

## STAFF REPORT

**44**

A 70

S 26

02/28/20  
Lease 6438.1  
D. Simpkin

### GENERAL LEASE – COMMERCIAL USE

#### APPLICANT:

Santa Catalina Island Company

#### PROPOSED LEASE:

##### *AREA, LAND TYPE, AND LOCATION:*

Sovereign land in Isthmus Cove and Catalina Harbor, Santa Catalina Island, Los Angeles County.

##### *AUTHORIZED USE:*

Use and maintenance of the existing Isthmus Cove pier, Isthmus Cove barge landing, Catalina Harbor pier, Catalina Harbor dinghy dock pier, and Catalina Harbor concrete ramp.

##### *LEASE TERM:*

20 years, beginning January 1, 2017.

##### *CONSIDERATION:*

\$73,277, with an annual Consumer Price Index adjustment, effective January 1, 2020; and the State reserving the right to fix a different rent on the 10th anniversary of the lease term, as provided in the lease.

##### *SPECIFIC LEASE PROVISIONS:*

- Liability coverage in an amount no less than \$10,000,000.
- Surety bond or other security in the amount of \$1,000,000.
- Lessee will reimburse all of staff's expenses associated with managing the lease.

#### STAFF ANALYSIS AND RECOMMENDATION:

##### **Authority:**

Public Resources Code sections 6005, 6216, 6301, 6501.1, 6503, and 6503.5; California Code of Regulations, title 2, sections 2000 and 2003.

## STAFF REPORT NO. 44 (CONT'D)

### **Public Trust and State's Best Interests Analysis:**

On February 27, 1998, the Commission authorized Lease No. PRC 6438.1, a General Lease – Commercial and Recreational Use, for the operation of commercial and recreational piers and barge loading facilities ([Item C58, February 28, 1998](#)). Improvements located on the lease premises include the Isthmus Cove Pier, Isthmus Cove Barge Landing, Catalina Harbor Dinghy Dock Pier, Catalina Harbor Concrete Ramp and Catalina Harbor Pier (also known as the Wells Beach Pier). The lease expired on December 31, 2016. The Applicant is now applying for a new General Lease – Commercial Use for the continued use and maintenance of the improvements. Although the lease has been in holdover status since January 1, 2017, the Applicant has continued to pay annual rent pursuant to the terms of the lease. The new proposed rent will be effective January 1, 2020.

The lease premises is located at Two Harbors, an unincorporated area of Santa Catalina Island. Two Harbors has a population of approximately 300 and is mainly a resort and tourist destination. The improvements located on the lease premises are used for functions including:

- Garbage collection
- Harbor Master's office
- Boat pumpout/cleaning services
- Boat repair
- Fuel sales
- Boat and ferry passenger landing
- Docking of non-commercial, recreational vessels
- Freight barge landing
- Shore boat and charter boat docking
- Attraction ticket sales and docking
- Equipment rental

The improvements have existed for many years and serve both residents of Two Harbors, employees of the Santa Catalina Island Company (Island Company), recreational boat users, and visitors to Santa Catalina Island. The piers and barge loading facilities are vital to the operation of the island and the movement of people and goods between the mainland and Santa Catalina Island. Improvements that support recreational and commercial maritime uses are generally consistent with the Public Trust doctrine.

The lease is limited to a term of 20 years and a non-exclusive use provision. The proposed lease also requires the Applicant to indemnify the State for any liability incurred as a result of the Applicant's activities

## STAFF REPORT NO. 44 (CONT'D)

thereon as well as securing a bond or other security. The lease requires the payment of annual rent to compensate the people of the State for the occupation of the sovereign land involved. The lease does not alienate the State's fee simple interest or permanently impair public rights. Upon termination of the lease, the Applicant may be required to remove any improvements and restore the lease premise to their original condition.

### **Climate Change:**

Climate change impacts, including sea-level rise, increased wave activity, storm events, and flooding may impact existing structures subject to the proposed lease, which are located at Isthmus Cove and Catalina Harbor.

The California Ocean Protection Council updated the State of California Sea-Level Rise Guidance in 2018 to provide a synthesis of the best available science on sea-level rise projections and rates. Commission staff evaluated the "high emissions," "medium-high risk aversion" scenario to apply a conservative approach based on both current emission trajectories and the lease location and structures. The Los Angeles tide gauge was used for the projected sea-level rise scenario for the lease area as listed in Table 1.

