



MEMORANDUM

Date: December 14, 2009

To: Mayor Foster and Members of the City Council

From: Richard D. Steinke, Executive Director *RS*

Subject: Advance Funding for the Colorado Lagoon Restoration Project

The Port of Long Beach is pleased to be a partner in the restoration of the Colorado Lagoon as shown in our previous support for the project and in the action taken today by the Board of Harbor Commissioners.

During today's Board meeting, the Harbor Commission voted to approve a conditional advance payment of \$1.3 million to the City of Long Beach, as requested, to fund a portion of the Colorado Lagoon Restoration Project. The Harbor Department's participation in this aspect of the Project is primarily contingent upon the receipt of mitigation credits for future enhancement of habitat in the Colorado Lagoon.

Given the opinion of the City Attorney regarding this issue (please refer to the City Attorney's 12/10/09 memo), the below conditions allow the Port to retain the funding nexus for the Project given the uncertainty of both project costs and resultant benefits to the Port. The funding conditions are:

1. If the resource agencies determine that no mitigation credits are generated by the project, then the City must refund the advanced funds within 30 days of the resource agencies' decision.
2. The Board could elect not to proceed with the proposed project if it deems the cost per acre credit is not cost-effective. The Board could then request a full refund of the advanced funds.
3. Provision of these funds does not create a precedent for additional funding for the Project.
4. The City must construct the entire project or refund the entire amount advanced by the Port.

We look forward to the complete restoration at the Colorado Lagoon. Please let me know if you have any questions regarding the Board's decision.

Cc: Pat West, City Manager
 Suzanne Frick, Assistant City Manager
 Reginald Harrison, Deputy City Manager
 Board of Harbor Commissioners