

Staff Report 48

APPLICANT:

Bradley E. Mugg and Jill A. Mugg, as Trustees of the Mugg Family Trust Dated December 13, 2018

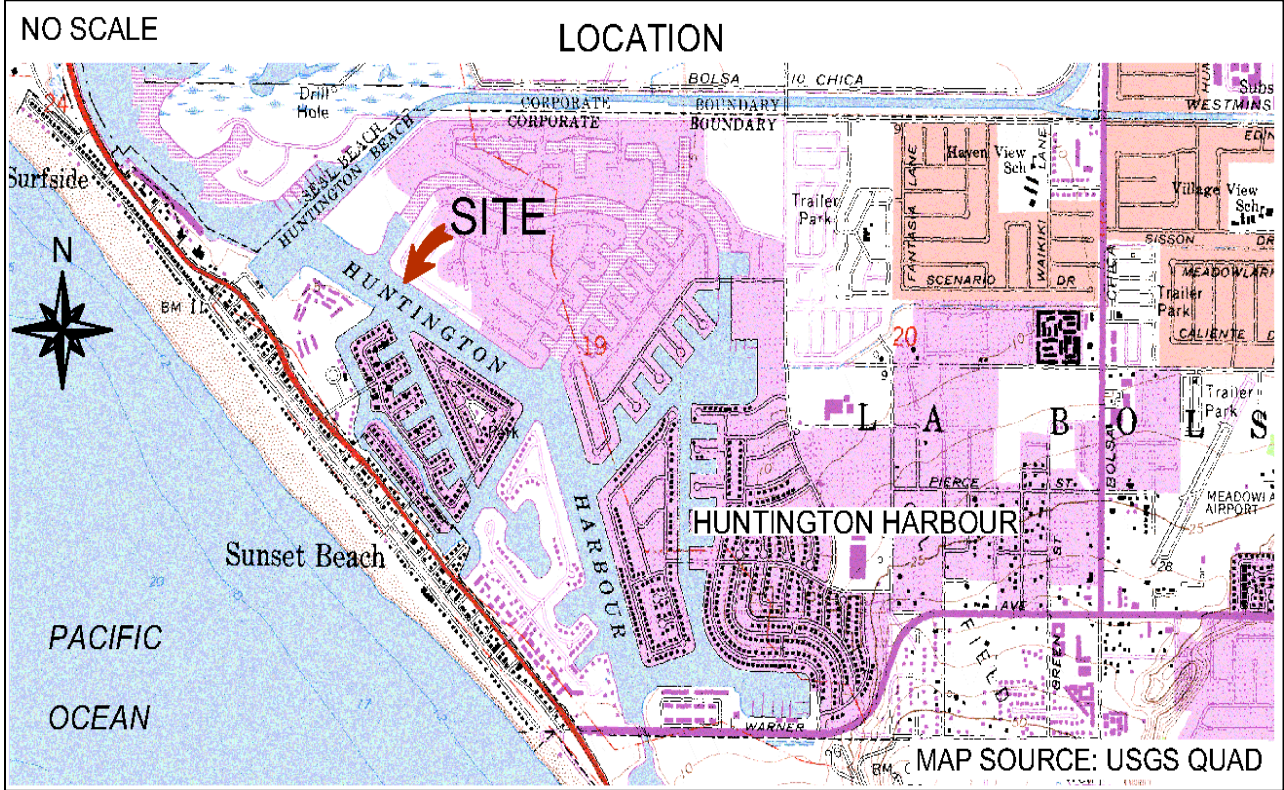
PROPOSED ACTION:

Termination and Issuance of a General Lease – Protective Structure Use.

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Main Channel of Huntington Harbour, adjacent to 3322 Venture Drive, Huntington Harbour, Orange County (as shown in Figure 1).