**Table 1. Projected Sea-Level Rise for Los Angeles<sup>1</sup>**

Year	Projection (feet)
2030	0.7
2040	1.2
2050	1.8
2100	6.7

Source: Table 28, State of California Sea-Level Rise Guidance: 2018 Update

Note: <sup>1</sup> Projections are with respect to a 1991 to 2009 baseline.

As stated in *Safeguarding California Plan: 2018 Update* (California Natural Resources Agency 2018), climate change is projected to increase the frequency and severity of natural disasters related to flooding, drought, and storms (especially when coupled with sea-level rise). The combination of these conditions will likely result in increased wave run-up, storm surge, and flooding in coastal and near coastal areas. In tidally influenced waterways, more frequent and powerful storms can result in increased flooding conditions and damage from storm-created debris. Climate change and sea-level rise will further influence coastal and riverine areas by changing erosion and sedimentation rates. Beaches, coastal landscapes, and near-coastal riverine areas will be exposed to increased

## STAFF REPORT NO. 44 (CONT'D)

wave force and run-up, potentially resulting in greater beach or bank erosion than previously experienced.

This increase in sea level combined with more frequent and stronger storm events will likely expose the lease area structures to higher flood risks, comprised of greater total water levels for longer periods of time. The lease area contains fixed features, including a concrete ramp, piers, and pilings, and movable features (attached floats). Flooding conditions could cause structures to be damaged or dislodged, presenting hazards to public safety as well as dangers for navigation. The floats will rise and fall with tides and waves, increasing their resiliency to some sea-level rise impacts. The fixed features may need to be reinforced to withstand future conditions. In particular, the piers could require additional support to prevent any loss or degradation that would result in property damage and public safety concerns within the lease area and the surrounding waterways.

Regular maintenance, as required by the terms of the lease, will reduce the likelihood of severe structural degradation or dislodgement. Pursuant to the proposed lease, the Applicant acknowledges that the lease premises and adjacent upland are located in an area that may be subject to the effects of climate change, including sea-level rise.

### **Conclusion:**

For all the reasons above, staff believes the issuance of this lease is consistent with the common law Public Trust Doctrine; will not substantially interfere with the Public Trust needs and values at this location, at this time, and for the foreseeable term of the proposed lease; is consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

### **OTHER PERTINENT INFORMATION:**

1. Approval or denial of the application is a discretionary action by the Commission. Each time the Commission approves or rejects a use of sovereign land, it exercises legislatively delegated authority and responsibility as trustee of the State's Public Trust lands as authorized by law. If the Commission denies the application, the Applicant may be required to remove the improvements including but not limited to the commercial and recreational piers and barge loading facilities and restore the premises to their original condition. Upon expiration or prior termination of the lease, the lessee also has no right to a new lease or to renewal of any previous lease.

STAFF REPORT NO. **44** (CONT'D)

2. In December 2017, Island Company. requested that an engineering/consultant firm and a marine construction firm inspect the Catalina Harbor Pier/Wells Beach Pier. The inspection showed that the pier is not safe and should remain closed to the public until repairs are made. The proposed lease includes a provision requiring the Applicant to submit a lease application and minimum expense deposit no later than January 1, 2025, for the repair or reconstruction of the pier or a removal plan to fully remove the pier and restore the lease premises as provided in Section 3 of the lease.
3. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction and Strategy 1.3 to protect, expand, and enhance appropriate public use and access to and along the State's inland and coastal waterways.
4. Staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15300 and California Code of Regulations, title 2, section 2905.

**EXHIBITS:**

- A. Land Description
- B-1. Site and Location Map
- B-2. Isthmus Cove Pier
- B-3. Catalina Harbor Dinghy Dock Pier
- B-4. Catalina Harbor Pier/Wells Beach Pier and Ramp

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

STAFF REPORT NO. **44** (CONT'D)

**PUBLIC TRUST AND STATE'S BEST INTERESTS:**

Find that the proposed lease will not substantially impair the public rights to navigation and fishing or substantially interfere with the Public Trust needs and values at this location, at this time, and for the foreseeable term of the lease; is consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

**AUTHORIZATION:**

Authorize issuance of a General Lease – Commercial Use to the Applicant beginning January 1, 2017, for a term of 20 years, for the use and maintenance of commercial and recreational piers and barge loading facilities, as described in Exhibit A and shown on Exhibits B through E (for reference purposes only), attached and by this reference made a part hereof; annual rent in the amount of \$73,277, with an annual Consumer Price Index adjustment, effective January 1, 2020; and the State reserving the right to fix a different rent on the 10th anniversary of the lease term, as provided in the lease; liability insurance in an amount no less than \$10,000,000; and surety bond or other security in the amount of \$1,000,000.

