

Staff Report 77

LESSEE/ASSIGNOR:

Carole Ruth Stinson, Successor Trustee of The William H. Wilson and Sarah L. Wilson (who acquired title as Sarah H. Wilson) Family Trust A Dated 6-8-93

APPLICANT/ASSIGNEE:

Custom Nest, LLC, a California Limited Liability Company

PROPOSED ACTION:

Assignment of a General Lease – Recreational Use

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Main Channel of Huntington Harbour, adjacent to 16961 Bolero Lane, Huntington Beach, Orange County.

AUTHORIZED USE:

Use and maintenance of an existing boat dock, access ramp, and enclosed cantilevered deck.

TERM:

10 years; beginning October 24, 2019.

CONSIDERATION:

Enclosed cantilevered deck: \$5,670 per year, with an annual Consumer Price Index adjustment.

Boat dock and access ramp: Rent free pursuant to Public Resources Code section 6503.5, subdivision (b)(2).

SPECIFIC LEASE PROVISIONS:

- Liability insurance in an amount no less than \$1,000,000 per occurrence.

- Lessee must remove the enclosure if repairs to any portion of the enclosure exceed 50 percent of the value of the portion of the structure overlying state land.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6216, 6301, 6501.1, 6503, 6503.5, and 6505.5; California Code of Regulations, title 2, sections 2000 and 2003.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

On October 24, 2019, the Commission authorized issuance of a 10-year General Lease – Recreational Use to William H. Wilson, Successor Trustee of The William H. Wilson and Sarah H. Wilson Family Trust A, dated June 8, 1993, for an existing boat dock, access ramp, and enclosed cantilevered deck ([Item 59; October 24, 2019](#)). That lease will expire October 23, 2029.

On July 6, 2022, William H. Wilson died, resulting in transfer of the upland to his daughter, Carole Ruth Stinson, Successor Trustee of The William H. Wilson and Sarah L. Wilson (who acquired title as Sarah H. Wilson) Family Trust A Dated 6-8-93. On September 23, 2022, the upland was sold to Custom Nest, LLC, the Applicant. The Applicant, in coordination with the Lessee, is applying for the assignment of Lease No. 3571 to use and maintain the existing boat dock, access ramp, and enclosed cantilevered deck in Huntington Harbour for the remainder of the lease period. The effective date of the assignment will be September 23, 2022, to coincide with the completion date for the transfer of title of the upland property.

Based on the Commission's accounting records, the annual rent is paid through October 24, 2023. The Applicant is qualified to hold the lease, and staff has not discovered any information that would provide a basis for withholding the assignment. Thus, staff believes that assigning the lease is in the State's best interest to ensure that a capable lessee is committed to managing the improvements and fulfilling the lease obligations.

CLIMATE CHANGE:

Climate change impacts, including sea level rise, increased wave activity, storm events, and flooding are not limited to the open coast. The existing structures subject to the proposed lease are located within the Huntington Harbour development, along an inland, navigable, tidally influenced channel, and may be vulnerable to the impacts of sea level rise. Huntington Harbour is built near sea level

elevation, and as a result is vulnerable to flooding and storm surge events. Huntington Harbour is adjacent to two wetlands, Bolsa Chica and the Seal Beach National Wildlife Refuge, which could act as natural buffers to storm surges and lessen flood risks.

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

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: 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 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. Flooding conditions could cause structures to be damaged or dislodged, presenting hazards to public safety as well as dangers for navigation within the channel. The fixed features may need to be raised or reinforced to withstand future conditions. Although the bulkhead underneath the cantilevered deck is not under the Commission's jurisdiction, any sea level rise impacts to the bulkhead could also affect the structures under the

Commission's jurisdiction because it serves to stabilize the bank. Therefore, any loss or degradation of the bulkhead would result in property damage and public safety concerns within the lease area and the surrounding waterways.

More locally based knowledge of sea level rise impacts and adaptation strategies will be available to Huntington Harbour residents as a result of the ongoing efforts to update the City of Huntington Beach's Local Coastal Program and General Plan, and through the city's Coastal Resiliency Task Force.