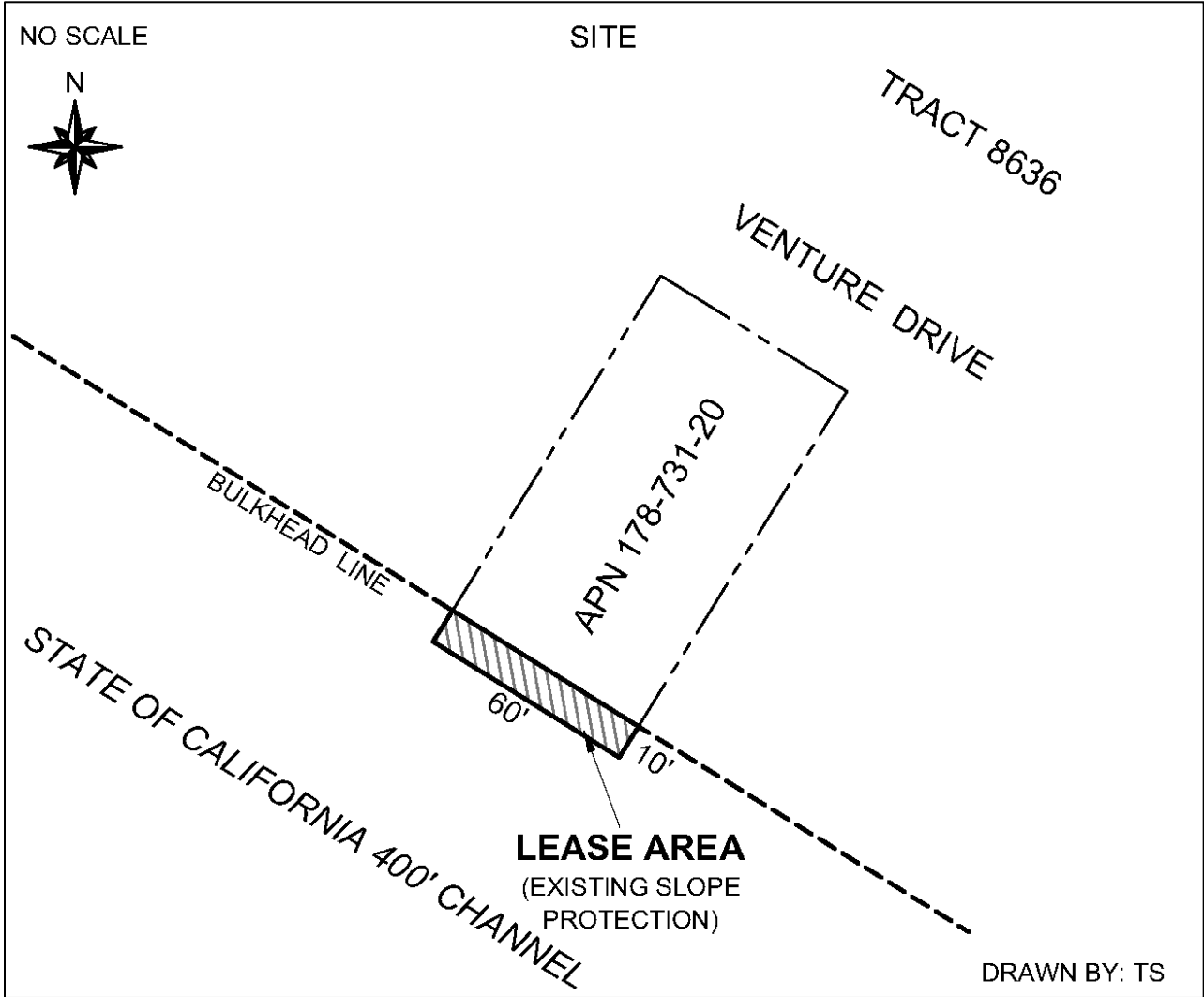
Figure 1. Location



AUTHORIZED USE:

Use of existing submerged slope protection (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:

7 years and 7 months, beginning August 17, 2023, and expiring on March 16, 2031.

CONSIDERATION:

Rent is assessed for this land under Lease 5258.

