

Staff Report 44

APPLICANT:

Iceplant, LLC, a California Limited Liability Company

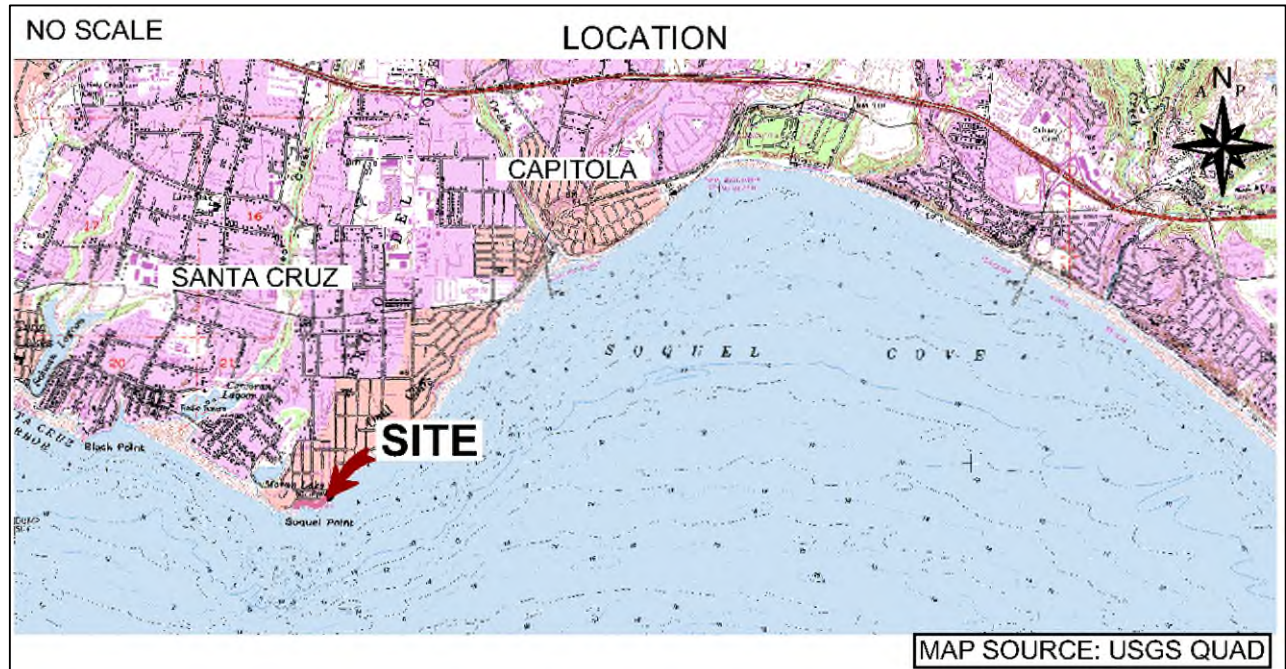
PROPOSED ACTION:

Issuance of a General Lease – Other.

AREA, LAND TYPE, AND LOCATION:

Sovereign land located in the Pacific Ocean, adjacent to 3054 Pleasure Point Drive, Santa Cruz, Santa Cruz County (as shown in Figure 1).

