of using mid-term borrowing to provide enough cash now to proceed with all desired projects now. The cash would be repaid in six-eight years by reducing or eliminating any capital projects at that time. In theory, borrowing could accomplish that goal; in practice, borrowing will be difficult to accomplish and may not be able to be accomplished, would likely be expensive, and may have considerable adverse consequences on the financial capability of the Tidelands Fund to support capital projects. Borrowing of any kind for Tidelands projects is not recommended for these reasons. Some of the issues are described below:

- In general, borrowing against future oil revenue is difficult. Oil revenue is not considered a predictable or diverse revenue source.

- Tidelands already has \$100 million in bond debt outstanding. It was issued for the Aquarium of the Pacific. This was a difficult bond to issue; it will be much more difficult to issue additional debt.
- Even the active consideration of a Tidelands debt issue could adversely impact the ability to issue the ABM Rebuild bonds in a timely manner because of disclosure requirements and the interrelated nature of these two transactions.
- Issuance of additional Tidelands debt will make it even more difficult to issue for emergency situations and may even preclude that ability.
- There is potential adverse financial standing as a lower rated credit on Tidelands would have the City's name attached to it.
- There would be significant issuance and interest costs.
- Moving forward to consider a Tidelands debt issue would require additional resources and associated increased costs.

Because of interest expressed by the City Council in the cash flow generated by borrowing, two charts are provided that illustrate the net cash flow in each year of a seven-year debt issuance. The last column shows the net interest cost. One scenario assumes a borrowing designed to provide \$12 million in available proceeds and the other is for a borrowing designed to provide \$30 million in available proceeds.

For each scenario, three different types of borrowing are shown: a traditional level annual repayment scenario, a repayment of only annual interest with all the principal paid at maturity, and a capital appreciation bond where there are no payments at all until the debt matures. Current market rates were used.

For example, borrowing \$12 million in FY 16, using level debt service (traditional bonds), generates \$9.9 million that year, but that isn't usable to solve a short-term cash flow issue, because, due to annual debt service costs, the cash gain by the fifth year is only \$1.57 million. Only capital appreciation or interest-only debt can provide the type of cash flow needed. That type of debt would have a much higher net cost as illustrated by the last column of each chart.

Cumulative Net Available Cash  
Seven-Year Borrowing Targeting \$12 million in Project Funds

| (\$ millions)                   | FY16  | FY17  | FY18  | FY19  | FY20  | FY21  | FY22   | Interest Paid |
|---------------------------------|-------|-------|-------|-------|-------|-------|--------|---------------|
| Annual/Level Debt Service Bonds | 9.92  | 7.83  | 5.74  | 3.66  | 1.57  | 0.48  | (0.19) | 1.34          |
| Interest Only Bonds             | 11.64 | 11.27 | 10.91 | 10.54 | 10.18 | 9.81  | (2.65) | 2.59          |
| Capital Appreciation Bonds      | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | (4.01) | 4.01          |

Cumulative Net Available Cash  
Seven-Year Borrowing Targeting \$30 million in Project Funds

| (\$ millions)                   | FY16  | FY17  | FY18  | FY19  | FY20  | FY21   | FY22    | Interest Paid |
|---------------------------------|-------|-------|-------|-------|-------|--------|---------|---------------|
| Annual/Level Debt Service Bonds | 24.78 | 19.57 | 14.35 | 9.14  | 3.92  | (1.29) | (2.98)  | 3.36          |
| Interest Only Bonds             | 29.09 | 28.18 | 27.27 | 26.36 | 25.45 | 24.54  | (6.62)  | 6.49          |
| Capital Appreciation Bonds      | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00  | (10.02) | 10.02         |

City Council also requested a description of the various mechanisms that can be used to issue debt. That listing and brief description is listed in Appendix B. The issues described above would generally apply to these ways of issuing debt. Each type of debt may have additional considerations as described in Appendix B.

#### Use of the Tidelands Fund Operating Reserve

The FY 15 Tidelands Budget and Capital Plan relies on current year revenue that may not have been received by the time a project that requires that revenue for funding comes before the City Council for award of a construction contract. For the project to be awarded, cash must be in hand. As a result of the need to have cash in hand, potentially before revenue is received, it is essential that the Operating Reserve (currently at \$10 million) be maintained to provide assurance that cash is available when contracts are awarded for projects. In addition, the Operating Reserve's purpose is not normally for balancing a budget. A better use for the Operating Reserve would be for a substantial unexpected event, or an emergency (there is no separate emergency reserve).

## **Appendix B**

### **Update on Tidelands Capital Project Funding**

#### **Brief Description of Common Debt Types**

Following is a listing of the typical debt types available to the City (under appropriate conditions). A brief description is also provided.

Commercial Paper – This is short-term debt (generally under 270 days) that can be rolled over (new paper issued) to replace the expiring debt. Interest is paid periodically and principal is paid from the issuance of new paper or from some other source when the debt is retired. Issuance of this debt has a relatively high issuance time and costs. Before a Commercial Paper could be issued by the City, the City would need to purchase a debt payment guarantee instrument (contract) called a Letter of Credit. Letters of Credit are purchased from a bank and usually are not longer than two years. There is no assurance that a Letter of Credit can be renewed, and that could be problematic if it could not be renewed, because then the Commercial Paper could not be rolled over.

Line of Credit – In some ways this is similar to a Commercial Paper and is generally short-term. A Line of Credit is issued by a bank and not sold in the market as is a Commercial Paper. A Line of Credit does not require a separate Letter of Credit, but like a Letter of Credit, a Line of Credit would need to be periodically renewed (one or two years) with no guarantee that it would be renewed. There would be issuance and interest costs. Interest is paid until the line of credit is repaid.