## **EXHIBIT A**

**LEASE 6438.1**

### **LAND DESCRIPTION**

Two parcels of tide and submerged lands lying in the bed of the Pacific Ocean on the northeast side of Santa Catalina Island, adjacent to Isthmus Cove, Los Angeles County, State of California, described as follows:

#### **Parcel 1 – Isthmus Cove**

BEGINNING at a point on the centerline of an existing pier in Isthmus Cove from which a NGS monument "Channel 1933" (PID DY2979) bears N 74°25'14" E 6,364.98 feet, said monument having California Coordinate System 1927, Zone 6, coordinates of X = 1,320,625.26 feet and Y = 472,983.28 feet, thence along the following five (5) courses:

1. N 58°52'04" W 165.00 feet;
2. N 31°07'56" E 580.00 feet;
3. S 58°52'04" E 310.00 feet;
4. S 31°07'56" W 580.00 feet;
5. N 58°52'04" W 145.00 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM any portion of land lying landward of the Ordinary High Water Mark of the Pacific Ocean.

#### **Parcel 2 – Isthmus Barge Landing**

Said parcel lies 10 feet on each side of the centerline of an existing barge, the landward terminus of which is located at approximate geographical coordinates of 33°26'30.4" North latitude and 118°29'26" West longitude and extends northwesterly 40 feet therefrom.

EXCEPTING THEREFROM any portion lying landward of the Ordinary High Water Mark of the Pacific Ocean.

Three parcels of tide and submerged lands in the bed of the Pacific Ocean on the southwest side of Santa Catalina Island, adjacent to Catalina Harbor, Los Angeles County, State of California, described as follows:

### **Parcel 3 – Catalina Harbor Dinghy Dock Pier**

BEGINNING at a point on the centerline of an existing pier from which NGS monument "Channel 1933" bears N 61°58'12" E 8,747.00 feet, said monument having CCS27, Zone 6, coordinates of X = 1,320,625.26 feet and Y = 472,983.28 feet; thence the following five (5) courses:

- 1) N 76°36'14" W 40.00 feet;
- 2) S 13°23'46" W 225.00 feet;
- 3) S 76°36'14" E 100.00 feet;
- 4) N 13°23'46" E 225.00 feet;
- 5) N 76°36'14" W 60.00 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM any land validly patented as Tidelands Location No. 197, Los Angeles County.

ALSO EXCEPTING THEREFROM any portion lying landward of the Ordinary High Water Mark of the Pacific Ocean.

### **Parcel 4 – Catalina Harbor Pier**

A strip of land 36 feet wide, lying 18 feet on each side of the following described centerline; BEGINNING at a point on the centerline of an existing pier from which NGS monument "Channel 1933" bears N 61°02'11" E 10,471.70 feet, said monument having CCS27, Zone 6, coordinates of X = 1,320,625.26 feet and Y = 472,983.28 feet; thence S 5°21'33" W 95.00 feet to the terminus of said centerline.

EXCEPTING THEREFROM any portion lying landward of the Ordinary High Water Mark of the Pacific Ocean.

### **Parcel 5 – Catalina Harbor Concrete Ramp**

A strip of land 30 feet wide, lying 15 feet on each side of the following described centerline; BEGINNING at a point on the centerline of an existing concrete ramp having geographical coordinates of 33°25'55.4" North latitude and 118°30'28.15" West longitude; thence along the centerline of said concrete ramp S 10°30' E 85.00 feet to the terminus of said centerline.

EXCEPTING THEREFROM any portion lying landward of the Ordinary High Water Mark of the Pacific Ocean.



## END OF DESCRIPTION

Prepared 10/17/2019 by the California State Lands Commission Boundary Unit.

Parcels 2 and 5 are based on previous Section 3 Land Description dated June 7, 1983 by CSLC Boundary and Title Unit. Parcels 1, 3 and 4 are based on a CSLC field survey conducted October 22, 2002.