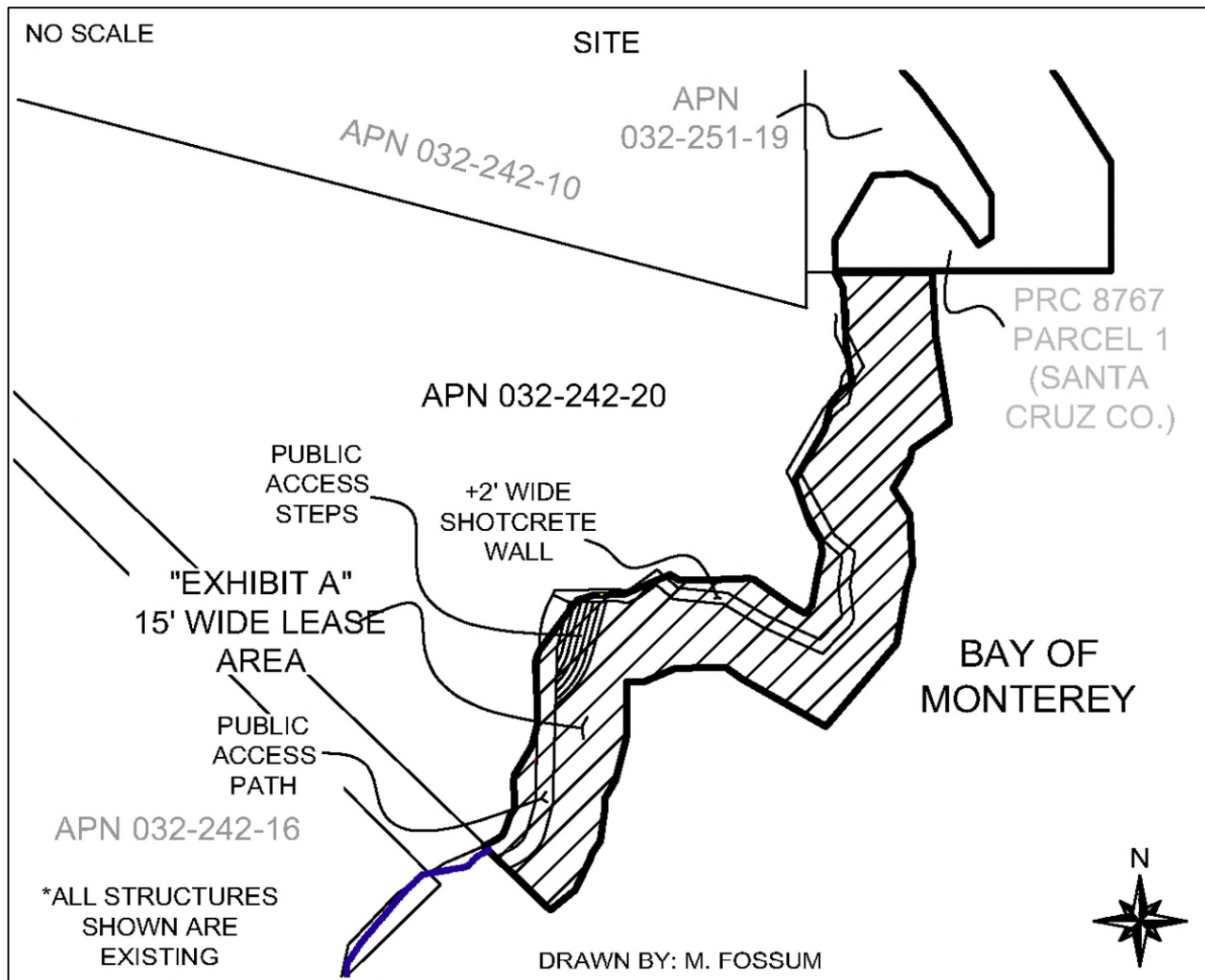
Figure 1. Location



AUTHORIZED USE:

Use of an existing seawall, public access path, and public stairway (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 October 16, 2025.

CONSIDERATION:

Seawall: \$6,495 per year, with an annual Consumer Price Index adjustment.

Public Access Path and Public Stairway: The public use and benefit, with the State reserving the right to set a monetary rent if the Commission finds such an action to be in the State's best interests.

SPECIFIC LEASE PROVISIONS:

- Liability insurance in an amount no less than \$1,000,000 per occurrence.
- Lessee shall conduct inspections of the authorized improvements as specified in Special Condition 9 of Coastal Development Permit 3-14-0488, and when warranted by extraordinary circumstances including, but not limited to, accidents, major floods or storms, or significant seismic events.
- The authorized public access path and public stairway shall be available for public use at all times. Lessee shall maintain these improvements as specified in Special Condition 1 (i) of Coastal Development Permit 3-14-0488.
- Should Lessee require approval for major repairs or alterations to the authorized seawall, then Lessee must assess the feasibility of implementing alternative adaptation strategies such as nature-based solutions or hybrid protective structure designs and to provide written documentation of that analysis to Lessor's staff.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

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

PUBLIC TRUST AND STATE'S BEST INTERESTS:

On October 16, 2015, the Commission authorized a General Lease – Other to Iceplant, LLC, a California Limited Liability Company, for the repair and reconstruction of an existing seawall and the construction of a public access path and public stairway located in the Pacific Ocean, adjacent to 3054 Pleasure Point Drive, Santa Cruz, Santa Cruz County ([Item 30, October 16, 2015](#)).

Following issuance of this lease, the seawall was augmented and replaced, with the new seawall constructed to meet modern standards and to mimic the appearance of natural coastal bluffs in the area. Likewise, the authorized public

access path and public stairway were constructed to offset potential impacts to public access that the seawall would have otherwise created.

The Applicant is now applying for a General Lease – Other for use of the existing seawall, public access path, and public stairway. Staff recommends issuance of a General Lease – Other to the Applicant, to take effect on October 16, 2025.

The Applicant owns the uplands adjoining the lease premises and the existing seawall on the lease premises is a form of hard armoring that protects the adjacent upland property from the effects of coastal erosion. Loss or degradation of the seawall would allow natural erosion of the shoreline directly adjacent to the lease premises to resume, which could lead to significant property damage. Therefore, the presence of the seawall primarily provides a benefit to the upland owner.

