



Date: November 13, 2014
To: Mayor and Members of the City Council
From: X Patrick H. West, City Manager *[Signature]*
Subject: **Government Affairs by the Numbers – FY 14**

Introduction

Staff provides this “Government Affairs by the Numbers” report annually as a way to quantify the City’s legislative efforts. Attached for your information are two documents:

- ✓ FY 14: Government Affairs by the Numbers
- ✓ Overview of State and Federal Successes

Funds Long Beach receives for projects, and/or saves from state or federal cuts are the result of collaborative efforts by the Mayor and City Council, the Federal and State Legislation Committees, the City’s legislative advocates Mike Arnold and Associates, and Van Scoyoc and Associates, City staff, and our Long Beach federal and State delegations. Information presented here does not include competitive grant funds that were awarded in FY 14; rather the report reflects dollar amounts the City acquired or protected through legislative advocacy.

For more information, please contact Diana Tang, Manager of Government Affairs at 8-6506.

cc: Jyl Marden, Interim Assistant City Manager
Tom Modica, Deputy City Manager
All Department Directors
Diana Tang, Manager of Government Affairs
Van Scoyoc and Associates
Mike Arnold and Associates



GOVERNMENT AFFAIRS BY THE NUMBERS

FISCAL YEAR 2014

Federal Issues

Los Angeles River Estuary Dredging – FY 14 Presidents Budget	\$	2,200,000
Los Angeles River Estuary Dredging – FY 14 Work Plan Funding	\$	5,000,000
Los Angeles River Estuary Dredging – FY 15 Presidents Budget	\$	7,700,000
TOTAL:	\$	14,900,000

State Issues

South East Resource Recovery Facility Cap and Trade Exemption	\$	1,000,000
Prepaid Wireless	\$	250,000
TOTAL:	\$	1,250,000

Other State and Federal Successes

Film Tax Credit	\$	330,000,000
State Water Bond – San Gabriel Rivers and Mountains Conservancy	\$	30,000,000
State Water Bond – Integrated Regional Water Management Plan Stormwater	\$	200,000,000
TOTAL:	\$	560,000,000



GOVERNMENT AFFAIRS

OVERVIEW OF STATE AND FEDERAL SUCCESSES

FISCAL YEAR 2014

Introduction

During FY 14, the City was able to negotiate State and federal funding for a number of existing and future projects. A description and associated dollar amount for each issue that the City advocated upon is below.

Federal Successes

Los Angeles River Estuary (LARE) Dredging: For years, the City of Long Beach has worked with the Army Corps of Engineers to ensure that the federal channel in the Los Angeles River Estuary is dredged to an appropriate depth for navigation. The Catalina Express uses the federal channel to commute between Avalon and Long Beach. Parking revenue, totaling approximately \$1 million annually, is deposited in the City's Tidelands Fund from vehicles that park in the City-owned parking lot while passengers embark on the Catalina Express. This revenue is dependent on navigability of the federal channel. Given range of economic interests that are directly correlated with navigability in the federal channel, the City works hard to ensure that there is appropriate funding for dredging this area. The global economic downturn had an impact on funding for this project, but the City maintained our intense advocacy efforts. With a stabilized budget for FY 14, we were able to secure \$15 million over two fiscal years for this dredging effort.

- FY 14 Presidents Budget \$2.2 million
- FY 14 Work Plan Funding \$5.0 million
- FY 15 Presidents Budget \$7.7 million

Harbor Maintenance Tax: The Port of Long Beach is considered Harbor Maintenance Tax (HMT) donor port because HMT revenues that are collected from operations at the Port are returned to the Port at a much lower rate. The City and Port have been requesting that the allocation of HMT revenues to donor ports increase. In 2014, the Water Resources Reform and Development Act set up a process to increase HMT spending to roughly 65 percent of the amount collected in 2014, and an additional 2 percent of spending each year so that by 2020, 80 percent of HMT revenues collected each year are appropriated for port dredging projects. This is an increase from the historical spending rate of 50 percent per year. While the WRRDA language does not direct additional funding towards Long Beach, it is a step forward towards appropriating more revenues and increases the City's likelihood for receiving revenues in the future.

State Successes

State Water Bond: Long Beach worked closely with our State legislative delegation to negotiate funding for stormwater management and the San Gabriel Rivers and Mountains Conservancy in the State water bond. We were successful in securing language to allow stormwater funding to be used for green infrastructure and other stormwater best management practice, in addition to capture and reuse projects, which are particularly limiting in coastal areas such as Long Beach.

- State Integrated Regional Water Management Plan Grants for Stormwater \$200 million
- San Gabriel Rivers and Mountains Conservancy Allocation \$30 million

SERRF Cap and Trade Exemption: The City has continued to advocate for an exemption for the South East Resource Recovery Facility (SERRF) from the State's Cap and Trade Program on the basis that this facility reduces greenhouse gas emissions, when compared to trucking the waste to a landfill. The carbon compliance cost to SERRF if the facility were to be included in the Cap and Trade Program is dependent on the carbon market. The City estimates this amount would be in the \$1 million range each year.

Wireless Utility Users Tax: Existing law assess a number of state surcharges and a user fee on telecommunication services. Telephone providers currently collect these surcharges and the user fee from their customers and remit them to either the CPUC or the BOE. For the past three years, Long Beach supported State legislation to create a statewide standardized mechanism for collecting a utility user tax on pre-paid wireless service. Legislation in 2012 and 2013 failed to become enacted, and in 2014, AB 1717 became the third iteration of this proposal. AB 1717 passed, and because Long Beach already has a municipal code section that authorizes the City to collect a 5% tax on pre-paid wireless, we will receive approximately \$250,000 in new revenues annually as a result of the passage of this bill.

California's Film Tax Credit: While film production remains strong in Long Beach, the City supported statewide efforts to ensure that this industry remains in California. The passage of AB 1839 will infuse \$330 million into California film production over the next five years. This tax credit will also help sustain regional supply chain jobs that support filming.

Statewide Single Use Carryout Bag Ban: Long Beach was one of the first cities in the State to ban single use carryout bags. In 2014, the State enacted legislation (SB 270) that will ban single use carryout bags across California, using mechanisms that are very similar to those that Long Beach employed with our local ordinance that was passed in 2010. While there is not a direct dollar amount associated with SB 270, its passage eliminates any possibility for shoppers to choose one store over another based on whether or not carryout bags are offered free of cost at the location. SB 270 affirms Long Beach's leading efforts on single use carryout bags and strengthens local businesses.

Clean Trucks and Bus Program: As a port city that is interested in improving air quality, Long Beach supported SB 1204. This bill, by Senator Lara, will provide funding for research and development of zero to near-zero emission truck, bus and off-road vehicle and equipment technologies. The goal is to utilize these technologies for goods movement in the future, and thus reduce greenhouse gas emissions, while promoting sustainable economic growth.