## SITE



## LOCATION



## Exhibit B-1

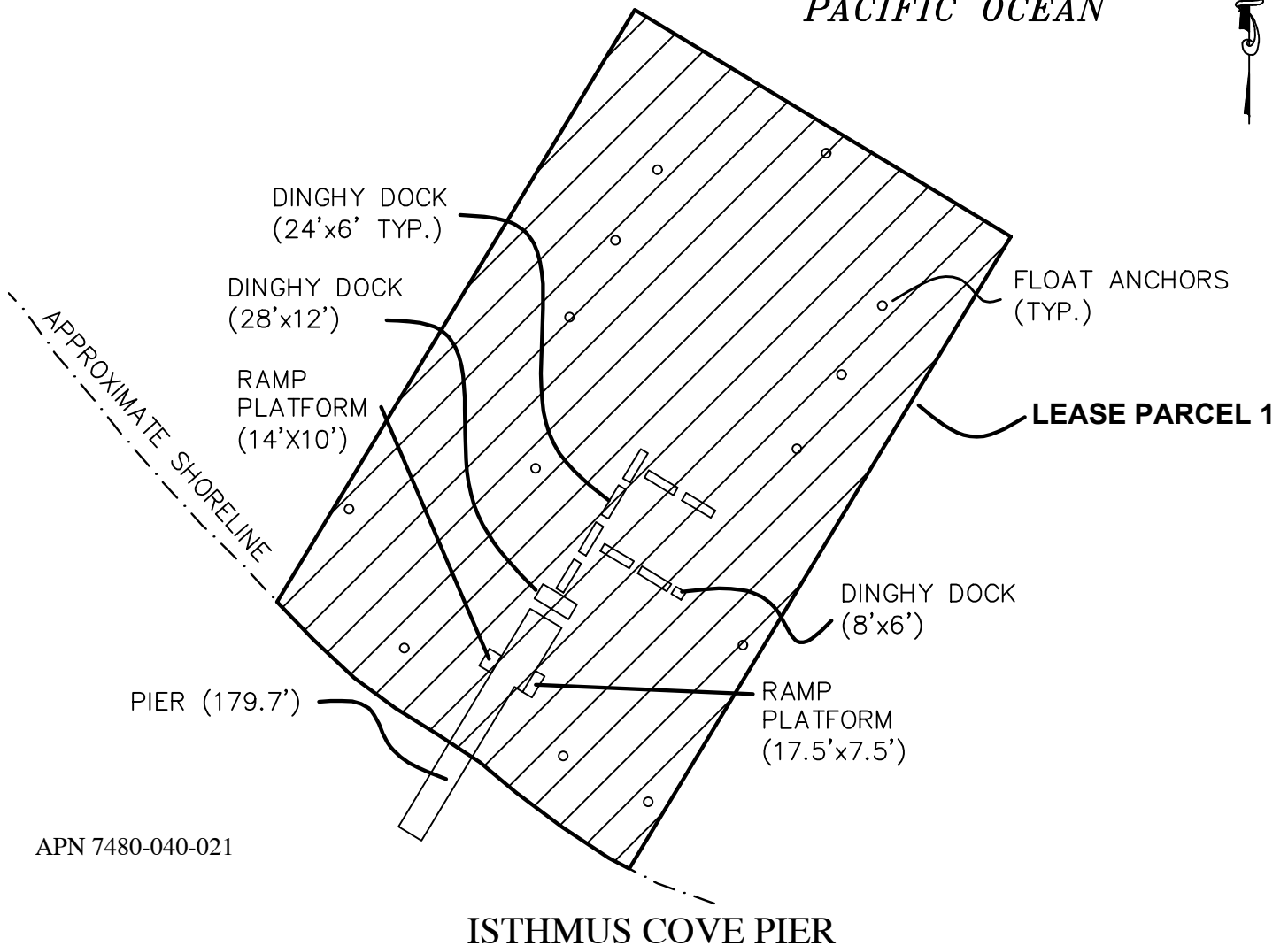
A map of Catalina Island with a black outline. Two red arrows point to a specific location on the northern coast, labeled "SITE" in bold black capital letters. The text "CATALINA ISLAND" is written in black capital letters in the center of the island.



