


**REPORT OF THE  
CHIEF LEGISLATIVE ANALYST**

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DATE: July 30, 2015

TO: Honorable Members of the Rules, Elections, Intergovernmental Relations, and  
Neighborhoods Committee

FROM: Sharon M. Tso   
Chief Legislative Analyst

Council File No: 15-0002-S77  
Assignment No. 15-07-0562

SUBJECT: Resolution (Buscaino - Ryu) To SUPPORT SB 399 (Hall) to authorize the City of  
Los Angeles to renew a franchise or permit on, or lease tidelands and submerged  
lands for an additional term or terms.

CLA RECOMMENDATION:

Adopt Resolution (Buscaino - Ryu) to include in the City's 2015-2016 State Legislative Program,  
SUPPORT for legislation to authorize the City of Los Angeles to renew a franchise or permit on,  
or lease tidelands and submerged lands for additional terms to expand the potential economic  
opportunities promoting commerce, navigation and fishery at the Port of Los Angeles.

SUMMARY

Resolution (Buscaino - Ryu), introduced July 1, 2015, SUPPORTS SB 399 (Hall) to amend  
Section 1 of Chapter 651 of the Statutes of 1929 regarding tidelands and submerged lands which  
will authorize the City of Los Angeles to renew a franchise or permit on, or lease of tidelands and  
submerged lands for terms longer than the existing limit of 50 years. The State of California grants  
to the City of Los Angeles all the rights, title and interest of the State to all tidelands and submerged  
lands below the line of mean high tide of the Pacific Ocean within the boundaries of the City in  
trust for certain purposes, but with terms not allowed to exceed 50 years. SB 399 (Hall) would  
allow renewals for an unspecified period of time.

BACKGROUND

The Port of Los Angeles is redeveloping a 30 acre portion the LA Waterfront, known as Ports O'  
Call, to bring unique retail, entertainment, and commercial development to the Port, which has  
seen an expansion of under-utilized and abandoned structures at the site. This project will bring  
together public and private investment to provide new services for tourists and residents alike.  
Economic analysis of the project indicates that the inability to enter into agreements on-site longer  
than 50 years is a hindrance to attracting long-term investment partners. This bill would extend the  
leasing terms beyond 50 years and provides the City with more opportunities to develop the Ports

O'Call. Additionally, the term agreements allowed under SB 399 would put the Port of Los Angeles on par with terms already allowed at the Port of Long Beach.

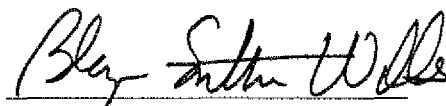
The over-arching purpose of the existing law, according to the Bill Analysis for the Assembly on Natural Resources, is the continuous pursuit of the Public Trust Doctrine, which is to protect the public's right to use California's waterways for commerce, navigation, fishing, boating, natural habitat protection, and other water oriented activities. The existing law grants to the City of Los Angeles all the rights, title, and interest of the State of California to all tidelands and submerged lands within the boundaries of the City in trust. In protecting the State's interest, SB 399 (Hall) illustrates the continued intent of the law through the following points:

- A. The lands shall be held by the City for the promotion of commerce, navigation and fishery,
- B. The City shall not grant or give the lands to any individual firm or corporation for any purpose whatsoever,
- C. Improvements to the lands shall be without expense to the State and remain a public harbor,
- D. Management or operation of any harbor or facilities shall not discriminate in rates, tolls, or charges for any use or service.

Nothing included in SB 399 (Hall) would redefine or alter the existing purpose of the law, with the lone exception being extending the term of franchises, permits and leases. Approval of SB 399 (Hall) provides an unprecedented economic opportunity for the City of Los Angeles by attracting the most beneficial investments and long-term commitments to revitalize the Port and to serve the surrounding communities of San Pedro and Wilmington.

DEPARTMENTS NOTIFIED

Harbor Department did not provide an official response to the Resolution.



Blayne Sutton-Wills  
Analyst

Attachment: I. Resolution (Buscaino-Ryu)

SMT:BSW:bsw

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to pending before a local, state or federal government body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, existing law grants the City of Los Angeles all the right, title, and interest of the State of California to all tidelands and submerged lands below the line of mean high tide of the Pacific Ocean within the boundaries of the City in trust for certain purposes; and

WHEREAS, existing law specifies that the certain purposes include the promotion of commerce, navigation, and fishery; and

WHEREAS, existing law authorizes the City of Los Angeles to grant franchises, permits or leases of those lands for the specified purposes and for a term, or terms, not exceeding 50 years; and

WHEREAS, SB 399 (Hall) as amended, would authorize the City of Los Angeles to renew a franchise or permit on, or lease of those lands for the specified and described purposes for an additional such term or terms not to exceed 50 years; and

WHEREAS, SB 399 (Hall) grants this authority to the City of Los Angeles based on several conditions; and

WHEREAS, SB 399 (Hall) specifies a] the lands shall be held by the City for the promotion of commerce, navigation, and fishery; b] the City shall not grant or give the lands to any individual firm or corporation for any purpose whatsoever; c] improvements to the lands shall be without expense to the State and remain a public harbor; d] management or operation of any harbor or facilities shall not discriminate in rates, tolls, or charges for any use or service; and

WHEREAS, in SB 399 (Hall) there is reserved for the people of the State of California the absolute right to fish in waters, with the right of convenient access to the waters over the lands for those purposes.

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by adoption of this resolution, the City of Los Angeles hereby includes in its 2015-2016 State Legislative Program SUPPORT for SB 399 (Hall) to authorize the City of Los Angeles to renew a franchise or permit on, or lease of Tidelands and submerged lands for an additional term or terms.

PRESENTED BY: \_\_\_\_\_  
JOE BUSCAINO  
Councilman, 15<sup>TH</sup> District

JUL 1 2015

SECONDED BY: \_\_\_\_\_