

Staff Report 44

LESSEE/SUBLESSOR:

County of Santa Barbara Community Services Department

SUBLESSEES:

Miramar Acquisition Co., LLC

Coral Casino, LLC

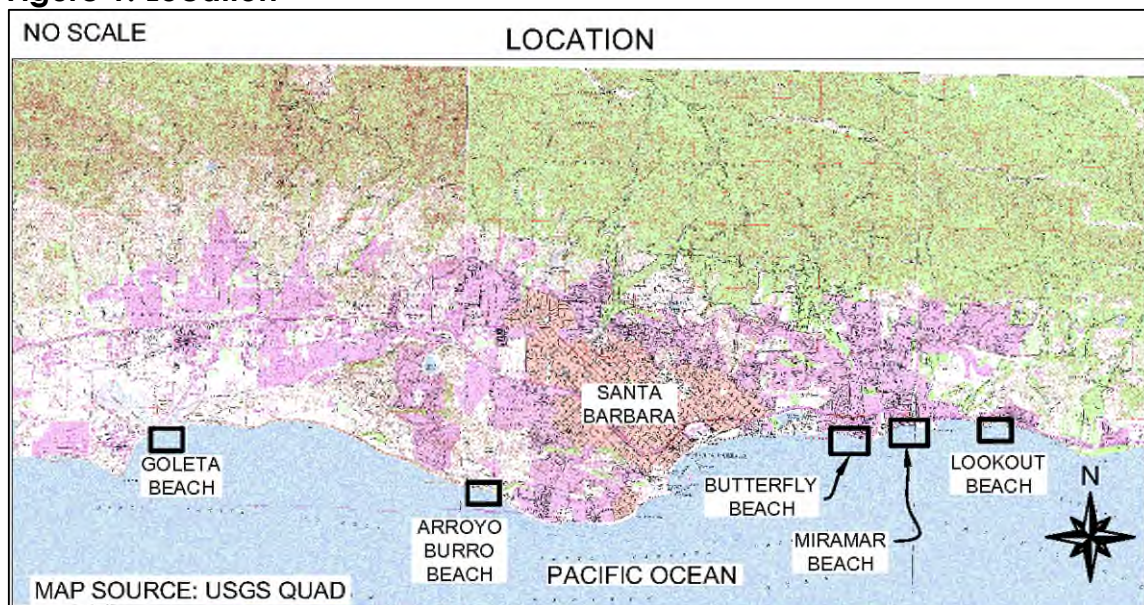
PROPOSED ACTION:

Amendment of lease and endorsement of a sublease.

AREA, LAND TYPE, AND LOCATION:

Sovereign tide and submerged land in the Pacific Ocean, near Goleta, Montecito, and Summerland, Santa Barbara County (as shown in Figure 1).

