



**Date:** December 11, 2014

**To:** Mayor and Members of the City Council

**From:** Patrick H. West, City Manager *T. West*

**Subject:** **USS *Ranger* Feasibility**

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On September 16, 2014, the City Council requested that the City Manager investigate the feasibility of bringing the USS *Ranger* (CV-61) Supercarrier to the City of Long Beach. City staff reached out on numerous occasions to meet with representatives of the Top Gun Supercarrier of Long Beach, Inc. organization to discuss their proposal; however, at the request of the stakeholders, the meeting was scheduled for December 3, 2014 to allow them sufficient time to prepare for the meeting.

## **BACKGROUND**

This following information provides the history of the USS *Ranger*, the Navy's requirements for ship donation, and the availability of the USS *Ranger* for donation.

### **History**

The United States Navy commissioned the USS *Ranger* in 1957. The ship went on to play a major role in the Vietnam War, deployed globally during the Cold War, and served on missions during Operation Desert Storm in the Middle East and Operation Restore Hope in Eastern Africa. The Navy decommissioned the ship in 1993.

In 2004, the Navy placed the USS *Ranger* on "donation hold" at the request of Navy veterans living in the Pacific Northwest who had served on the vessel. Two years later, the USS *Ranger* Foundation sought to locate the ship in Long Beach, and reached out to the Port of Long Beach and then-Mayor Beverly O'Neill. The City was unable to make a commitment at that time, and the Foundation settled on a location in Oregon.

The Foundation started its application to take ownership of the vessel in 2009, and the Navy accorded the Foundation priority to adopt the ship in 2010. The Foundation identified Chinook Landing Marine Part in Fairview, Oregon as the location. However, the site presented unique challenges to transporting the aircraft carrier (which measures 1,046 feet long and 250 feet wide), including the need to remove a section of bridge owned and operated by the BNSF Railway Company.

In 2012, the Foundation failed to meet the Navy's deadline to submit detailed business and environmental plans. The Navy also cited the inability to resolve the bridge issue, shallow waters that required dredging, and insufficient funds as the reason for denying the Foundation's application to take ownership of the USS *Ranger*.

## Requirements for Ship Donation

The Naval Sea Systems Command (NAVSEA) of the U.S. Navy sets forth the process to acquire a Navy ship. The acquisition of the USS *Ranger* would follow a similar path as the USS *Iowa* in San Pedro and the USS *Midway* in San Diego. The acquisition of the USS *Iowa* took more than a decade and cost \$8 million. San Diego took 12 years to secure the USS *Midway*, filed 36 state permits, and completed a 3,000 page application.

The lengthy federal process through NAVSEA occurs over three phases:

- Phase 1: Response to the Federal Register Notice of Availability  
NAVSEA would publish a Notice of Availability in the Federal Register and the City would have sixty (60) days to submit a Letter of Intent to the NAVSEA.

- Phase 2: Submission of a Business/Financial Plan and an Environmental Plan

Within a year after NAVSEA accepts the Phase 1 documents, the organization seeking the ship must submit detailed plans related to organizational structure, experience, and leadership. Additionally, an extensive business plan that details marketing strategies, a five-year balance sheet detailing projected annual income, services provided by the museum, feasibility analysis, market and competitive analysis, and acquisition costs.

Specifically, Phase 2 requires that the organization identify the site, identify costs associated with tow preparations and towing, mooring and construction permits, building construction (i.e. visitor center), ship refurbishment, repair, and restoration, ADA access, and financial service charges. In addition to the above, Phase 2 requires extensive environmental review of applicable federal, state, and local environmental protections.

Finally, the applicant must describe the community support associated with acquiring the ship, including receiving approval from the local port authority, the City, surrounding communities, newspaper editorials, and local veterans' associations.

- Phase 3: Submission of Mooring, Tow, Maintenance, and Curatorial/Museum Plans

Within six months after NAVSEA certifies the Phase 2 documents, the organization submits a Mooring Plan, which analyzes if the proposed site can withstand a 100-year storm condition without damage to the vessel. The Mooring Plan must have a letter of endorsement from the United States Coast Guard Captain of the Port where the vessel will be moored. The study calls for extensive engineering, geotechnical, and bathymetric analysis.

Additionally, a detailed Tow Plan and Maintenance Plan requires extensive documentation to ensure safe transport of the ship and the regular maintenance of the ship and its facilities. Finally, the Curatorial/Museum Plan includes a job description of the professional curator, acquisition of collections, display of collections, risk management, and security.

