

Staff Report 63

APPLICANT:

Fourth of July Yacht Club

PROPOSED ACTION:

Issuance of a General Lease – Recreational Use

AREA, LAND TYPE, AND LOCATION:

0.529 of an acre, more or less, of sovereign land in the Pacific Ocean at Fourth of July Cove, Santa Catalina Island, Los Angeles County (as shown in Figure 1).

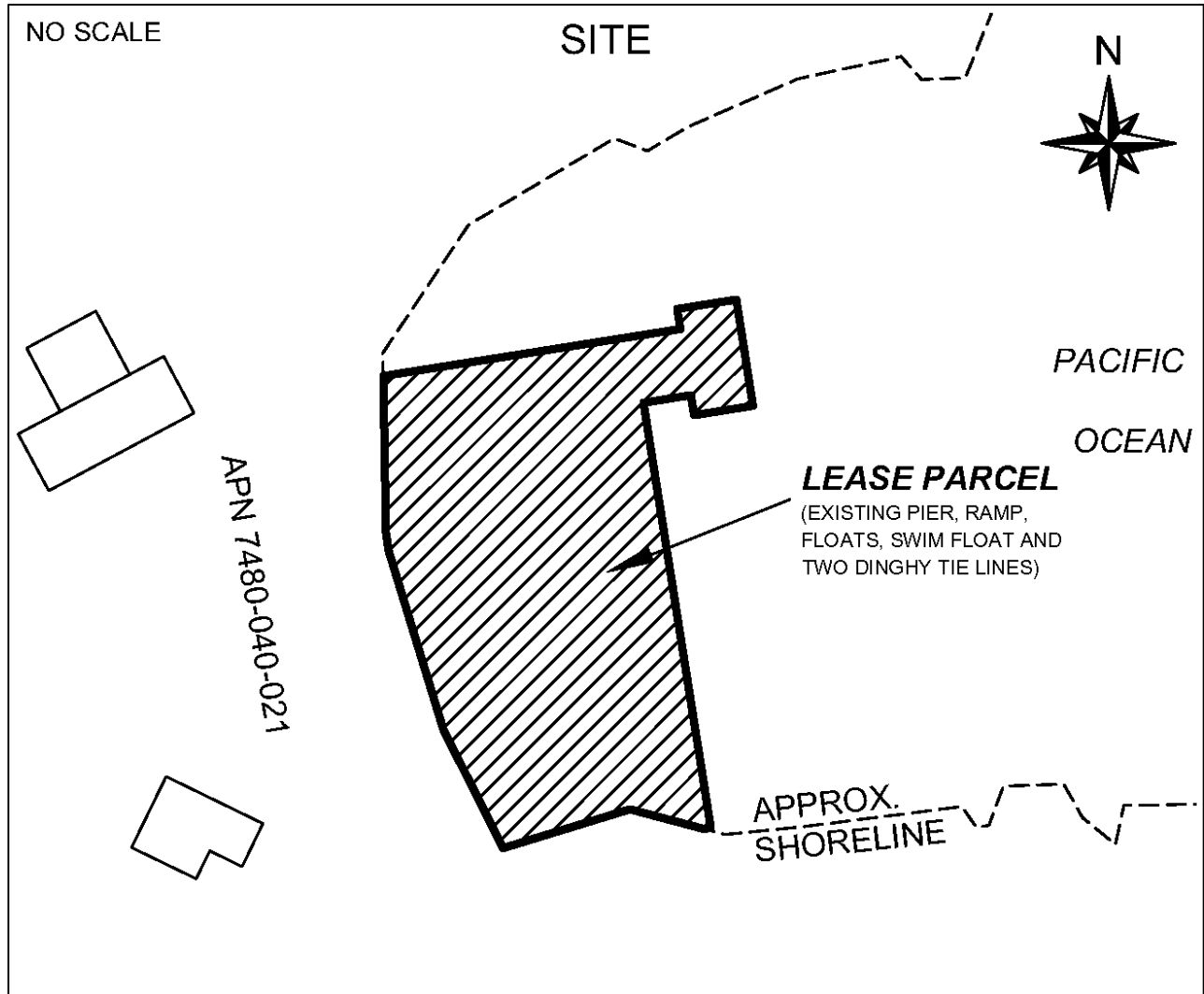
Figure 1. Location



AUTHORIZED USE:

Use of an existing pier, ramp, three floats, one swim float, and two dinghy tie lines (as shown in Figure 2).

Figure 2. Site Map



NOTE: This depiction of the lease premises is based on unverified information provided by the applicant or other parties and is not a waiver or limitation of any State interest in the subject or any other property.

