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Seawalls In Naples Will Get Repair

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A nearly \$10 million replacement of portions of the Naples seawalls will go forward — as long as the Long Beach Harbor Commission agrees to an accounting change in regards to the way it gives the city a share of the Port of Long Beach's profits.

"It is a very critical situation," Third District Councilman Gary DeLong said. "We do know that the longer we delay, the worse it is going to become. These decisions have been made after an extensive analysis by an outside firm."

The seawalls around Naples and Treasure islands were first built in 1905, then rebuilt in 1938 to repair damage from the 1933 earthquake. Between 1938 and 1967, the walls sunk (subsided) 18 inches due to oil drilling. At that time, an 18-inch cap was added throughout, and a water injection procedure at the oil wells stopped the subsidence.

For nearly two decades, the city has sought ways to finance reconstruction of the walls. Replacement of the entire seawall system is estimated to cost \$60 million in today's dollars.

With no other source of money available, the city has turned to the annual transfer of 10% of the port's net profits to the Tidelands Fund, which can be used for projects or operations in the tidelands area (including Naples). That amount has ranged from less than \$12 million to more than \$18 million since the procedure began in the early 1990s.

According to the Charter section allowing for the transfer, the amount allowed is 10% of the port's audited net profits. That audit has caused the transfer to use approximately 18-month-old figures — the 2010 transfer begun this spring (in quarterly payments) was based on the fiscal 2009 operating profits.

City Auditor Laura Doud came up with the proposal approved Tuesday by the City Council to ask the Harbor Commission to make the transfer at the end of the current fiscal year. To follow the Charter's requirement that the transfer be a

percentage of the audited net profits, Doud recommends transferring 80% of the estimated total at the beginning of the year, then reconciling the remainder when the audit is complete.

This year, that 80% amount would be about \$9.9 million — nearly the same amount that city officials say is needed for immediate repairs on three seawall locations.

Monday, the Harbor Commission received and filed the request, saying it wanted to have more information before making a decision. Executive Director Richard Steinke said that the one-time extra payment would require shifting of priorities and timing of projects in the port — details still to be prepared for the Harbor Commission.

"I think the commission is trying to do what it can to work with the city in these tough times," Steinke said.

Tuesday night, the change in timing for the transfer passed easily in the council. The question of how the money would be spent caused more controversy.

Eighth District Councilwoman Rae Gabelich argued against spending most of the one-time money on the seawalls, saying it wasn't fair to the rest of the city. She said Naples residents should be paying a share of the cost.

"I think we should consider developing a program like the 50-50 program we have for sidewalks (when people want to have sidewalk replacement prioritized)," Gabelich said. "I want more discussion on this approach before we give away \$9 million. We have an obligation to not just focus on one part of the city.

But DeLong said the city was obligated to make the repairs because the seawalls are part of the city's infrastructure.

"These are public seawalls," DeLong said before the meeting. "Everyone in the community benefits from them, from the crowds at Christmas to the kayakers in the summer. It is a regional asset. There's never a good time to do something like this. We're doing it because we have to."

DeLong's comments were echoed by Naples residents Maureen Poe and Michael O'Toole. Poe said she has been part of the Naples seawalls committee for the last 17 years, constantly urging the city to deal with the deteriorating infrastructure. O'Toole, who owns and operates Gondola Getaway, stressed that the canals are a regional and national attraction that benefits all of Long Beach.

Seventh District Councilwoman Tonia Reyes Uranga said she supported the project, but was concerned about approving the expenditure before the city had received the money from the port. DeLong agreed to make his motion contingent upon the city receiving the transfer.

Gabelich made a motion to table the issue until the entire Tidelands budget is reviewed. Fourth District Councilman Patrick O'Donnell agreed, saying there might be other priorities, including a breakwater study.

DeLong protested, saying that the city had an obligation to move as quickly as possible to avoid a potential disaster.

Gabelich, after conferring with other council members, withdrew her motion and asked for an amendment that said the city would look at a cost-sharing formula for the seawalls as well as increasing canal slip fees in the future. The motion passed unanimously.

Steinke said that the Harbor Commission could take up the request at its June 21 or June 28 commission meeting.

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