



# CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

# R-17

333 West Ocean Blvd • Long Beach, California 90802

March 12, 2013

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

## RECOMMENDATION:

Recommendation to authorize the City Manager to amend the City's Feasibility Cost Share Agreement (FCSA) with the United States Army Corps of Engineers (Army Corps) to contribute up to \$50,000 in existing authorized local-sponsor funds for the purposes of rescoping the East San Pedro Bay Ecosystem Restoration feasibility study; authorize the City Manager to further amend the FCSA to accelerate a revised local-sponsor amount of \$1.5 million and allow the City to contribute \$750,000 to fulfill a portion of the Army Corps' federal-cost share; and authorize the City Manager to enter into the revised agreement with the Army Corps to implement the rescoped feasibility study. (District 2, 3)

## DISCUSSION

In November 2010, the City of Long Beach and the Army Corps entered into a Feasibility Cost Share Agreement (FCSA) to formalize funding obligations of both parties for the East San Pedro Bay Ecosystem Restoration feasibility study, formerly known as the "Breakwater Study." The feasibility study will identify a pragmatic and economically feasible option for restoring the East San Pedro Bay Ecosystem based upon three planning objectives: (1) restore the ecosystem; (2) improve water quality; and (3) increase recreation, including the possibility of wave activity. The study considers feasible restoration options as those that will protect existing homes, maritime operations, and infrastructure in the East San Pedro Bay.

The City and the Army Corps previously agreed to share the original feasibility study cost, of \$8.3 million, equally and concurrently, over a period of at least four years. The City Council authorized up to \$3,320,700 of Tidelands funding to meet the City's feasibility study cost-share obligation, and City staff was prepared to provide an additional \$825,000 in non-cash in-kind services.

In 2012, the Army Corps issued new feasibility study guidelines, known as the 3x3x3 feasibility study model. This model requires feasibility studies to cost no more than \$3 million, take no more than 3 years to complete, and be contained in a report of a reasonable size. As a result, the City Council authorized staff to renegotiate the East San Pedro Bay Ecosystem Restoration FCSA on October 9, 2012, and renegotiate a project management plan for topics of interest to the City.

HONORABLE MAYOR AND CITY COUNCIL

March 12, 2013

Page 2

At this time, staff recommends adoption of a revised FCSA. The revisions will allow the City to advance up to \$50,000 in existing local-sponsor funds to rescope the study, fund the City's \$1.5 million cost-share obligation, and contribute up to one-half of the Army Corps' share of the funding, or \$750,000, whichever is less. This approach initiates the rescoping process, which must be complete before the study can begin, and which would otherwise be delayed until the Army Corps receives dedicated funding for this project.

Rescoping the feasibility study project management plan will condense a 4-year, \$8.3 million study into a 3-year, \$3 million study. An inevitable consequence of spending less and studying faster is access to fewer resources and less time to utilize those resources. The original concept of the feasibility study was to examine several different alternatives and explore various community interests. Due to the new 3x3x3 process, the study will be much more focused. Ancillary portions of the original project management plan may be cut as part of the rescoping process. The decision to keep or not keep aspects of the original project management plan will be made by a team of specialized Army Corps staff, with input from the City of Long Beach and the public through a public participation process. To ensure the best possible outcome, City staff recommends engaging a consultant to advise the City during the feasibility study, and will return to the City Council with that request at the conclusion of an RFP process.

This matter was reviewed by Deputy City Attorney Richard Anthony on February 20, 2013, and Budget Management Officer Victoria Bell on February 21, 2013.

TIMING CONSIDERATIONS

City Council action is requested on March 12, 2013, to begin rescoping the East San Pedro Bay Ecosystem Restoration feasibility study. It is estimated to take up to 12 months to receive approval from the Army Corps to formally execute the new FCSA.

FISCAL IMPACT

City Council authorization is requested to allow the City of Long Beach to contribute \$50,000 in existing authorized local-sponsor funding to rescope the feasibility study, to allow the City Manager to further revise the FCSA to accept terms and agreements that reduce the City's local-sponsor funding obligations to \$1.5 million, and to contribute \$750,000 in existing authorized local-sponsor funds to fulfill a portion of federal costs. The local-sponsor funding contribution of \$800,000 is currently budgeted in the Tidelands Operations Fund (TF 401) in the City Manager Department (CM).

Given the new 3x3x3 study constraints, City staff will return to the City Council at the conclusion of an RFP process with a recommendation to engage a consultant in an amount up to \$500,000 to oversee and supplement the Army Corps' final feasibility study project management plan.

If approved, amending the FCSA as described above will result in a \$520,700 savings for the City of Long Beach (attachment).

HONORABLE MAYOR AND CITY COUNCIL  
March 12, 2013  
Page 3

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST  
CITY MANAGER

Attachment  
PHW:TM:DT  
M:\IGR\Federal\Breakwater\Feasibility Study\Council Letter

# Proposed Cost Sharing Agreement

Attachment

## East San Pedro Bay Ecosystem Restoration Study

March 2013

<b>Previous Feasibility Study Costs</b>	<b>Long Beach Funding Commitment</b>	<b>Army Corps Funding Commitment</b>	<b>Total</b>
Tidelands Authorization	\$3,320,700		<b>\$3,320,700</b>
City In-Kind Services	\$825,000		<b>\$825,000</b>
Army Corps Costs		\$4,245,700	<b>\$4,245,700</b>
<b>Previous Totals</b>	<b>\$4,145,700</b>	<b>\$4,245,700</b>	<b>\$8,391,400</b>

<b>New Proposed Study Costs</b>	<b>Long Beach Funding Commitment</b>	<b>Army Corps Funding Commitment</b>	<b>Total</b>
Study Rescoping	\$50,000		<b>\$50,000</b>
City Feasibility Share	\$1,500,000		<b>\$1,500,000</b>
Army Corps Feasibility Share	\$750,000	\$750,000	<b>\$1,500,000</b>
Study Review		\$100,000	<b>\$100,000</b>
<b>New Proposed Totals</b>	<b>\$2,300,000</b>	<b>\$850,000</b>	<b>\$3,150,000</b>

Consultant Services	<b>\$500,000</b>
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City Savings	<b>\$520,700</b>
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