Furthermore, as with all hard armoring, the existing seawall has the potential to impact the coast in this area in multiple ways, including exacerbating erosion of the adjacent beach area and reducing access to nearby Public Trust resources. As the coastal bluff in this area has been armored for more than 50 years, the impacts from increased coastal erosion have existed in this location for quite some time. Nevertheless, to help ensure that potential impacts from the seawall do not persist indefinitely, the proposed lease includes a provision requiring the Lessee to assess the feasibility of implementing alternative adaptation strategies such as nature-based solutions or hybrid protective structures should the seawall require major repairs or alterations during the term of the lease.

As mentioned above, the potential public access impacts from the seawall were addressed during its reconstruction. To address these impacts, the project included the construction of a public access path and public stairway which together provide a means to travel across and along the shoreline in the subject location. These public access improvements also allow ingress/egress for those recreating in the Pacific Ocean at this location, particularly during times of higher tides and heavy surf when such recreators, like surfers, may not be able to navigate to other access points. To ensure that the public retains the ability to access Public Trust resources in this location, the proposed lease requires that the authorized public access path and public stairway remain available to the public at all times, and that the Lessee maintain these improvements. Therefore, the proposed lease will not substantially interfere with Public Trust uses and values in this location.

The proposed lease does not alienate the State's sovereign 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 any improvements from State land and restore the lease premises to their original condition.

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 occupation of the public land involved.

CLIMATE CHANGE:

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 existing seawall and public access trail and stairs subject to the proposed lease, located along the coast of the Pacific Ocean, near Santa Cruz.

DATA & PROJECTIONS:

Sea levels along most of the California coast rose four to eight inches during the 20th century, and this trend will accelerate throughout the 21st century. The current rate of sea level rise is triple the 20th century rate. 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 Monterey 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 Monterey

Year	Intermediate-High (feet)	High (feet)
2040	0.6	0.7
2060	1.4	1.9
2080	2.9	3.9
2100	4.6	6.4

Source: Table 8, [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 premise and structures from sea level rise. The lease premises are already typically under water, except during lower tides. At 1.6 feet of sea level rise, the lease premises will become persistently 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 higher water levels and stronger wave runup and overtopping, and erosion much sooner.

As a result, the seawall may sustain substantial damage and degradation over the lease term, requiring more frequent repairs and maintenance to retain its function. The reflected wave energy can erode the sediment below and surrounding the revetment, leading to structural instabilities. Reliance on seawalls is typically not a long-term or sustainable protection strategy because the seawall will provide diminishing protection as it becomes destabilized and rising sea levels exceed the conditions for which the seawall was originally designed.

While the seawall may protect the upland bluffs, that protection comes at the expense of the beach in front of the seawall by covering and eliminating the intertidal area where it is placed and altering the natural coastal processes. As sea levels rise, the seawall will further accelerate the erosion and narrowing of the beach by preventing it from migrating inland. The loss of intertidal areas harms critical habitats and ecosystem services, degrades the scenic quality of California's iconic coast, and impairs public coastal access and recreational uses. The seawall can block public access to the shoreline in front of and adjacent to the seawall,

exacerbating the existing inequities in coastal access that affect many disadvantaged and tribal communities ([Reineman et al., 2017](#)).

Some of these adverse impacts are partially offset by the Applicant's public access improvements, including a public access path, viewing platform, and stairs, which provide lateral access across the lease premises from the County's public access stairway to the pocket beach and surf break in front of the lease premises. These improvements can provide surfers with safer access and a viewing location during times of higher tides and heavy surf. If these public access improvements are adversely impacted by sea level rise and can no longer be safely used, the California Coastal Commission requires the applicant to modify the improvements to ensure they can continue to provide the public benefits and utilities required by the project's 2015 Coastal Development Permit (Special Condition 2, [Coastal Development Permit 3-14-0488](#)). Additionally, to minimize the seawall's visual impacts to the scenic quality of Santa Cruz's bluffs, the seawall was designed to mimic the natural bluff face and blend seamlessly with the downcoast bluff.

Regular maintenance, as referenced in the terms of the lease, may reduce the likelihood of severe structural degradation of the seawall and public access trail and stairs. 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 proposed 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. 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. 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 15061 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 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:

Authorize issuance of a General Lease – Other to the Applicant beginning October 16, 2025, for a term of 10 years, for the use of an existing seawall, public access path, and public stairway; annual rent for the existing seawall in the amount of \$6,495, with an annual Consumer Price Index adjustment; consideration for the public access path and public stairway being the public use and benefit, with the State reserving the right to set a monetary rent if the Commission finds such an action to be in the State’s best interests; and liability insurance in an amount no less than \$1,000,000 per occurrence.