

Staff Report 42

APPLICANT:

Bel-Air Bay Club, Ltd.

PROPOSED ACTION:

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

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Pacific Ocean, adjacent to 16801 Pacific Coast Highway, near Pacific Palisades, Los Angeles County (as shown in Figure 1).

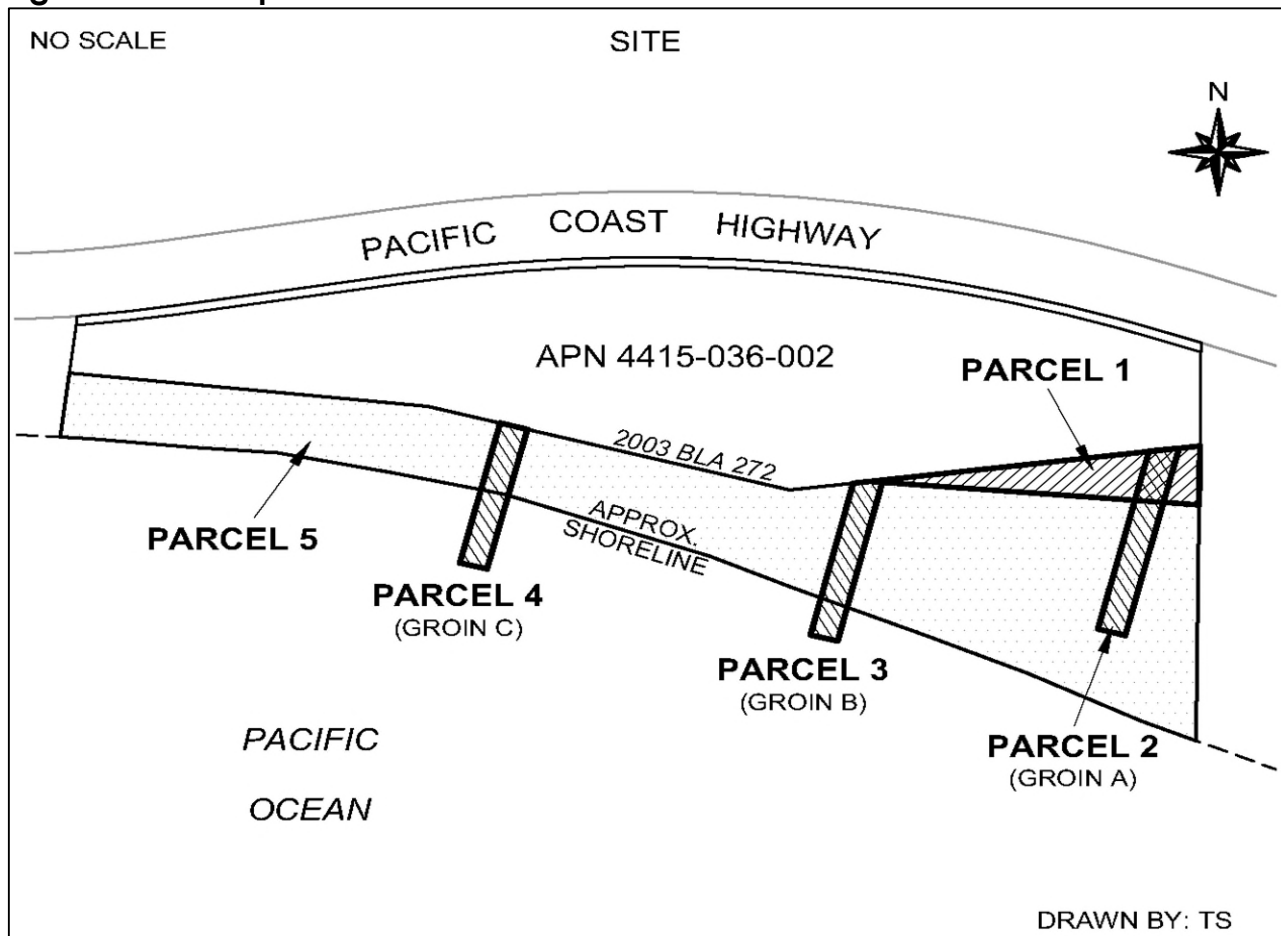
Figure 1. Location



AUTHORIZED USE:

Maintenance of three existing groins, identified as Groins A, B, and C (as shown in Figure 2), used for beach erosion control; existing recreational facilities on the beach; beach maintenance for public use; and use of a portable lifeguard station for providing lifeguard services.

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:

15 years, beginning June 3, 2025.

CONSIDERATION:

\$148,503 per year, with an annual Consumer Price Index adjustment; and \$142,815 in compensation for the occupation of State land prior to June 3, 2025.

