

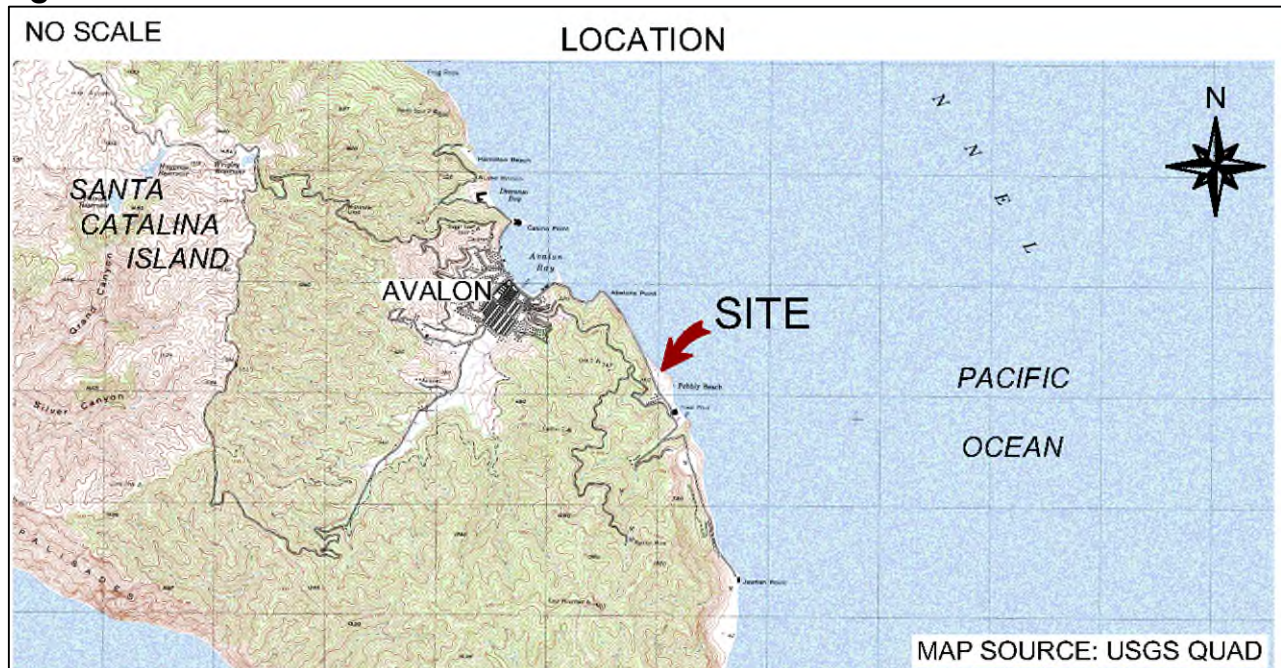
Santa Catalina Island Company

Catalina Boat Yard Inc.

Issuance of a General Lease – Commercial Use and Endorsement of a Sublease.

Sovereign land in the Pacific Ocean, near Pebbly Beach, Santa Catalina Island, Los Angeles County (as shown in Figure 1).