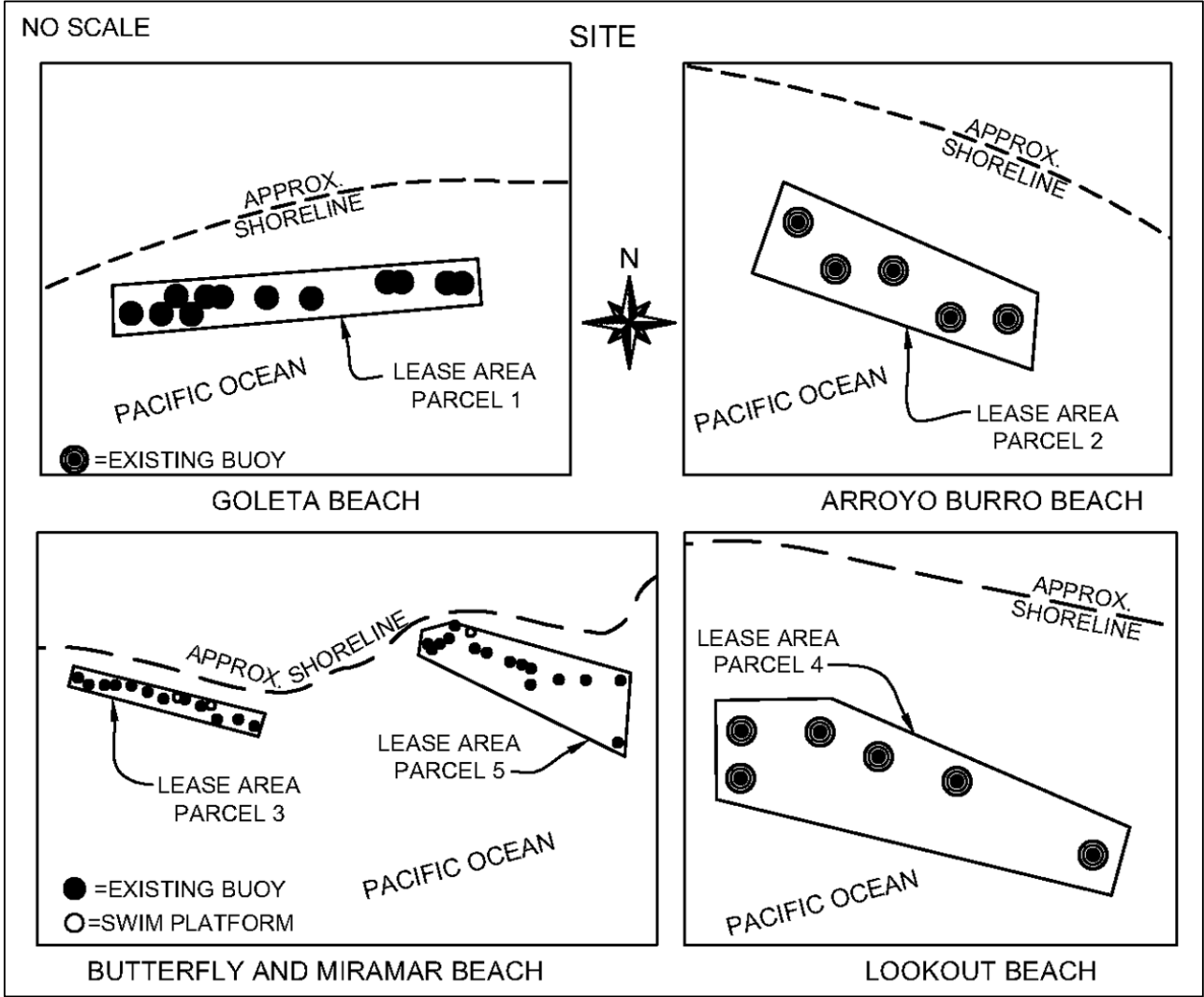
Figure 1. Location



AUTHORIZED USE:

Seasonal placement and use of swim and channel marker buoys, floats, and signs to create "Special Use Areas" at Miramar Beach, Arroyo Burro Beach, Butterfly Beach, Goleta Beach, and Lookout Beach; use of an existing boat launch corridor at Goleta Beach; and the proposed seasonal placement and use of one swim platform with two attached anchors (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:

20 years, beginning May 1, 2024.

CONSIDERATION:

Annual rent in the amount of \$198 with an annual Consumer Price Index adjustment, with additional consideration being the public use and benefit.

PROPOSED AMENDMENT:

- Authorize the seasonal placement and use of two swim platforms at Butterfly Beach, within Lease Area Parcel 3.
- Replace the existing Exhibit B, Site and Location Map (for reference purposes only), in the lease.
- Add Exhibit D, Sublease Endorsement, in the Lease.

All other terms and conditions of the lease shall remain in effect without amendment.

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 5, 2023, the Commission authorized the issuance of a General Lease – Public Agency Use to the County of Santa Barbara Community Services Department and endorsement of a sublease to Miramar Acquisition Company, LLC for a term of 20 years, for the seasonal placement and use of swim and channel marker buoys, floats, and signs to create “Special Use Areas” at Miramar Beach, Arroyo Burro Beach, Butterfly Beach, Goleta Beach, and Lookout Beach; use of an existing boat launch corridor at Goleta Beach; and the proposed seasonal placement and use of one swim platform with two attached anchors at Miramar Beach ([Item 43, December 5, 2023](#)). The lease will expire on April 30, 2044.

The Lessee is now applying for an amendment of lease and sublease endorsement to Coral Casino, LLC (Coral) for the seasonal placement and use of two public swim platforms (Platforms) offshore of Butterfly Beach. The Platforms as designed are butterfly shaped, approximately 30 feet by 25 feet, and have four swim ladders. When in place, they will be anchored by four 60-inch helical anchors per swim platform within the Butterfly Beach Special Use Area.