SPECIFIC LEASE PROVISIONS:

- Liability insurance in an amount no less than \$10,000,000 per occurrence.
- Bond or other surety in the amount of \$371,000, with the Lessee retaining the right to provide a detailed removal cost prepared by a qualified third-party contractor by June 3, 2026, for consideration of adjustment of the surety by the Commission.
- The groins shall be maintained in a manner that does not interfere with lateral public access across the public beach. If the physical condition of the beach area is such that access cannot be safely made across the groins, Lessee must allow the public to pass and repass across the Lessee's adjacent upland sandy beach property.
- Prior to the fourteenth (14th) anniversary of the lease, Lessee shall conduct a structural and utility safety assessment inspection report for the groins.
- Lessee shall conduct visual inspections of the improvements following major storm events or unusual wave events, or at least annually if no such events occur during the monitoring period.
- While Groin A is an authorized improvement under this Lease, the surety bond for possible removal does not include Groin A because it is currently not visible in aerial images and may be buried to an unknown depth. In the event Groin A becomes exposed, this shall be considered an Alteration under Section 3, Paragraph 9.3. This event will require an amendment to this Lease and may result in modification of the rent or bond.
- Lessee shall submit annual beach width monitoring reports that document the changes in beach widths over the duration of the lease.
- Lessee shall place signage on its private property delineating the public beach area available to the general public.
- The Lessee shall maintain the beach and provide lifeguard services to the public consistent with standards adopted by Los Angeles County's lifeguard services annually during the summer season of Memorial Day through Labor Day.
- Lessee shall, at its sole cost and expense, maintain the Lease Premises in a clean and unobstructed condition for public beach recreational use.

BACKGROUND:

Three groins are located within the Lease Premises adjacent to the Applicant's property. The groins, identified as Groin A, Groin B, and Groin C, were constructed in 1927 by the Los Angeles Mountain Park Company. Through a series of acquisitions, the upland property and groins were conveyed to the Applicant. The groins immediately impacted the shoreline configuration, inducing sand accretion on the upland beach, which created uncertainty over the location of the Ordinary High-Water Mark, the legal boundary between State sovereign lands and upland owned by the Applicant.

On November 8, 1937, the Applicant and the Commission entered into a Boundary Line Agreement (BLA 1), which purported to establish "the present location of the Ordinary High-Water Mark (the 1937 Mean High Tide Line) as the boundary line between State sovereign land and private uplands." However, because BLA 1 was never fully approved by the Commission and not signed by the Governor as required by law, Commission staff subsequently did not regard the BLA as authorized or legally valid.

In February 2002, staff began an investigation into the legal status of BLA 1. After resulting negotiations, Commission staff and the Applicant agreed to the Title Settlement and Boundary Line Agreement (BLA 272) as authorized on October 20, 2003 ([Item 64, October 20, 2003](#)).

BLA 272 resulted in the Applicant confirming State ownership of 33,137 square feet of sandy beach. This approximately 780-foot-wide stretch of beach provides continuous public access and use of a beach from which the public had previously been excluded.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6216, 6301, 6321, 6321.2, 6501.1, and 6503; California Code of Regulations, title 2, sections 2000 and 2003.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

On October 20, 2003, the Commission authorized three leases: Lease 8465, a 20-year General Lease – Protective Structure Use for the maintenance of three existing

groins identified as Groins A, B, and C that are used for beach erosion control; Lease 8466, a 20-year General Lease – Recreational Use for use and maintenance of a private recreational beach area; and Lease 8467, a 25-year General Lease – Protective Structure and Beach Maintenance Use for beach maintenance for public use, temporary sand berm construction for storm protection, use of a portable lifeguard station and provision of lifeguard services, and construction and maintenance of a public access facility ([Item 64, October 20, 2003](#)). Leases 8465 and 8466 expired on October 19, 2023, and Lease 8467 expires on October 19, 2028. The Applicant is now requesting to terminate Lease 8467 and to authorize all improvements and activities under one lease, Lease 8466.

ROCK GROINS:

In January 2020, the Applicant completed repairs to Groins B and C, which were experiencing scouring and deterioration. The repairs were completed according to their 1947 design footprint and bulk, as originally permitted by the United States War Department. All repair work was authorized under the California [Coastal Commission's Coastal Development Permit 5-17-1009](#).

As shown in Figure 2, the proposed lease includes five parcels: Parcels 1 and 5 are open beach parcels, and Parcels 2, 3, and 4 encompass the three groins. The primary purpose of the groins is to retain sand to protect the private upland beach club from erosion and wave uprush. Groins B and C extend into the ocean and are mostly exposed, while Groin A does not extend into the ocean, is currently buried, and has reportedly been buried for many years.