Figure 1. Location

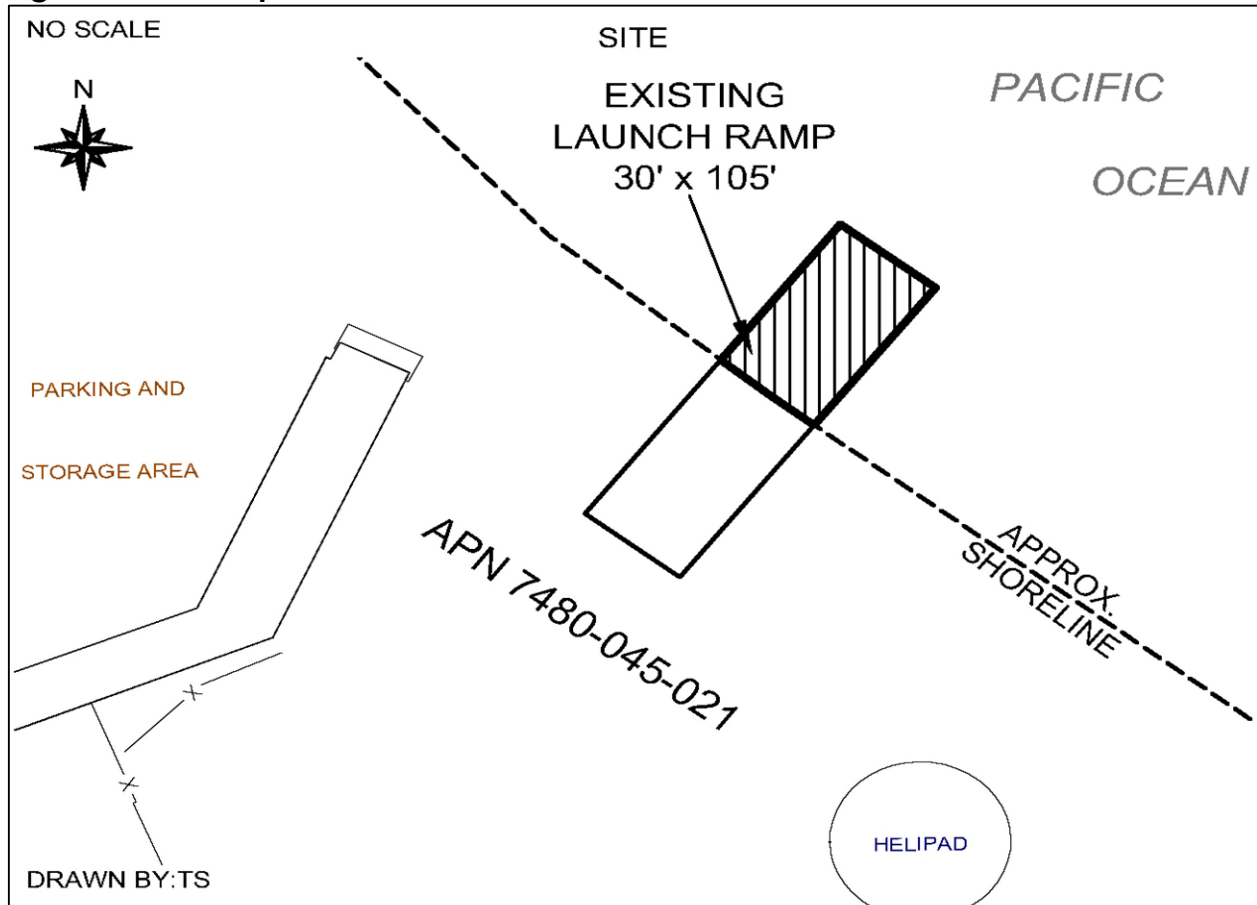


AUTHORIZED USE:

Lease: Use and maintenance of a concrete ramp (as shown in Figure 2).

Sublease: Use of the concrete ramp to take out and launch vessels via boat trailers to and from the upland boat storage/repair facility.

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:

\$6,420 per year, with an annual Consumer Price Index adjustment; and the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

- Insurance:
 - a. Lessee: Liability insurance in an amount no less than \$1,000,000 per occurrence.
 - b. Sublessee: Commercial General Liability insurance coverage of no less than \$1,000,000.
- Bond or other surety in the amount of \$20,000, with the Lessee allowed to provide a detailed cost estimate for the full removal of the authorized improvements, prepared by a qualified third-party contractor and including costs for compliance with the California Environmental Quality Act (CEQA) and any State and Federal permits and approvals, by January 1, 2027, for consideration for adjustment of the surety by the Commission.
- Lessee shall submit a lease application and minimum expense deposit with a plan to repair or replace the existing concrete ramp by January 1, 2029.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

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

PUBLIC TRUST AND STATE'S BEST INTERESTS:

On August 19, 2015, the Commission authorized a 10-year General Lease – Commercial Use to the Santa Catalina Island Company for the continued use and maintenance of a concrete ramp at Pebbly Beach. The Commission also authorized the endorsement of a sublease to Catalina Boat Yard, Inc., to use the concrete ramp to take out and launch vessels via boat trailers to and from the upland boat storage/repair facility ([Item 64, August 19, 2015](#)). In July 2017, the concrete ramp was partially damaged by large swells during Hurricane Eugene. On August 20, 2020, the Commission authorized an amendment of the lease for the replacement of the existing concrete ramp ([Item 48, August 20, 2020](#)). However, the repair work was not conducted due to timing and budgetary constraints. The Applicant has indicated the ramp is in useable condition and has requested additional time to determine whether the ramp should be repaired or removed. The Lessor is required to apply for Commission authorization for the required repair

or removal work by January 1, 2029. The Applicant is now applying for a General Lease – Commercial Use and Endorsement of a Sublease for the use and maintenance of the existing concrete ramp.

The ramp was originally constructed in the 1940s and was recently measured by divers at 30 feet by 135 feet. The ramp is used by the sublessee and maritime industry as an access ramp to a dry land boatyard for commercial tour operators and commercial and recreational boaters who need long-term storage or repair and maintenance services. The ramp also serves as an important water access point for emergency vehicles, boats, and seaplanes. In 2007, the ramp was utilized to offload firefighting equipment and personnel to fight fires on Santa Catalina Island. The adjacent freight barge landing located 170 feet north does not accommodate the loading and unloading of commercial and smaller vessels.

