



# Administrative Report

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N.2., File # 21-2963

Meeting Date: 9/7/2021

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**To:** MAYOR AND CITY COUNCIL

**From:** CAMERON HARDING, COMMUNITY SERVICES DIRECTOR

## **TITLE**

RECEIVE AND FILE A PRESENTATION ON THE RECENT AWARD OF \$10 MILLION FROM THE STATE OF CALIFORNIA TO PARTIALLY FUND THE RECONSTRUCTION OF SEASIDE LAGOON

PROVIDE DIRECTION ON THE PROCUREMENT OF RECREATION AND AQUATICS ENGINEERING FIRMS TO PREPARE VISIONING AND CONCEPTUAL DESIGN OPTIONS FOR RECONSTRUCTION OF SEASIDE LAGOON

PROVIDE DIRECTION ON THE HARBOR COMMISSION'S REQUEST TO RESTORE THE \$500,000 OF MOONSTONE PARK PROJECT FUNDING THAT WAS TRANSFERRED TO THE SEASIDE LAGOON RECONSTRUCTION PROJECT AS PART OF THE FY 21-22 BUDGET ADOPTION MOTION

## **EXECUTIVE SUMMARY**

As the City embarks on Public Amenities Planning for King Harbor, there are several actions related to the future of Seaside Lagoon that merit consideration. First, in May 2021, City officials worked with State Legislators to obtain funding for the reconstruction of Seaside Lagoon. In July 2021 Governor Gavin Newsom signed the state's budget which included an appropriation of \$10 million for Seaside Lagoon. Staff is currently awaiting further direction from Senator Ben Allen's office on the method of funding disbursement and the timeline for expending the funds. It is anticipated that the programmatic details will be shared with City staff by October 2021.

Additionally, as part of the City's Fiscal Year 2021-2022 Budget, the City Council allocated \$50,000 to fund the visioning process for a reconstructed Seaside Lagoon. In order to determine the cost of preparing conceptual plan options, staff reached out to two companies that specialize in the construction and rehabilitation of major recreational aquatic facilities - PACE and Myrtha Pools. Both firms made it clear that they could provide several design concepts for a reconstructed Seaside Lagoon for a cost of \$20,000 to \$25,000. The idea, is that the visioning work would be coordinated with and inform the larger Waterfront Public Amenities Planning effort being undertaken by SWA. The concepts would be developed based on the community's preferred uses, anticipated public demand, the site's technical constraints, and the cost estimates for construction and operation of the new facility.

It is staff's recommendation that the City Council hire two firms to conduct the visioning process for a

new Seaside Lagoon in order to ensure a broad range of options. Direction is being sought on how to procure the contracts needed to complete the work. Council can direct staff to either: 1) prepare and advertise a Request for Proposals (RFP) process and return with recommended design agreements at a later date or 2) enter into more immediate contract discussions with the two identified firms.

Finally, as part of the Fiscal Year 2021-2022 Budget, the City Council transferred \$500,000 of Moonstone Park CIP funds to the Seaside Lagoon rehabilitation effort. On July 12, 2021 the Harbor Commission voted unanimously to submit a letter to the City Council requesting that the \$500,000 be restored to Moonstone Park. At the July 20, 2021 City Council meeting, the Council made a referral to discuss the Harbor Commission's request. If, following discussion, the Commission's request is granted, a Budget Modification Resolution requiring a 4/5ths approval by City Council would be prepared and returned to the City Council for consideration at a later date.

## **BACKGROUND**

Seaside Lagoon is a one-of-a-kind, multipurpose regional serving aquatics and special events facility located on oceanside State Lands in Redondo's King Harbor. The Lagoon serves hundreds of thousands of visitors each year, approximately 80% of which are from communities outside Redondo Beach, the vast majority coming from inland LA communities like Hawthorne, Gardena, Inglewood and other cities that do not have access to coastal recreational amenities.

The Seaside Lagoon's infrastructure is wholly unique - and is fed by ocean water that is piped through the AES powerplant to cool its turbines, chlorinated before entering the lagoon to meet County public health requirements and then de-chlorinated before being discharged into the harbor in order to meet strict State and Federal Water Quality standards. Though this method of bringing water to the Lagoon was innovative at the time of its construction, the City now faces challenges maintaining antiquated and obsolete infrastructure, in order to meet County Department of Health standards and the increasingly strict ocean discharge requirements. The Seaside Lagoon's inadequate infrastructure limits the operation of the Seaside Lagoon to only 4 months per year.