NO SCALE

## SITE

PACIFIC OCEAN



NO SCALE

## LOCATION



MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

## **Exhibit B-2**

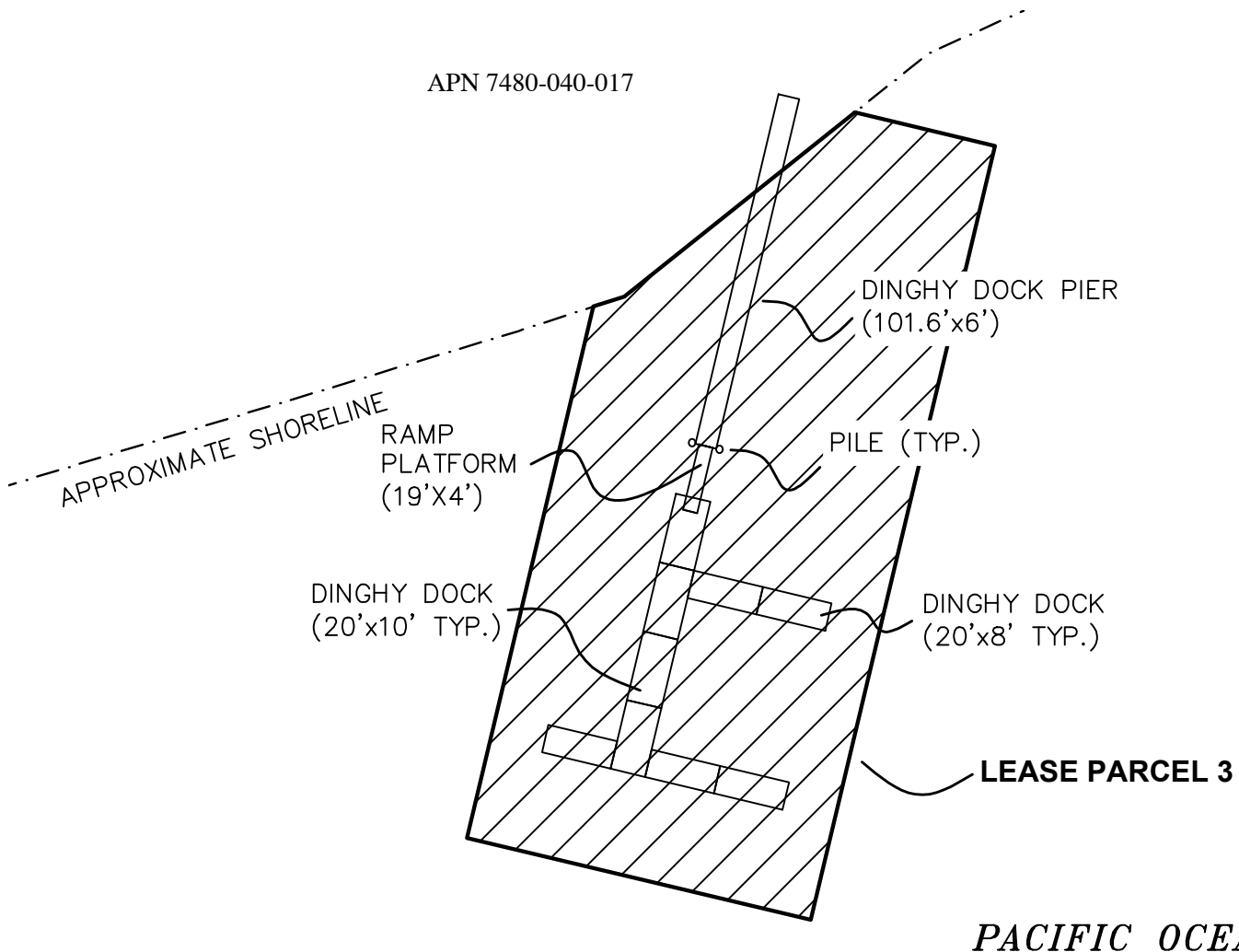
LEASE 6438.1  
SANTA CATALINA IS. CO.  
COMMERCIAL USE  
LOS ANGELES COUNTY



NO SCALE

## SITE

APN 7480-040-017



*PACIFIC OCEAN*

### CATALINA HARBOR DINGHY DOCK PIER

NO SCALE

## LOCATION



MAP SOURCE: USGS QUAD

## **Exhibit B-3**

LEASE 6438.1  
