



Date: November 22, 2010
To: Mayor and Members of the City Council
From: Patrick H. West, City Manager
Subject: **Fiscal Year 2010: Government Affairs by the Numbers**

As we prepare for the 2011 Legislative Session, we would like to provide an overview of the legislative successes Long Beach achieved during 2010. Attached are three documents that quantify the City's legislative successes during the past fiscal year. These are dollars received as 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, City staff, and of course our Long Beach federal and state delegations.

The information presented in the documents attached do not include the numerous state competitive grant dollars that many of our departments procured in FY 10; rather the *Government Affairs by the Numbers* report attached shows the amount of funds the City acquired or protected in the form of appropriations and legislative advocacy.

Attached you will find:

- ✓ FY 10: Government Affairs by the Numbers
- ✓ Overview of State Successes
- ✓ Overview of Federal Success

For more information, please contact Tom Modica, Director of Government Affairs and Strategic Initiatives at 8-5091.

cc: Suzanne Frick, Assistant City Manager
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FISCAL YEAR 2010: GOVERNMENT AFFAIRS BY THE NUMBERS

NOVEMBER 2010

Direct Federal Dollars Received During FY 2010

• Stimulus Funds	\$120,088,100
<i>*Long Beach and our government partners, since the beginning of the Stimulus program</i>	
• I-710 / Shoemaker Bridge & Ramps Improvement Project	\$1,000,000
• Forensics Investigation Equipment	\$100,000
• Long Beach Youth Career Academy	\$300,000
• Regional Senior Services Collaboration Coordinator Program	\$100,000
• Army Corps Review of the Breakwater Study	\$90,000
TOTAL:	\$121,678,100

Pending Federal Dollars (FY 11 Appropriations)*

• East San Pedro Bay Ecosystem Restoration Study	\$600,000
• Colorado Lagoon Restoration	\$1,000,000
• Gateway Cities Stormwater Clean-Up Project	\$600,000
TOTAL:	\$2,200,000

*Funding is dependent on conference agreements and the ultimate approval of the federal appropriations bills

State Dollars Lost as a Result of the State Budget

• Health Department (various funds)	(\$111,500)
TOTAL:	(\$111,500)

State Dollars Prevented from Being Lost as a Result of the State Budget

• Gas Tax Borrowing Exemption	\$8,500,000
• Protected Proposition 42 Funds in the Gas Tax Swap	\$4,500,000
• Transient Occupancy Tax <i>*Amount reflects data from 1999-2008</i>	\$2,500,000
• Long Beach Exemption to Oil Severance Tax	\$5,000,000
TOTAL:	\$15,500,000

Other Federal and State Successes During FY 2010:

• Indian Air Force order of ten new C-17 aircraft	\$4,100,000,000
• Defeated effort to eliminate the Long Beach Enterprise Zone	\$86,324,160
• Approval of the Gateway Authority Integrated Regional Water Management Plan (IRWMP) <i>*Max Amount</i>	\$75,000,000