TERM:

10 years, beginning January 1, 2025.

CONSIDERATION:

\$10,393 per year, with an annual Consumer Price Index adjustment.

SPECIFIC LEASE PROVISIONS:

- Liability insurance in an amount no less than \$3,000,000 per occurrence.

- This Lease does not include any mooring site designated in State Lands Commission Lease Number 3639 to the Santa Catalina Island Company and the Santa Catalina Island Conservancy.
- Should Lessee's Yacht Club License Agreement with Santa Catalina Island Resort Services, Inc. for use of the uplands terminate, this Lease shall also terminate.
- Lessee shall provide sufficiently large and numerous containers on or immediately adjacent to the lease premises to receive and contain trash and refuse generated aboard all vessels using Lessee's facilities.
- Lessee shall not keep, allow, nor provide any polystyrene foam containers or packaging of a type, design, or condition appropriate to the preparation of food.
- Lessee agrees that all packaging for prepared food that is consumed on or off the premises, or for takeout service, shall be degradable.
- Lessee agrees and acknowledges that the hazards associated with climate change may require additional maintenance or protection strategies regarding the improvements on the lease premises.

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 December 17, 2014, the Commission authorized a General Lease - Recreational Use to Fourth of July Yacht Club for the use and maintenance of an existing pier, ramp, three floats, one swim float, and two dinghy tie lines in the Pacific Ocean at Fourth of July Cove, Santa Catalina Island, Los Angeles County ([Item C37, December 17, 2014](#)). This lease expires on December 31, 2024.

The Applicant is now applying for a General Lease – Recreational Use for the use of the existing pier, ramp, three floats, one swim float, and two dinghy tie lines. Staff recommends issuance of a General Lease – Recreational Use to the Applicant, to take effect on January 1, 2025.

The subject facilities are privately owned and maintained and have existed at this location for many years. The pier, ramp, three floats, and two dinghy tie lines are used for the docking and mooring of recreational boats. Recreational boating is water-dependent and is generally consistent with the common law Public Trust

Doctrine. The California Legislature has identified private recreational boating facilities as an authorized use of Public Trust lands (Pub. Resources Code, § 6503.5).

The subject swim float facilitates recreational swimming. Recreational swimming is a water-dependent use and is generally consistent with the common law Public Trust doctrine.

The proposed lease does not alienate the State’s fee simple interest or permanently impair public rights. The lease is limited to a 10-year term, does not grant the lessee exclusive rights to the lease premises, and reserves an easement to the public for Public Trust-consistent uses. Upon termination of the lease, the lessee may be required to remove all improvements from State land. The proposed lease requires the lessee to insure the lease premises and indemnify the State for any liability incurred as a result of the lessee’s activities thereon. The lease also requires the payment of annual rent to compensate the people of the State for the use of public land.

CLIMATE CHANGE:

Climate change impacts, including sea level rise, increased wave activity, storm events, and flooding may impact the improvements subject to the proposed lease, located on Santa Catalina Island.

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 to higher flood risks, comprised of greater total water levels for longer periods of time. The lease area contains an elevated pier, which is a fixed structure that is anticipated to withstand sea level rise over the next 20 years but may need additional reinforcement to withstand future higher levels of flood exposure and more frequent storm events.

Regular maintenance, as referenced in the lease, may 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, Commission staff believes the issuance of this lease will not substantially interfere with Public Trust needs 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 an 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. The lessee has no right to a new lease or renewal of any previous lease.
2. This action is consistent with the "Leading Climate Activism" and "Meeting Evolving Public Trust Needs" Strategic Focus Areas of the Commission's 2021-2025 Strategic Plan.

3. The upland property adjacent to the Lease Premises is owned by Santa Catalina Island Resort Services, Inc. and its use is licensed to Fourth of July Yacht Club. The license term originally began July 1, 2012 and ended December 31, 2019. Fourth of July Yacht Club was granted the option to extend this license for five years following expiry of the original term. Fourth of July Yacht Club is anticipated to begin negotiating a new license with Santa Catalina Resort Services, Inc. in the latter half of 2023. Should Fourth of July Yacht Club fail to renew their license with Santa Catalina Island Resort Services, Inc. this lease will terminate.
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.

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).

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 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 interest of the State.

AUTHORIZATION:

Authorize issuance of a General Lease – Recreational Use to the Applicant beginning January 1, 2025, for a term of 10 years, for the use of an existing pier, ramp, three floats, one swim float, and two dinghy tie lines; annual rent in the amount of \$10,393, with an annual Consumer Price Index adjustment; and liability insurance in an amount no less than \$3,000,000 per occurrence.