SPECIFIC LEASE PROVISIONS:

- Liability insurance in an amount no less than \$1,000,000 per occurrence.
- 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, 6321, 6321.2, 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 April 26, 2013, the Commission authorized a General Lease - Protective Structure Use to Lester Alton Walker, III and Maria Elena Walker, Trustees of The Walk's on Water Trust, dated March 8, 2001, for the use of existing submerged slope protection adjacent to 3322 Venture Drive, Huntington Beach, Orange County ([Item 86, April 26, 2013](#)).

Since the issuance of the lease, the ownership of the adjacent uplands has been transferred without notification to the Commission. On April 18, 2018, ownership was transferred to Eden Y.C. Mei and Weiping Sarah Mei, Trustees of the Mei Family Trust dated November 3, 2012. On September 20, 2021, ownership was transferred to Bradley E. Mugg and Jill A. Mugg, as Trustees of the Mugg Family Trust Dated December 13, 2018.

The Applicant is now applying for a General Lease – Protective Structure Use for the use of the existing submerged slope protection. Staff recommends the termination of a General Lease – Protective Structure Use and issuance of a General Lease – Protective Structure Use to the Applicant, to take effect on August 17, 2023. Additionally, the proposed lease will require the Applicant to indemnify the State for the period of unauthorized occupation, ensuring the State is protected, effective September 20, 2021, the day the Applicant took ownership of the upland. Rent for this area is assessed under Lease 5258 to Trinidad Island Homeowners Association, for 60 boat slips, nine access ramps, and periodic maintenance dredging, utilizing the current benchmark rate for Huntington Harbour. Staff recommends a lease term of 7 years and 7 months, to coincide with the original expiration date of the lease, and the expiration of similar leases in the surrounding area so that the Commission can assess them together when evaluating applications for new leases of these existing improvements.

The upland parcel adjacent to the Lease Premises is privately owned and developed with a residence. The submerged slope protection is privately owned and maintained and has existed at this location for many years. The Lease Premises are located in the Main Channel of Huntington Harbour. The Main Channel was created in the early 1960s, and the State of California acquired fee ownership of this channel in 1962 as a result of a land exchange between the Commission and the Huntington Harbour Corporation. Any projects, including new development or use of existing facilities extending into the Main Channel beyond the bulkhead require a lease from the Commission.

The submerged slope protection under the proposed lease is required to prevent undermining of the adjacent bulkhead that is on private property outside the Commission's leasing jurisdiction. The existing submerged slope protection serves to stabilize the bulkhead, prevent erosion, support the integrity of the channel, and help ensure that the channel remains navigable. Although the bulkhead is constructed on privately-owned property adjacent to the channel and primarily exists to protect the private upland property, loss or degradation of the bulkhead could result in property damage and public safety concerns within the lease area and surrounding waterways. There is no public access at this location because the private upland property directly abuts the concrete bulkhead that defines the limits of the channel. Virtually the entire Main Channel has been developed for many decades with closely spaced houses, leaving little to no vertical access to the channel. The submerged slope protection is built of rock and cobble stacked against the base of the bulkhead to reduce the erosion at the base of the bulkhead. The rock is shallowly sloped and located under existing dock facilities, meaning it does not create significant additional impacts. For these reasons, the submerged slope protection does not substantially interfere with the Public Trust uses in this location.

The proposed lease does not alienate the State's fee simple interest or permanently impair public rights. The lease, limited to a lease term of less than 8 years and does not grant the lessee exclusive rights to the leased premises. 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.

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 structure subject to the proposed lease is located within the Huntington Harbour development, along an inland, navigable, tidally influenced channel, and is highly

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. Currently, the area surrounding Huntington Harbour may experience flooding during high tides exceeding 6.7 feet, King Tides, and El Niño events, impacting road infrastructure and boat ramps and launches.¹ Two adjacent wetlands, Bolsa Chica and the Seal Beach National Wildlife Refuge, may offer natural buffers to storm surges and lessen flood risks, but the area is still vulnerable due to its low elevation.