### **Availability of USS *Ranger* for Donation**

On September 26, 2012, NAVSEA removed the USS *Ranger* “from donation hold and re-designated for dismantling.” NAVSEA noted that “no organization was able to meet the Navy’s minimum requirements for ship donation.”

City staff reached out to NAVSEA on September 24, 2014. The Navy confirmed that the USS *Ranger* is not available for donation, and does not intend to release another notice in the Federal Register. Absent another notice in the Federal Register, Congress would have to enact legislation directing the Department of the Navy to make the ship available. Legislation would require approval by the House of Representative and Senate, and the signature of President Obama before the conclusion of the 113th Congress on January 3, 2015. As an alternative to Congressional action, according to representatives from the Top Gun Supercarrier, Inc., the ship could also be removed by President Obama. City staff reports that, according to the NAVSEA, such an action would be highly unusual.

While the Top Gun Supercarrier organization purports that the USS *Iowa* had been similarly situated as the USS *Ranger*, City staff notes that the USS *Iowa* had been made available by the Secretary of the Navy for donation. After the first organization’s attempt for donation failed to meet the Navy’s stringent requirements, the Navy re-listed the USS *Iowa* in the Federal Register. Only after the Navy relisted the USS *Iowa* in the Federal Register did the Los Angeles Board of Harbor Commissioners take action to support the project.

The Navy expects the contract for dismantling the ship will close by the end of this year or early next year.

### **The Top Gun Supercarrier, Inc. Organization**

The Top Gun Supercarrier of Long Beach, Inc. serves as the organization representing the interests of those interested in bringing the USS *Ranger* to the City. The organization is unaffiliated with the USS *Ranger* Foundation that sought to bring the aircraft carrier to Oregon.

The organization formed in September 2014 when this Resolution request came before the City Council. Since September, the organization filed Articles of Incorporation as a non-profit entity with the California Secretary of State. The organization recently submitted documents to the United States Internal Revenue Service (IRS) for a 501(3)(C) status consideration. Additionally, the organization is in the process of tax exemption status with the California Franchise Tax Board. Representatives indicated that the appropriate tax documents would be filed if the City Council adopted a Resolution expressing interest in the USS *Ranger*. City staff notes that the IRS takes approximately two to six months to grant 501(3)(C) status, depending on the completeness of documents. In some instances, the IRS has taken more than a year to evaluate an application for a 501(3)(C) status.

As mentioned above, City staff met with the organization on December 3, 2014 and, at the meeting, the organization’s Chief Financial Officer reported that the project has approximately \$12 million in donation commitments, largely from corporations, but not yet received. This money is contingent on the Navy making the ship available for donation, so that the Top Gun

Supercarrier of Long Beach can file the application to the Navy. These commitments would fund the towing, document preparation, and other costs associated with locating the USS *Ranger* in Long Beach. The organization has invested significant time, effort, and resources, despite the ship's unavailability, and has worked to retain various consulting services for this endeavor. Additionally, the Event Network, which will assume operations at the Queen Mary in 2015, has also expressed an interest in managing museum merchandise and retail stores.

## PROPOSAL

Assuming the Navy made the USS *Ranger* available for donation, and the City expressed an interest in hosting it, the proposal presented by the Top Gun Supercarrier of Long Beach, Inc. would require a number of significant actions.

Location: Pier South of Shoreline Park

As proposed by representatives of the Top Gun Supercarrier organization during the City Council meeting, and again on December 3, the USS *Ranger* would be located in a six (6) acre area (1,046 feet long by 250 feet wide) immediately south of Shoreline Park, moored to a pier over the water. This location presents a number of physical challenges:

- Towing: The USS *Ranger* would need to be towed from Bremerton, WA to Long Beach. An estimate provided to the Top Gun Supercarrier organization determined towing costs of \$1,078,500. Additionally, the previous USS *Ranger* Foundation identified the need for replacing the ship's towing rigs at an unspecified cost.
- Dredging: The draft of the ship is 37 feet. The current depth of the channel is, on average, 8 feet to 12 feet. The project would require the removal of 1,317,810 cubic yards of dredge spoils at an estimated cost of up to \$20 million for ocean disposal or up to \$165 million for land disposal. Dredge material found to be incompatible for ocean disposal would result in land disposal. Additionally, maintenance dredging would be required to keep the ship free floating. This dredging cost does not include the need to dredge the channel to transport the carrier into the bay. Staff notes that the Top Gun Supercarrier currently has insufficient financial commitments to fund the dredging project.
- Pier Construction: The construction of a pier suitable for mooring the ship would be an undertaking of large magnitude and expense.
- Visual Impact: At more than 1,000 feet long, and nearly 100 feet high (from waterline to the bridge), the USS *Ranger* would be an imposing structure that would alter the character of Rainbow Harbor and Queensway Bay.
- Transportation Infrastructure & Parking: Existing transportation infrastructure and parking facilities are not sufficient to handle the addition of an attraction of this magnitude. Top Gun Supercarrier of Long Beach, Inc. would have to construct additional parking and likely need to upgrade the transportation infrastructure after conducting a traffic impact study.