The Lessee is required to obtain an endorsement of the sublease from the Commission. The lease terms and conditions require the Lessor's evaluation of proposed assignees, sublessees, secured third parties, and other transferees and to grant approval or disapproval according to the standard of commercial reasonableness, considering the following factors within the context of the proposed use: the proposed party's financial strength and reliability, their business experience and expertise, their personal and business reputation, their managerial and operational skills, their proposed use and projected rental, as well as other relevant factors. Applying these factors, staff has reviewed the Sublessee's qualifications and deemed them acceptable for this use.

The proposed endorsement of sublease would promote public use and enjoyment of the ocean and not impede public access. The proposed lease will require the Sublessee to insure the lease premises and indemnify the State. The authorized uses under the lease promote water-related public use of Public Trust land and provide a variety of visitor-serving amenities to enhance public access and enjoyment of the lands.

The improvements directly promote Public Trust uses. The concrete ramp accommodates, promotes, and fosters the public's need for maritime services and the public's enjoyment of the State's waterways. Recreational boating is a water-dependent use that is generally consistent with the common law Public Trust Doctrine. The adjacent upland is developed as a commercial boat storage/repair facility.

The facilities have existed at this location for many years; they do not significantly alter the land, they do not permanently alienate the State's fee simple interest in

the underlying land, and they do not permanently impair public rights. Upon termination of the lease, the lessee may be required to remove any improvements and restore the lease premises to their original condition. Furthermore, the lease requires that the lessee insure the lease premises and also requires the payment of annual rent to compensate the people of the State for the occupation of the public land involved.

The lease also requires that the Lessee provide a bond or other surety for the faithful performance of the lease obligations in the amount of \$20,000. The proposed lease allows the Lessee to provide a detailed removal cost estimate for the full removal of the authorized improvements prepared by a qualified third-party contractor by January 1, 2027. 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.

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 boat ramp subject to the proposed lease, located on the Pacific Ocean, near Avalon, Catalina Island.

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. To apply a precautionary approach, Commission staff evaluated the “intermediate” scenarios due to the lower vulnerability and exposure of the lease location and the adaptability of the boat ramp. 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	Intermediate (feet)
2040	0.5
2060	0.9
2080	1.6
2100	2.8

Source: Table 12, 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. The lease premises are already regularly flooded and subjected to strong and frequent wave impacts and erosion, potentially damaging any structures or improvements on the lease premises. 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 higher flooding, wave runup and overtopping, and stronger erosion.

As a result, the boat ramp may sustain substantial damage and degradation over the lease term, requiring more frequent repairs and maintenance to retain its function. Stronger coastal erosion can wash away the soil and sediment supporting the boat ramp, causing structural instabilities. The increased saltwater exposure from higher sea levels and rising groundwater can accelerate the deterioration of concrete foundations. Additionally, the boat ramp may experience increased damage from waves breaking closer and stronger to shore.

Regular maintenance, as referenced in the terms of the lease, may reduce the likelihood of further degradation or dislodgement of the boat ramp. 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, and any plan to repair or reconstruct the concrete boat ramp, as

referenced in the terms of the lease, should consider the effects of climate change and sea level rise in the design.

CONCLUSION:

For all the reasons stated above, staff believes that issuance of the proposed lease will not substantially impair the public rights to navigation and fishing or substantially interfere with the Public Trust needs and values at this location, at this time, and for the term of the lease; is consistent with the 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 must remove the improvements and restore the property to its 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 "Meeting Evolving Public Trust Needs, and "Leading Climate Activism" Strategic Focus Area of the [Commission's 2021-2025 Strategic Plan](#).
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 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 impair the public rights to navigation and fishing or substantially interfere with the Public Trust needs and values at this location, at this time, and for the term of the lease; is consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

AUTHORIZATION:

1. Authorize issuance of a General Lease – Commercial Use to the Applicant beginning January 1, 2025, for a term of 10 years, for the use and maintenance of a concrete ramp; annual rent of \$6,420 with an annual Consumer Price Index adjustment, and the State reserving the right to fix a different rent periodically during the lease term, as provided for in the lease; and liability insurance in an amount no less than \$1,000,000 per occurrence.
2. Authorize endorsement of a sublease between Santa Catalina Island Company and Catalina Boat Yard, Inc., with all terms and conditions remaining consistent with those authorized under the primary lease, for the use of the concrete ramp to take out and launch vessels via boat trailers to and from the upland boat storage/repair facility.