Regular maintenance, as referenced in the lease, may reduce the likelihood of severe structural degradation, dislodgement, or hazards from the electrical conduits. Further climate change impact analyses on the leased facilities will be assessed at the time the lease is up for renewal in 2029 and would be based on projected sea level rise scenarios at that time.

CONCLUSION:

Approval of the lease assignment will not result in a change in the use of, or impacts to, Public Trust resources at this location, at this time, and for the remaining term of the lease. For these reasons, staff recommends finding that approval of this assignment of lease is in the best interest of the State.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the application for assignment of lease 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.
2. The Applicant is qualified to hold the lease and staff has not discovered any information that would provide a basis for withholding the assignment. The Lessee nor the Applicant has any right to a new lease or to renewal of any previous lease.
3. This action is consistent with the "Leading Climate Activism" and Meeting Evolving Public Trust Needs" Strategic Focus Area of the Commission's 2021-2025 Strategic Plan.
4. Assignment of the lease is not a project as defined by the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed assignment of the lease will not substantially interfere with Public Trust needs and values at this location, at this time, and for the remaining term of the lease; and is in the best interests of the State.

AUTHORIZATION:

Authorize the assignment of Lease Number 3571, a General Lease – Recreational Use of sovereign land, as described in Exhibit A, Land Description, and as shown on Exhibit B, Site and Location Map (for reference purposes only) attached and by this reference made a part hereof, from Carole Ruth Stinson, Successor Trustee of The William H. Wilson and Sarah L. Wilson (who acquired title as Sarah H. Wilson) Family Trust A Dated 6-8-93, to Custom Nest, LLC, a California Limited Liability Company, effective September 23, 2022.

EXHIBIT A

PRC 3571

LAND DESCRIPTION

A parcel of submerged land situate in Huntington Harbour, in the City of Huntington Beach, Orange County, State of California, described as follows:

BEGINNING at the most southerly corner of Lot 40, as said lot is shown and designated on that certain map of Tract No. 5264 filed August 20, 1963, in Book 185, Pages 27 through 34, Official Records of said County; thence along the southwesterly extension of the southeasterly line of said lot 60.00 feet; thence northwesterly along a line parallel with the southwesterly line of said lot to the southwesterly extension of the northwesterly line of said lot; thence northeasterly along said extension 60.00 feet to the most westerly corner of said lot; thence southeasterly along the southwesterly line of said lot to the POINT OF BEGINNING.

END OF DESCRIPTION

Revised 11/01/2022 by the California State Lands Commission Boundary Unit.