Bonds – This is the customary way for the City to issue debt. Bonds look like a home mortgage if the bonds are long-term or like an auto loan if the bonds are short-term. There is a great deal of upfront work to issue bonds with very formal documentation. In the case of Tidelands, the bond would be “revenue” bonds” or potentially “lease-purchase” bonds that are repaid from Tidelands revenue, primarily oil revenue.

Use of Master Lease-Purchase Agreement for Equipment – The City has a quick and relatively inexpensive way to issue debt for equipment. This would generally not be usable for most of the potential Tidelands projects, but, in theory, it could be used for Aquatics Center pool equipment. That equipment would likely have a value in the millions of dollars so a significant amount may be able to be borrowed. For a lease-purchase transaction, debt service must have level or fairly level total payments (principal and interest). Level debt service from year to year does not address the current cash flow problem very well. In addition, it may be complicated to coordinate the timing of the issuance of this type of debt so that it is actually helpful.

Bank Loan – The City can seek loans from banks for a specific amount and tied to specific projects. In turn, the City would have to pledge future revenues from the Tidelands, as well as an asset(s), as collateral should the revenues not meet projections. A bank loan would require similar provisions as a bond offering (although covenants may be more stringent) but can benefit from what is at times a more streamlined process without all of the credit rating or documentation requirements.





Date: July 24, 2014

To: Patrick H. West, City Manager

From: John Gross, Director of Financial Management

For: Mayor and Members of the City Council

Subject: **BELMONT POOL: MID-TERM BOND ISSUE AND REVENUE RISK**

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### Background

At the June 17, 2014 Study Session on the Belmont Beach & Aquatics Center (Belmont Pool), the City Council requested information on a possible mid-term bond financing (6-10 years). The mid-term bond financing would be intended to help fund the Belmont Pool project if it were to cost about \$125 million instead of the \$99 million that had been used in the June 17, 2014 presentation. Staff was asked to research whether a 6-10 year bond issue would allow the financing of a more expensive pool without impacting the City's ability to move forward with other projects that are currently planned in the next few years. In addition, staff was asked to review and report on risks associated with the uncertain nature of Tidelands funding sources – oil revenues and the annual transfer from the Port. This memo addresses those City Council requests.

**A mid-term bond issue is not recommended as it is expensive and will likely create significant problems**

A six-year bond providing about \$25 million in proceeds would provide the additional financing needed for the Pool if it cost about \$125 million; the six year term (as opposed to 7-10 years) would minimize the cost. A bond financial advisor was engaged to review the implications of such a financing to allow a more expensive Belmont Pool and other projects to proceed concurrently. The consultant concluded that such a financing could likely be done. However, it would be difficult to market and it could adversely impact the ability to complete the financing of the Alamitos Bay Marina Rebuild, putting that project at risk of delay. It would also add about \$6 million in interest to the cost of the project, increasing the cost of the Pool from a potential \$125 million to \$131 million. The bond was structured so that only interest is paid for six years (to avoid delaying other projects) and then the entire principal amount is paid in the sixth year. When the bond is paid off after six years, the large payment would result in significant delays for projects that would have been planned at that time. Because of these negative factors, a mid-term bond issue is not recommended. Staff has also reviewed longer term debt funding and does not recommend it for any projects because of the impact of burdening the Tidelands Operating fund with debt (Tidelands already has \$100 million in debt that supports the Aquarium), and because the future annual debt service would make little money available for cash funded projects that have heretofore been the hallmark of the Tidelands Operating Fund.

**The funding of Tidelands operating costs is likely to become a future issue and is exposed to risk from any change in the annual transfer of funds from the Port**

In prior years, the Tidelands Operating Fund has had a significant operating surplus due to an annual transfer of monies from the Port. The Port transfer is important because without it, Tidelands operations would have had a significant deficit. The operating surplus has decreased recently as operational costs have increased. Operational costs are increasing, in part due to increased Tidelands storm water management costs and design and management costs associated with a high level of capital projects, and a ten year matching grant to the Aquarium. In the future, the current small annual surplus is projected to become a significant operating deficit once the new Belmont Pool begins operation. The Pool is expected to have a significant annual operating shortfall that the Tidelands Operating Fund will need to absorb. At that point, if revenues for Tidelands are not higher than they are currently projected to be, reductions in Tidelands operational costs will need to be made.

Under the City Charter, the annual Port transfer is 5% of gross revenues. However, the Harbor Commission is not able to transfer funds to Tidelands unless it first determines that the Port does not need the funds. Because of the City Charter conditions, the transfer is subject to risk that Port revenues will decline and that the Port may eventually need some or all of the funds. Over at least the next few years, it appears unlikely that Port revenues will decline significantly. However, there appears to be some risk that the Port may need some of the funds being transferred since the Port has some large projects that may have higher than expected costs.

**The Current Tidelands Capital Plan is exposed to more risk than usual with regard to a change in oil prices**

The FY 15 proposed budget and the five-year Tidelands capital plan have more risk than in the recent past with regard to planned spending of oil revenues. The risk comes from the fact that for the first time in at least a few years, almost all the projected funds available from oil revenue is planned for expenditure in the year the revenue is received, including oil revenue above \$70 a barrel. If the oil revenue does not occur whether it be because of a price drop, a change in drilling regulations, or whatever reason, there will be a funding shortfall. If that happens, any projects not legally committed will need to be deferred or cancelled. As the City moves forward with the projects, the financial status of the Tidelands fund will need to be continually assessed to ensure cash is available for projects that are ready to be funded.

If you have any questions, please feel free to contact John Gross at extension 8-6427.

CC: SUZANNE FRICK, ASSISTANT CITY MANAGER  
REGINALD I. HARRISON, DEPUTY CITY MANAGER  
TOM MODICA, DEPUTY CITY MANAGER