SANTA CATALINA IS. CO.  
COMMERCIAL USE  
LOS ANGELES COUNTY



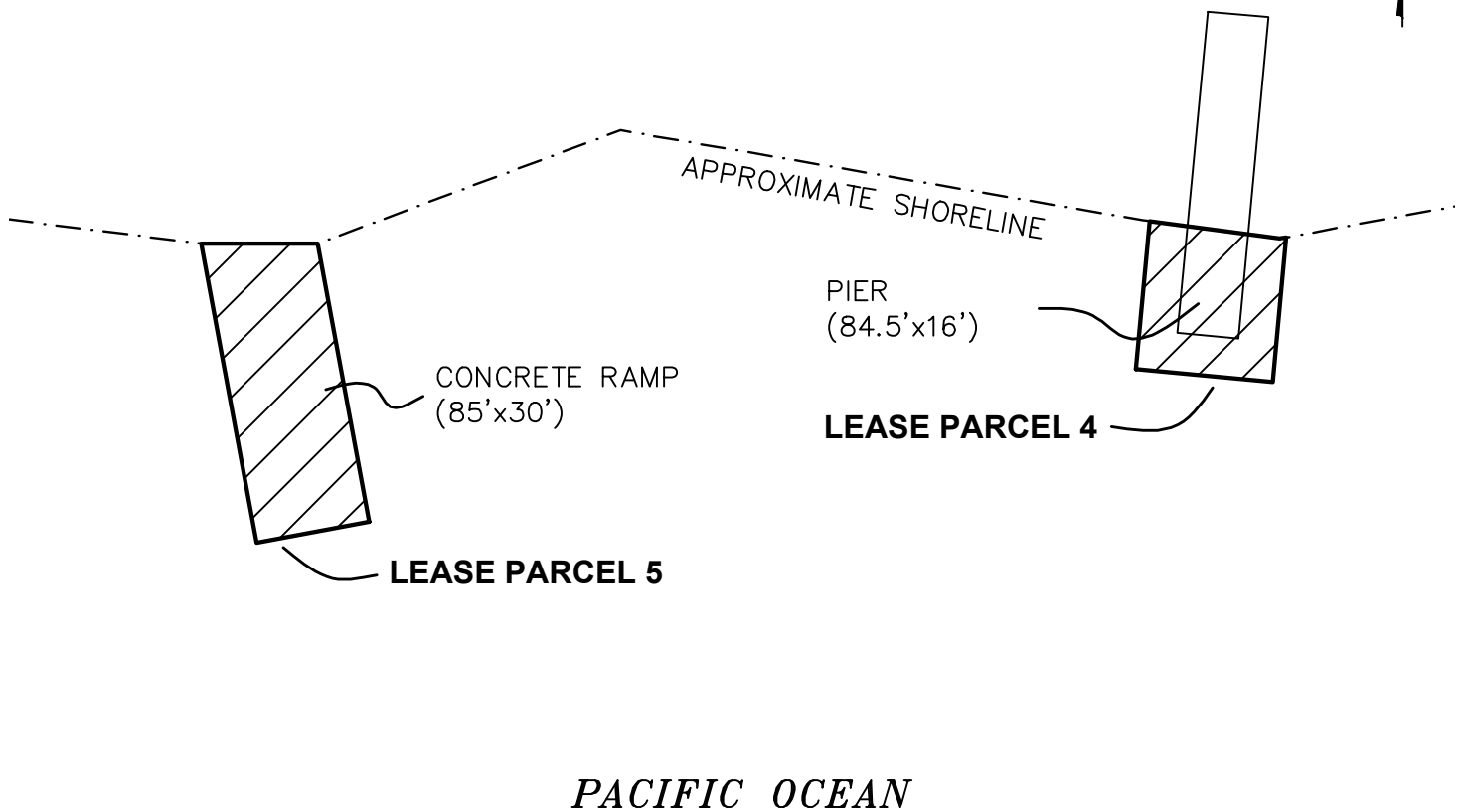
This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.



NO SCALE

## SITE

APN 7480-040-017



### WELLS BEACH PIER AND RAMP

NO SCALE

## LOCATION



MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

## Exhibit B-4

LEASE 6438.1  
SANTA CATALINA IS. CO.  
COMMERCIAL USE  
LOS ANGELES COUNTY