The proposed location of the ship also presents several significant land and water use issues. This location has the potential to require some use of the current park, as well as utilize a significant portion of the water area immediately south of the park. Shoreline Park is subject to federal restrictions by the National Park Service, as it was funded and constructed through a Land and Water Conservation Grant. This site requires approval by State Parks, the National Park Service and the Coastal Commission, and a requirement that other park land be identified to mitigate for the loss of park space. Further, the City Charter requires that any loss of designed park land in the City be replaced on a two-for-one basis, and that an equal amount of park land be located in the same service area. Finally, this proposed location may be either adjacent to or encroach into the navigable federal channel in the Los Angeles River Estuary and will require review and approval by the Army Corps of Engineers.

On December 3, the organization suggested a second potential site, in an area south of Pier H (location of the Queen Mary and the Carnival Cruise Line) and north of Pier J. This location would be in the Harbor District. However, in follow-up communication with City staff, the organization has stated a clear preference for the Pierpoint Landing location.

### **Approval Process**

Assuming the Top Gun Supercarrier, Inc. organization met the Navy's requirements for the donation of the ship and continued with the site at Pierpoint Landing, this request would follow the same process as a residential, commercial or industrial development in Long Beach. The organization would first submit an application for Conceptual Site Plan Review to the City's Department of Development Services that would include detailed plans for the USS *Ranger* that meet current building code and accessibility standards. The application would also require property owner or leaseholder consent. Examples of information needed for the Conceptual Site Plan Review include a detailed site plan showing the total amount of acreage required for build-out of the project including parking counts, ingress/egress locations, and ancillary facilities; a plan showing the elevations to determine the potential impact on views from surrounding areas; and plans demonstrating consistency with fire and life safety codes, including seismic requirements and compliance with the Americans with Disabilities Act (ADA).

As part of the review process, an Environmental Impact Report (EIR) would also be required. To complete the environmental analysis, the following information is necessary:

- 1) A technical traffic study showing the potential traffic impacts;
- 2) An analysis of the amount of waterfront made potentially inaccessible by the facility and a plan to mitigate that loss of coastal access;
- 3) Hydrological study to determine if the project will have any impact on the Los Angeles River flows, or potentially could be impacted in the event of a reconfiguration of the Breakwater; and,
- 4) Identification of potential replacement parkland locations to comply with the City's 2:1 park replacement policy.

In addition to the Navy's and City's requirements, given the proposed location, tentative approval from the following federal and state agencies would also be required:

- Army Corps of Engineers approval to build in or near the federal channel;
- Coastal Commission;
- State Lands Commission; and
- State Parks Service and the National Park Service to allow the facility to operate in Shoreline Park, as it was constructed with a federal Land and Water Conservation Grant and the park is deed-restricted for open space.

If the organization pursued its alternative site in the Harbor District, the Top Gun Supercarrier of Long Beach, Inc. would instead seek a Harbor Development Permit through the Port of Long Beach. This process would also require an EIR under the Harbor District's requirement. According to the Port's stated application procedures, projects requiring an EIR that are classified as major projects can take approximately one to two years for review. This process includes review and approval of concerned divisions in the Port, before the application is referred to the Harbor Board of Commissioners, which would ultimately decide to issue a permit.

## CONCLUSION

Staff is sensitive to the passion displayed and resources invested by stakeholders in bringing the USS *Ranger*. However, the USS *Ranger* remains unavailable for donation, and would require either Congressional or Presidential action to make the ship available even if the City expressed interest. Taking this into consideration, as well as the significant regulatory requirements and physical improvements associated with the proposal, City staff does not recommend pursuing the project further, and allow passionate and dedicated veterans, many of whom are on fixed incomes, to channel their energies, time, and money to a more sustainable project.

If you have questions, please contact Tom Modica, Assistant City Manager, at (562) 570-5091.

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