CALIFORNIA STATE LANDS COMMISSION 100 Howe Avenue, Suite 100-South Sacramento, CA 95825-8202



PAUL D. THAYER, Executive Officer (916) 574-1800 FAX (916) 574-1810 California Relay Service From TDD Phone 1-800-735-2922 from Voice Phone 1-800-735-2929

> Contact Phone: (916) 574-0234 Contact FAX: (916) 574-1324

July 9, 2003

File Ref. G05-03

Mr. James McCabe Deputy City Attorney City of Long Beach 333 West Ocean Blvd., 11th Floor Long Beach, CA 90802-4664

Dear Mr. McCabe:

Pursuant to our earlier telephone conversation, I am requesting various information and documents relating to the Queen Mary lease and the Convention and Entertainment Center.

In regards to the Queen Mary, what is the financial status of the Queen Mary in terms of rental payments to the City of Long Beach? What is the status of the development rent credits for the Queen Mary? Please provide a copy of the lease and amendments between the City and the Queen Mary Corporation, as well as, any City Council authorizations revolving around the lease and/or amendments. In addition, please provide any documentation regarding the Queen Mary development rent credits.

In regards to the Convention and Entertainment Center, pursuant to the provisions of paragraph 6.c. (4) of the Pacific Terrace Agreement between the City and the State of California (acting by and through the State Lands Commission) dated September 12, 1974, the City is required to submit a written determination of events held at the Convention and Entertainment Center, which promote the Public Trust, as defined in paragraph 4. Therefore, please provide a list of events held at the Convention and Entertainment Center for fiscal years ending 2002 and 2003.

In addition, according to our letter dated September 6, 2001, staff requested documentation on how the City proposed to address the diversion of tidelands trust revenues from the Convention and Entertainment Center parking lot funds to other City funds and purposes. A copy of the September 6, 2001 letter is enclosed for your convenience. According to our files we have not received any documentation relating to that specific issue. Therefore, please provide documentation on how the City proposes to address this issue.

July 9, 2003 Page 2

Thank you in advance for your timely response on these requests. If you have any questions please do not hesitate to contact me at (916) 574-0234.

Sincerely,

Jennifer Lucchesi

Public Land Management Specialist -

Enclosure

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September 6, 2001

File Ref: G05-03

Mr. Robert E. Shannon City Attorney 333 W. Ocean Blvd., 11th Floor Long Beach, CA 90802-4664

RE: Long Beach Convention and Entertainment Center

Dear Mr. Shannon:

Pursuant to the provisions of paragraph 6.c. (4) of the Pacific Terrace Agreement (Agreement) between the City of Long Beach (City) and the State of California (acting by and through the State Lands Commission) dated September 12, 1974, the City is required to submit a written determination of events held at the Convention and Entertainment Center, which promote the Public Trust, as defined in paragraph 4. We have searched our files and found the most recent events schedule received by staff of the State Lands Commission (CSLC) was July 20, 1989, for the fiscal year ending June 30, 1989.

Furthermore, section 6.c. of the Agreement provides that the "City shall indemnify the tideland trust for any losses which might result from the conduct of any non-trust events . . . by the transfer of municipal funds on a fiscal year basis to the Tideland Operating Fund of an amount equal to the losses realized from non-trust events for the fiscal year." Therefore, we request documentation which demonstrates the City's compliance with this provision. A copy of the Agreement is enclosed for your convenience.

Additionally, we have recently received information relating to the Convention and Entertainment Center net operating costs and parking lot funds. According to correspondence between the Office of the City Auditor and the Department of Community Development dated November 30, 2000 (copy enclosed) the Convention and Entertainment Center operations cost the City \$2.5 million a year. Also, the correspondence identifies two outstanding issues, Number 1 being a Diversion of Tidelands Trust Revenues and Number 2 being Administrative Regulations relating to the Convention and Entertainment Center schedule of events as mentioned above.

September 6, 2001 Page 2

Please submit documentation or information on how the City proposes to address these two outstanding issues.

If you have any questions or concerns please do not hesitate to contact Jennifer Lucchesi at (916) 574-0234.

Sincerely,

Mary Howe

Manager, Granted Lands

Enclosures

cc: Henry Taboada, City Manager (w/out enclosures)

Jim McCabe, Deputy City Attorney (w/out enclosures)