The proposed lease requires the Applicant to maintain the existing groins in a manner that does not interfere with lateral public access across the beach. In the event physical beach conditions preclude safe public access across the groins and the public beach, the Applicant is required to allow the public to pass and repass across the Applicant's adjacent sandy beach property.

The groins were constructed to prevent further beach erosion. If the groins were to be removed and coastal erosion continued, the public beach may become inaccessible, nearby bluff-top property could be impacted, and nearby public infrastructure could be damaged or destroyed.

RECREATIONAL BEACH AREA:

The proposed lease includes Parcel 1, approximately 12,648 square feet of recreational beach area for the Applicant's use located on State-owned tidelands

adjacent to the upland property. This parcel's primary purpose is for use as a volleyball court, boat storage, walkways, member locker storage, and for a portable lifeguard tower that is used for both the Applicant's members and the public on the public beach adjacent to the lease area.

Private recreational beach activities on sovereign land are not generally consistent with the common law Public Trust. However, the lease permits such activity only in a manner consistent with California Coastal Commission authorization and public health and safety, and the Applicant's use of the lease premises as a whole does not substantially interfere with the Public Trust. The proposed lease requires the Applicant to maintain the existing area in a manner that does not interfere with lateral public access across the beach. If physical conditions on the beach preclude safe public access across the adjacent groin areas, the Applicant is required to allow the public to pass and repass across the Applicant's adjacent sandy beach property.

BEACH MAINTENANCE AREA:

The proposed lease also includes Parcel 5, approximately 2.3 acres of public beach adjacent to the Applicant's facilities. The proposed lease requires the Applicant to maintain this area in a manner that does not interfere with lateral public access across the beach. The Applicant maintains the public beach, including clearing debris and sifting sand, seven days per week during the summer season (June through September), and a minimum of 5 days per week during non-summer months. The Applicant is also required to provide lifeguard services for the public beach during the summer months.

Public beach access and maintenance enhance the region by providing the public with safe use of sovereign land. By providing the public with safe access to the region's beaches, the beach maintenance helps improve access to Public Trust resources for public recreational use at no cost to the State.

COMPENSATION:

The Lessee paid rent for the improvements under Leases 8465 and 8466 up through the two leases' expiration date of October 19, 2023. The proposed lease consolidation was under negotiation at the time those leases expired, so compensation was anticipated. Staff recommends that the Commission accept compensation from the Applicant for the occupation of State land in the amount of \$142,815 for the period prior to June 3, 2025. The lease provisions regarding the indemnity will also apply retroactively from October 20, 2023, the day after the

previous leases expired, through June 2, 2025, the day before the beginning of the new lease, ensuring the State is protected.

SURETY BOND:

To protect the State from the potential financial burden of removing the rock groins at some future date, the lease includes a surety bond provision to cover the lessee's obligations under the lease, including but not limited to groin removal. The Commission will have the option to call on the bond if the Applicant fails to remove the groins from State property upon lease termination or expiration. The surety amount is currently set at \$371,000, based on the total linear footage for groins B and C. The proposed lease allows the lessee to provide a detailed removal cost prepared by a qualified third-party contractor by June 3, 2026. If Lessor approves the estimated removal cost, the Lessee must provide Lessor with the revised surety bond based on that amount within 60 days of Lessor's approval.

The proposed lease does not alienate the State's fee simple interest or permanently impair public rights. The proposed lease is limited to a 15-year term, does not grant the lessee exclusive rights to the lease premises, reserves access rights to the public for Public Trust consistent uses, and 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 limited term will provide the Commission with greater flexibility in evaluating any future impacts that might occur, or if Public Trust needs and values at this location have changed over time. Upon lease termination, the lessee may be required to remove all improvements from State land and restore the lease premises to their original condition.

CLIMATE CHANGE:

INTRODUCTION:

The climate crisis and rising sea levels are impacting coastal California now. As underscored in the [State of California Sea Level Rise Guidance](#) (Ocean Protection Council, 2024), the combination of extreme weather events and the persistent and accelerating rise in sea levels will lead to increased coastal hazards, such as wave runup, storm surges, flooding, and erosion. Shorelines will move inland due to rising seas, exposing more of the natural and human-built environment to coastal hazards. The resulting damage will occur repeatedly and incrementally over years and, in extreme cases, over the span of a few large winter storms. These impacts may affect an existing facility subject to the proposed lease, located on sovereign

land in the Pacific Ocean, adjacent to 16801 Pacific Coast Highway, near Pacific Palisades, Los Angeles County.