OVERVIEW OF STATE SUCCESSES

- **Enterprise Zone Hiring Tax Credit (\$86,324,160):** Defeated an effort to abolish the Long Beach Enterprise Zone, which generates a benefit to Long Beach businesses in the amount of \$86,324,160. In FY 10, the Long Beach Enterprise Zone issued a record number of hiring credit vouchers, 6,917, to 638 Long Beach businesses.
- **Oil Severance Tax Language Accepted (\$5 million):** Language to exempt Long Beach oil operations from the proposed State Oil Severance Tax was approved by the Legislature's Leg Counsel. This measure potentially saves the City \$5 million per year if the tax was implemented.
- **Gas Tax Swap (\$4.5 million):** The passage of the Transportation Funding Swap in this legislative session eliminated Proposition 42. Funds generated by Proposition 42 were replaced by an increase to the excise tax in the amount of 17.3 cents per gallon. Local governments expect to receive the same amount of transportation dollars, though the dollars lack the constitutional protections associated with Proposition 42.
- **Highway User Tax Account exemption (\$8.5 million):** Protected \$8.5 million in local government gas tax dollars from being borrowed by the state. The exemption protected Long Beach during the final months of the FY 10 budget cycle and will be in place for FY 11. Long Beach was one of only a handful of cities that received an exemption.
- **Integrated Water Regional Management Plan: Integrated Regional Water Management Authority (\$75 million):** The Los Angeles Gateway Authority was formed in 2006 as a way to ensure that the Gateway region would have direct access to the region's fair share of the proposed state water bond funds. Earlier in 2009, the Gateway Authority was informed that its authority would not be re-authorized by the State and therefore millions in potential water bond revenues were put in jeopardy. Long Beach, the Gateway COG and the region's state delegation responded with intense efforts to secure the State's agreement to re-authorize the Gateway Authority. Ultimately, the region was re-authorized as its own IRWMP and will be eligible to compete directly for up to \$40 million in water funds from Prop 84, as well as up to \$35 million in proposed state water bond funds. The water bond will reach voters for approval as a ballot measure in November 2012. Even if voters do not approve the bond, the Gateway Authority will exist as an entity that can pursue State water funds.
- **Transient Occupancy Tax (\$2.5 million):** Long Beach and other cities concerned with the loss of transient occupancy tax dollars defeated an effort by online travel companies to include exemption language in a state budget trailer bill to preclude themselves from remitting transit occupancy taxes (TOT) on the full amount paid by the end consumer to local governments. Long Beach values the potential loss of TOT revenue between 1998 and 2008 at approximately \$2.5 million.
- **Defeated Santa Monica Rivers and Mountains Conservancy Bill:** Long Beach took an "oppose unless amended" position on the basis that the new funding stream would have unduly elevated the Upper Los Angeles River and Watershed Protection Program to the detriment of the lower Los Angeles River. Opposition to the bill convinced the author to refrain from pursuing the bill. AB 1818 died in the Assembly Committee on Appropriations.

OVERVIEW OF FEDERAL SUCCESSES

- **Stimulus Funds (\$120,088,100):** Long Beach has been aggressive in assembling shovel-ready projects, and pursuing as many of those dollars as possible since the beginning of the stimulus program. To date, Long Beach and our government partners have secured just over \$120 million in Stimulus funds. A notable transportation project Long Beach has executed is the improvements of 14 streets and roads in the City – the most expansive street improvement project in over a decade.
- **I-710 / Shoemaker Bridge & Ramps Improvement Project (\$1,000,000):** Funds were received to improve traffic safety by reconfiguring the Shoemaker Bridge south to Golden Avenue and realigning the on and off ramps between Broadway and 7th Street. These funds will pay for the design and environmental clearance costs.
- **Police Forensics Investigation Equipment (\$100,000):** Funds allowed the Long Beach Police Department to acquire necessary equipment for controlled substance analysis, firearms analysis, toxicology analysis, latent fingerprint analysis, and photographic documentation.
- **Long Beach Youth Career Academy (\$300,000):** Funds are providing structured employment and educational activities for 120 young adults who have significantly contributed to delinquency, gang involvement, and other at-risk behaviors in the community. Activities include connecting Long Beach's vulnerable youth with workforce and educational activities as part of a larger intervention strategy.
- **Long Beach Senior Services Program (\$100,000):** Federal funding financed a new Regional Senior Services Collaboration Coordinator Program to serve the Long Beach, Signal Hill, Carson, Compton and Willowbrook areas of Los Angeles County.
- **Long Beach Breakwater (\$90,000):** Funds enabled the U.S. Army Corps of Engineers to conduct a Reconnaissance Study of the Long Beach Breakwater. The result was a finding of federal interest in an ecosystem restoration project in the study area. During the Reconnaissance Study, the name of the project was amended to bring it in-line with project goals; the project is now known as the East San Pedro Bay Ecosystem Restoration Study.
- **FY 11 Appropriations (TBD):** As of November 2010, Congress remains in the process of considering FY 11 Appropriations. Long Beach has received earmarks in the following House and Senate bills considered thus far: East San Pedro Bay Ecosystem Restoration Project (\$600,000); Colorado Lagoon (\$1 million); Gateway Cities Stormwater Clean-Up Project (\$600,000).
- **C-17 Production Line Extension (\$4.1 billion):** Boeing and the Indian Air Force (IAF) were in the final stages of negotiating a contract agreement for ten new C-17 aircraft orders at the close of FY 10. A shift towards soliciting international orders to keep the C-17 production line operable has generated interest from the IAF as well as other nations. The IAF order for ten C-17 aircraft would maintain production of the C-17 at Long Beach's facility through 2014, with shutdown preparation beginning in 2013 absent additional orders above and beyond the then aircrafts pending finalization.