Discharges from Seaside Lagoon to King Harbor are regulated by the Los Angeles Regional Water Quality Control Board. The first discharge permit was issued in 1991 and has to be renewed every five years. In recent years, satisfying the water quality requirements of the permit has become more technically challenging. The processes and treatment methods to achieve these requirements have effectively surpassed the capabilities of the facility's infrastructure. In the 2017 permit renewal process, the City was forced to request a five-year Time Schedule Order (TSO), which allows for higher effluent limitations and therefore reduces the potential penalties associated with exceedances of certain water quality requirements. The TSO provides the City time to study the origin of certain pollutants and develop plans to eliminate or treat the offending sources. The City's TSO expires on October 31, 2022, at which time the higher effluent limitations will cease and the City will be exposed to increased liabilities associated with exceedances of these discharge limits. Continuing to operate the facility after expiration of the TSO can be accomplished with significantly reduced liability exposure through major investment in the facility, either to treat the discharge or convert the facility to a recirculating system.

During the 2021 operating season, which began on June 18th, City staff have self-reported to the Water Board 17 effluent limit exceedances for the Lagoon's discharge (data available through end of

July). About 76% of these are for bacteria or chlorine, and are likely from activities originating in the Lagoon. About 24% are for pollutants not anticipated from Lagoon activity (copper, mercury, oil & grease, etc.) and may be due to harbor waters entering the chamber where samples are taken or originating from the pumped source water into the Lagoon. Each of these exceedances could result in a \$3,000 fine.

### ***State Granted Funds for Seaside Lagoon***

As part of an effort to revitalize the Seaside Lagoon and modernize the facility, in May 2021, the City worked with the office of Senator Ben Allen and Assembly Member Al Muratsuchi obtain state funding for Seaside Lagoon. In July 2021 Governor Gavin Newsom signed the state's budget which included an appropriation of \$10 million for the Seaside Lagoon. The project is expected to rehabilitate the over 60-year old facility, reduce environmental impacts by eliminating water discharge into the ocean (eliminating the Regional Water Quality Control Board's Waste Discharge Requirements & Permit), enhance the recreation aquatic amenities, and reconfigure the property to allow for significantly increased year-round use and special events. The overall cost of the effort is estimated to be between \$25-\$30 million, inclusive of design, environmental review, permitting, public outreach and construction. Staff is currently awaiting further direction from Senator Ben Allen's office on the method of funding disbursement and the timeline for expending these granted funds. It is anticipated that these programmatic details will be shared with City staff by October 2021.

### ***Visioning and Conceptual Design for Seaside Lagoon Reconstruction***

As part of the Fiscal Year 2021-2022 Budget, the City Council allocated \$50,000 for the visioning process of rehabilitating Seaside Lagoon. Staff has reached out to two companies specializing in development and rehabilitation of recreational aquatic facilities and solicited proposals for the framing and visioning of a comprehensive aquatic facility to replace the aging infrastructure at Seaside Lagoon. The two companies have a different role in development, which should provide a broad range of ideas in the redevelopment of the City's unique facility. PACE (see [pacewater.com](http://pacewater.com)) is a consulting engineer specializing in design and preparation of construction documents for aquatic facilities. Myrtha Pools (see [myrthapools.com](http://myrthapools.com)) is a manufacturer and installer of aquatic facilities worldwide. Both firms have an impressive portfolio of projects posted on their websites.

The City has worked with PACE for many years, primarily through their "Environmental Water" Division, which has provided design for the reconstruction of several of the City's sewage pump stations. The City has also relied on PACE for specific help with the Seaside Lagoon, most recently for a study to develop a way forward for a water recirculation system. They are familiar to the City and with the Seaside Lagoon facility in particular. One of the primary business lines at PACE is their "Recreational Water" Division, which specializes in aquatic facilities ranging from pools, lagoons and splash pads to ornamental fountains and community lakes. A portfolio of their work and qualifications can be found at [pacewater.com](http://pacewater.com). An excerpt from their website regarding their Recreational Water Division says:

*"For over 30 years, PACE has successfully combined the inherent beauty of water with responsible design to create water features that are as breathtaking as they are functional. Signature entry features, manmade lakes, streams and waterfalls, community pool systems, swim lagoons, and interactive, choreographed water features are cornerstones of our experience. We know that external*

*beauty and functionality are only part of the challenge to creating lasting, value-added water features.”*

Myrtha Pools has grown to be a world leader among commercial pool builders. Embracing creative and architectural challenges, Myrtha's hands-on approach and pursuit of excellence has resulted in an international portfolio that includes an enviable range of gold medal competition venues, exciting community facilities, breathtaking hospitality pools and more. Myrtha's regular and custom swimming pools can be found in community centers, water parks, university campuses, cruise ships, medical centers, camping grounds and sports clubs all around the world.