DATA & PROJECTIONS:

Sea levels along most of the California coast rose four to eight inches during the last century, and this trend will accelerate throughout this century. The current rate of sea level rise is triple the rate of the last century. There is growing confidence that by 2050 sea levels will be approximately ten inches higher than they were in 2000. The severity of sea level rise beyond 2050 is contingent on future levels of greenhouse gas emissions. The California Ocean Protection Council updated the State of California Sea Level Rise Guidance in 2024 to provide a synthesis of the best available science on sea level rise projections and rates for multiple emissions scenarios. To apply a precautionary approach, Commission staff evaluated the “intermediate-high” and “high” scenarios due to the vulnerability and exposure of the lease location and the continued global reliance on fossil fuels. The Santa Monica 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 Santa Monica

Year	Intermediate-High (feet)	High (feet)
2040	0.6	0.7
2060	1.5	1.9
2080	2.9	3.9
2100	4.6	6.4

Source: Table 11, State of California Sea-Level Rise Guidance: 2024 Update

Note: Projections are with respect to a 2000 baseline.

ANALYSIS:

Commission staff used the online sea level rise mapping tool, [Our Coast Our Future](#), to evaluate risks to the lease premises and structures from sea level rise. At 1.6 feet of sea level rise, the lease premises will become regularly flooded and subjected to stronger and more frequent wave impacts and erosion, potentially damaging any structures or improvements on the lease premises. Based on sea level rise projections in Table 1, this could occur around 2060. However, episodic or short-term events, such as extreme storms, very high or King tides, and El Niño events, alone or in combination, increase the vulnerability of the lease premises and could expose it to flooding, wave runup and overtopping, and erosion at current sea levels. The lease premises have experienced flood events in the past, resulting in

the construction of numerous temporary sand berms for flood protection. However, sand berm construction is not contemplated going forward and is not part of this action.

Groins B and C were repaired in 2020 and are anticipated to provide some additional protection against sea level rise and coastal hazards by retaining sediment and preserving the beach width to some extent. This could help to maintain the public beach area between and upcoast (west) of the groins and provide lateral beach access landward of the groins. However, the sediment retention on the upcoast (west) side of the groins can cause sediment losses immediately downcoast (east) of the groins, increasing beach erosion of the public beach seaward of the Applicant's volleyball courts (Parcel 1). The groins' effects on downcoast erosion can adversely affect lateral public access and recreational uses of the public beach downcoast from the groins. Pursuant to the special lease provisions, the lessee shall submit annual beach width monitoring reports that document the changes in beach widths over the duration of the lease to monitor for potential downcoast beach erosion. If erosion and high-water levels prevent the public from safely walking around the groins and the public beach, Special Provision #2 in the lease requires the Applicant to allow the public to walk across their upland beach property.

RECOMMENDATIONS:

To reduce the risk of downcoast beach erosion, filling the upcoast side of the structures with sediment and periodic sediment replenishment should be considered to promote sand retention at the site and accommodate public access and use of the downcoast beach. Additionally, where feasible and when possible, nature-based strategies could be considered at the beach site, such as dune habitats, which would further help in stabilizing the shoreline. The combined use of groins and beach nourishment can play an important role in short- to mid-term strategies for stabilizing the shoreline while more long-term strategies are evaluated and implemented.

Please refer to Section 4 of the Commission's report [Shoreline Adaptation and the Public Trust: Protecting California's Public Trust Resources from Sea Level Rise](#) for more information about various shoreline adaptation strategies and their advantages and disadvantages for mitigating coastal hazards and protecting Public Trust resources. Any future construction or activities on State land would require a separate authorization from the Commission.

Regular maintenance, as referenced in the terms of the lease, may reduce the likelihood of severe structural degradation or dislodgement. Pursuant to the proposed lease, the Lessee acknowledges that the lease premises and 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, staff believes approval of this lease will not substantially interfere with Public Trust needs at this location, at this time, nor for the term of the lease; 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 and restore the lease premises to their original condition. The lessee has no right to a new lease or to 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 Lease 8467 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, sections 15060, subdivision (c)(3), and 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 15061 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:

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

AUTHORIZATION:

1. Authorize termination, effective June 3, 2025, of Lease Number 8467, a General Lease – Protective Structure and Beach Maintenance Use, issued to the Applicant.
2. Authorize acceptance of compensation from the Applicant in the amount of \$142,815 for the occupation of State lands for the period prior to June 3, 2025.
3. Authorize issuance of a General Lease – Other to the Applicant beginning June 3, 2025, for a term of 15 years, for the maintenance of three existing groins, identified as Groins A, B, and C, used for beach erosion control; existing recreational facilities on the beach; beach maintenance for public use; and use of a portable lifeguard station for providing lifeguard services; annual rent in the amount of \$148,503, with an annual Consumer Price Index adjustment; liability insurance in an amount no less than \$10,000,000 per occurrence; and security in the amount of \$371,000, to be paid over time according to the lease.