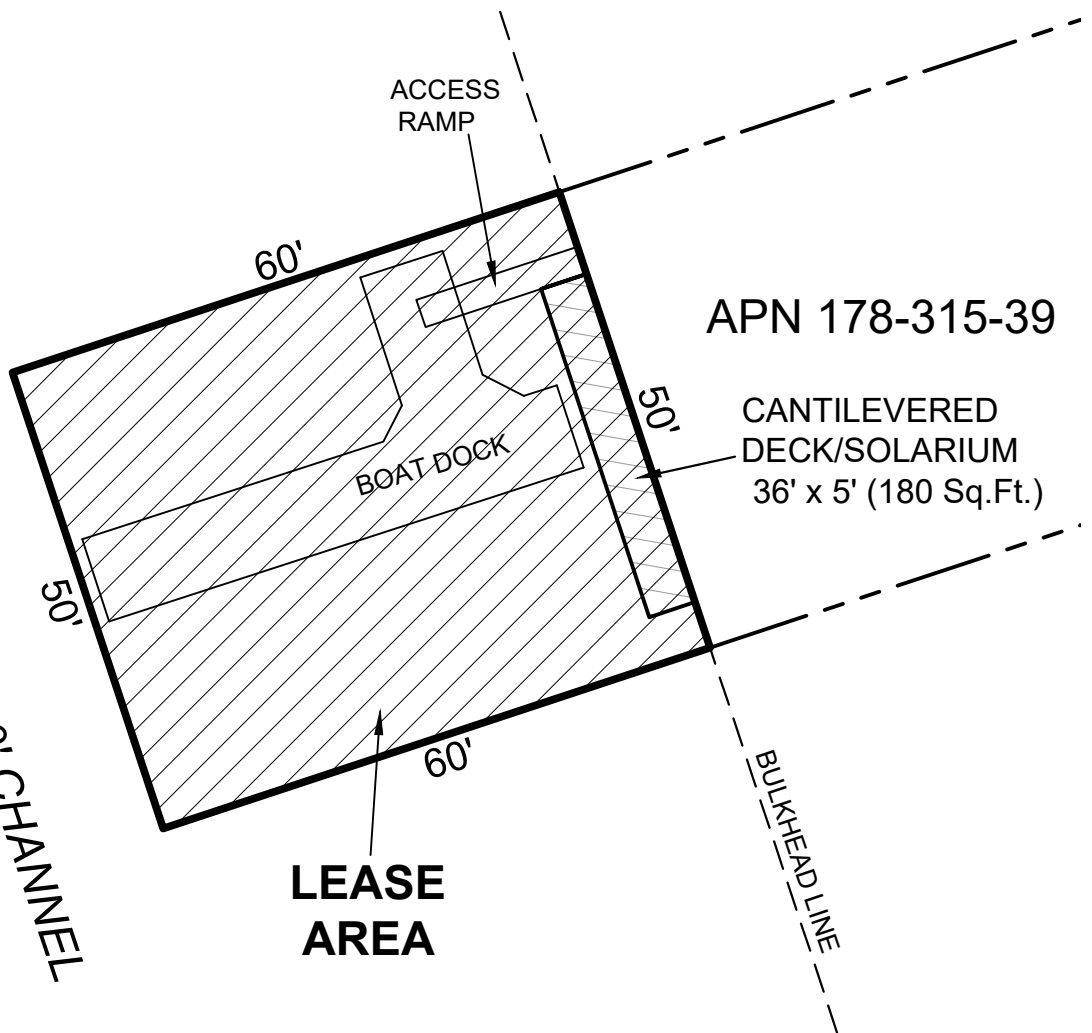


NO SCALE

SITE



STATE OF CALIFORNIA 400' CHANNEL



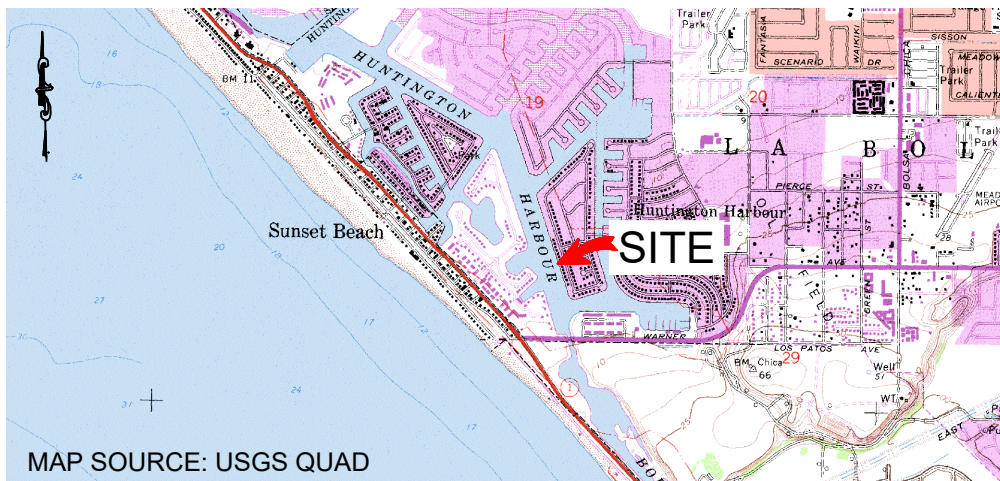
APN 178-315-39

LEASE
AREA

16961 BOLERO LANE, HUNTINGTON BEACH, CA

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

PRC 3571

CUSTOM NEST, LLC

APN 178-315-39

GENERAL LEASE-
RECREATIONAL USE
ORANGE COUNTY