The improvements at the Butterfly Beach location will support public recreation. The sublease being considered by the Commission for endorsement is known as the Master Agreement (Agreement), which the Lessee and Coral have not yet executed. The Agreement, as contemplated, includes a 10-year term with two 5-year extensions at the Applicant's discretion. Should the Applicant approve any extensions of the Agreement, these extensions will not exceed the term of the existing lease to the Applicant and are subject to the conditions and limitations of the lease. The proposed sublease endorsement is contingent on the Applicant's execution of the proposed lease being considered in this action. The Agreement also provides that Coral will install, operate, and maintain the Platforms between May 1 and October 15 each year. The other seasonal facilities will be in place during the same timeframe. The Platforms would also be removed during periods of anticipated sustained inclement weather or rough current. Signage reading "Butterfly Beach Public Swim Float" will be at sea walls perpendicular to each Platform. A "No Rough Play" sign will also be attached to both Platforms.

The proposed lease, as amended, and sublease endorsement do not alienate the State's fee simple interest or permanently impair public rights. The lease is limited to a 20-year term, does not grant the lessee exclusive rights to the lease premises, and will have no significant impact on Public Trust-consistent uses or resources in the area. Upon termination of the lease, the lessee may be required to remove any improvements from State land and restore the lease premises to their original condition. The proposed lease requires the lessee to indemnify the State for any liability incurred as a result of the lessee's activities thereon.

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 the accessory structures for two seasonal swim platforms (e.g., anchor rode, anchors, swim ladders, and downlines) subject to the proposed lease,

located in the Pacific Ocean near Butterfly Beach in Montecito, Santa Barbara 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 during 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. Commission staff evaluated the “intermediate” scenario due to the lower vulnerability and exposure of the lease location and the adaptability and seasonal use of the swim platforms. The Santa Barbara 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 Barbara

| Year | Intermediate (feet) |
|------|---------------------|
| 2040 | 0.4 |
| 2060 | 0.9 |
| 2080 | 1.6 |
| 2100 | 2.8 |

Source: Table 10, State of California Sea-Level Rise Guidance: 2024 Update
Note: Projections are with respect to a 2000 baseline.

ANALYSIS:

Improvements to the lease area include two seasonal swim platforms to be installed approximately 300 feet offshore. These platforms will be in use during the spring and summer months, from mid-May to October. The shoreline in this location faces southward and is somewhat protected from large open ocean waves by Point Conception to the northwest and the Channel Islands to the south. However, the effects of more frequent and intense storms and wave action may require more frequent inspection and maintenance of all components of the swim platforms (i.e., anchor rode, anchors, and swim ladders). While the swim platforms are designed to float on the water’s surface and move with the ebb and flow of currents and tides, a longer downline connecting the platform to the helical anchors installed in the seabed may be necessary in the future to accommodate

rising sea levels, more intense storm events, and destructive waves and currents. 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 the issuance of this lease amendment and endorsement of a sublease 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 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 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.
3. Endorsement of a sublease 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 the issuance of the lease is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 3, New Construction of Small Structures; California Code of Regulations, title 2, section 2905, subdivision (c)(4).

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 the 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 3, New Construction of Small Structures; California Code of Regulations, title 2, section 2905, subdivision (c)(4).

PUBLIC TRUST AND STATE'S BEST INTERESTS:

For all the reasons above, staff believes amendment of the lease and endorsement of the sublease will not substantially interfere with Public Trust needs at this location, at this time, and for the term of the lease or sublease; and is in the best interests of the State.

AUTHORIZATION:

1. Authorize the amendment of Lease Number 7082, a General Lease – Public Agency Use, effective August 21, 2025, to authorize the seasonal placement and use of two swim platforms at Butterfly Beach and associated terms and conditions; all other terms and conditions of the lease shall remain in effect without amendment.
2. Authorize the endorsement of a sublease between the County of Santa Barbara Community Services Department and Coral Casino, LLC effective August 21, 2025, for a portion of Lease 7082, for the seasonal placement and use of two swim platforms at Butterfly Beach.