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. Additionally, the area is vulnerable to rising groundwater levels, which are currently

¹ City of Huntington Beach. 2021. Sea Level Rise Vulnerability Assessment. p. 51. [https://www.huntingtonbeachca.gov/government/departments/planning/major/files/Final-Sea-Level-Rise-Vulnerability-Assessment-\(4-of-4\).pdf](https://www.huntingtonbeachca.gov/government/departments/planning/major/files/Final-Sea-Level-Rise-Vulnerability-Assessment-(4-of-4).pdf).

estimated to be between 1-2 meters below the surface of much of Huntington Harbour.²

This increase in sea level combined with more frequent and stronger storm events and rising groundwater will likely expose the surrounding area to higher flood risks, comprised of greater total water levels for longer periods of time. Although on private land outside the Commission's leasing jurisdiction, the bulkhead, a fixed feature, may need to be raised or reinforced to withstand future conditions. However, even raising or reinforcing the bulkhead may not be adequate to protect the adjacent property from increased flood exposure that may occur in the future.³ Assessing the potential for alternative methods for protection, including nature-based solutions or a mix of nature-based and conventional strategies may offer greater protection and be better able to adapt to the combination of factors affecting flood exposure, including rising sea levels, the rising groundwater table, storms, and extreme tidal events. Strategies for flood protection that incorporate natural materials or support the proliferation of natural habitats can reduce the reflection of wave energy more effectively than conventional materials (e.g., smooth concrete) and may require less maintenance, reducing costs over the lifespan of the structure.

This lease is for slope protection that prevents undermining of the adjacent bulkhead on private property outside the Commission's leasing jurisdiction. This lease will expire at approximately the same time as the other leases with slope protection. It would be beneficial for the HOA or those contiguous neighbors who need slope protection to plan collectively for future strategies to protect their residences from increasing flood exposure. Locally available resources such as the [upcoming update](#) to the City of Huntington Beach's Local Coastal Program, the 2021 City of Huntington Beach [Sea Level Rise Vulnerability Assessment](#), and the State of California Sea-Level Rise Guidance: 2018 Update (linked above) can be valuable references for understanding the impacts from climate change and options available to minimize risk.

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

² City of Huntington Beach. 2021. Sea Level Rise Vulnerability Assessment. p. 40.

[https://www.huntingtonbeachca.gov/government/departments/planning/major/files/Final-Sea-Level-Rise-Vulnerability-Assessment-\(3-of-4\).pdf](https://www.huntingtonbeachca.gov/government/departments/planning/major/files/Final-Sea-Level-Rise-Vulnerability-Assessment-(3-of-4).pdf).

³ According to the [City of Huntington Beach's Sea Level Rise Vulnerability Assessment](#) and the sea level rise mapping tool [Our Coast Our Future](#), the adjacent property is already vulnerable to flooding with current sea levels and during 100-year storms. With 0.8 feet of sea level rise, the property becomes vulnerable to flooding more frequently during annual and 20-year storms.

adjacent upland (not within the lease area) are located in an area that may be subject to the effects of climate change, including sea level rise and rising groundwater levels.

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; 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. If the Commission denies the application, the Applicant may be required to the submerged slope protection and restore the premises to their original condition. 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. Termination of the lease is not a project as defined by the California Environmental Quality Act (CEQA) 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).

4. Staff recommends that the Commission find that issuance of the lease is exempt from the requirements of 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 issuance of the lease 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:

1. Find that the existing and, for a limited period, continuing use of the submerged slope protection will not substantially interfere with the Public Trust needs and values at this location; and
2. Find that issuing the proposed lease is in the best interests of the State.

AUTHORIZATION:

1. Authorize termination of Lease 8299, a General Lease – Protective Structure Use issued to Lester Alton Walker, III and Maria Elena Walker, Trustees of the Walk's on Water Trust, Dated March 8, 2011, effective August 16, 2023.
2. Authorize issuance of a General Lease – Protective Structure Use to the Applicant beginning August 17, 2023 and expiring on March 16, 2031, for the use of existing submerged slope protection; consideration is assessed for this land under Lease 5258; and liability insurance in an amount no less than \$1,000,000 per occurrence.