In order to determine the cost of the proposed visioning effort, staff has discussed a scope of work that would include the development of several potential concepts for the various aquatic features that could be included as part of the future facility. These concepts would be founded on the community's preferred uses, anticipated public demand, technical site constraints, and construction and operating costs. Aspects of the eventually design contract scope of work could include:

1. Develop themed concepts and approximate sizes for various experiences including relaxing lagoon, pool, kiddie pool, splash, lazy river, slide, and wave experience.
2. Evaluate site lines, elevations, colors, materials, surrounding edges/hardscape/landscape to optimize the use of the ocean and other experiences.
3. Evaluate demolition, reuse, or use of existing systems including sand, break wall, pavement, utilities, water, etc.
4. Develop alternatives for integrated natural circulation/layout for pedestrian traffic flow with selected experiences to create blended solution.
5. Provide water balance for bather loading, evaporation, seepage if applicable, and determine water supply requirements for fresh/saltwater.
6. Evaluate the potential for heating from electrical co-generation, with electrical demands from proposed water treatment equipment.
7. Provide concept level descriptions, calculations, tables, scaled exhibits, and layouts of the 10% design proposed systems.
8. Provide concept level cost estimates for demolition, procurement, and installation of the alternatives.
9. Present prelim study results to project stakeholders for master plan incorporation.

The outcome of the visioning effort would serve to identify constraints and opportunities for the redevelopment of the Seaside Lagoon in the broader context of the Waterfront Public Amenities Planning effort. Specific requirements of the aquatic facility developed from this work would inform the siting, size, programming, and technical feasibility of the various concepts, which can be incorporated into the conversation regarding the uses and amenities planned for Mole C.

Based on staff's review, it appears that both companies are well qualified to provide service on the visioning and design process. Working with two companies would afford the City Council the opportunity to review a wide array of concepts and allow for a broader range of options on how to proceed in the rehabilitation process. In terms of how to best move forward, it is a policy decision of

the City Council as to whether to direct staff to: 1) prepare a Request for Proposals (RFP) for visioning services - estimated at combined value of \$50,000 or 2) enter into more immediate contract discussions with the two identified firms. .

### ***Harbor Commission Request to Restore Moonstone Park CIP Funds***

As part of the FY2021-2022 Budget the City Council approved an allocation of \$1M for Seaside Lagoon reconstruction. The approved source of funds included \$500,000 from the City's General Fund and a \$500,000 transfer from the Moonstone Park Project account. On July 12, 2021 the Harbor Commission voted unanimously to send a letter to the City Council requesting that the \$500,000 from the Moonstone Park Project be restored. At the July 20, 2021 City Council meeting, the Council requested staff bring request back for discussion. It is staff's recommendation that the City Council consider and select one of the following options;

1. Maintain the allocation as approved in the FY21-22 Budget;
2. Restore the \$500,000 to the Moonstone Park Project account and reduce the allocation to Seaside Lagoon to \$500,000;
3. Restore the \$500,000 to the Moonstone Park Project account by appropriating new monies from Tidelands Fund Balance; or
4. Restore the \$500,000 to the Moonstone Park Project account from monies in the City's CalPERS Reserve Fund.

Depending on the City Council's direction, staff will return at a later date with the appropriate Budget Modification Resolution. It should be noted that a budget modification will require a 4/5ths approval to implement.

### **COORDINATION**

Community Services worked with the Public Works Department and the Waterfront and Economic Development Department to prepare this report.

### **FISCAL IMPACT**

The City Council approved \$50,000 of Harbor Tidelands Funds for the recommended Seaside Lagoon visioning work. Additionally, as noted above, the City Council created a \$1,000,000 project account for Seaside Lagoon reconstruction. The City's Seaside Lagoon project account will be further augmented by the \$10,000,000 of approved State funding.

### **APPROVED BY:**

*Joe Hoefgen, City Manager*

### **ATTACHMENTS**

1. Myrtha Pools Brochure
2. PACE Brochure