

Staff Report 53

PARTIES:

California State Lands Commission in its independent capacity and as Land Bank Fund Trustee under the Kapiloff Land Bank Act

Pacific Airshow LLC

PROPOSED ACTION:

Consider acceptance of a total of \$274,758.00 from Pacific Airshow LLC for deposit into the Kapiloff Land Bank Fund (Fund) as mitigation for Coastal Act impacts to public access and wildlife from past unpermitted airshow events in Huntington Beach, Orange County.

KAPILOFF LAND BANK:

The Fund enables the Commission to accept and hold money in trust to acquire certain property or to expend money for project specific mitigation or restoration projects. The Fund was created to facilitate real property title settlements and land exchanges as an extension of the Commission's authority under Public Resources Code section 6307. The Commission may accept cash deposits when substitute parcels of land of equal value are unavailable for exchange. Money from title settlements may only be expended to purchase outstanding interests in tide and submerged lands, lands that have been or may be converted to wetlands, or adjoining or nearby lands where the public use and ownership of the land is necessary or extremely beneficial for Public Trust purposes. The Commission holds the acquired lands as sovereign Public Trust lands with the same legal character as tide and submerged lands. Money may also be deposited into the Fund to manage and improve real property held by the Commission for open space, habitat for plants and animals, and public access. If a deposit is made into the Fund for a specified mitigation purpose as a condition of a permit, lease, or other

Commission action, the money is subject to a statutory trust that limits its use to the identified mitigation.

The Fund contains two account categories. The first is Title Settlements, which includes money received from title settlements (deposits) and money expended on property acquisitions (expenditures). The second is Special Mitigation and Management Projects, which includes money set aside for mitigation, management, or improvement projects. This second category contains an individual subaccount for each fund source.

BACKGROUND:

Pacific Airshow, LLC operates privately ticketed 3-day airshow events in Huntington Beach along the public beach between 7th Street and Beach Boulevard and portions of the Huntington Beach Pier (totaling approximately one square mile), for aircraft demonstration viewing, temporary infrastructure, temporary aircraft runway, concessions, restrooms, and other entertainment displays.

Pacific Airshow, LLC has operated past airshows in Huntington Beach between 2016 and 2023 without receiving a Coastal Development Permit (CDP) from the City of Huntington Beach or from the California Coastal Commission. Past airshows have obstructed public access to state tidelands and waters, portions of Huntington Beach City Beach and Municipal Pier, and other public areas and have negatively affected migratory and protected birds at the Bolsa Chica Ecological Reserve (BCER) due to jet flight paths over the Reserve. To resolve previously unpermitted airshows, Pacific Airshows LLC has agreed to pay \$274,758 to fund several critical public access and resource projects at the BCER as part of the CDP 5-25-0242 authorized by the Coastal Commission on August 15, 2025. The CDP conditions are described in a [staff report](#) and [addendum](#).

The CDP includes Special Condition #21. Mitigation Fee for Unpermitted Development: "ON ACCEPTANCE of this Coastal Development Permit, the applicant shall pay \$274,758 to the California State Lands Commission for public access and habitat enhancement projects at the Bolsa Chica Ecological Reserve (BCER) to resolve unpermitted development. The payment shall be made to the account specified by the State Lands Commission and shall be paid in three payments: one payment of \$130,417.74 shall be paid by March 31, 2026, one payment of \$72,170.38 shall be paid by October 31, 2026, and one payment of \$72,170.38 shall be paid by October 31, 2027. A copy of each check shall be sent

to Coastal Commission staff, as proof that the CDP condition is being complied with and met, specifically to the attention of Shelby Wayment at 455 Market Street, Suite 300, San Francisco, CA 94105."

The BCER is an approximately 1,250-acre coastal estuary and one of the largest wetland ecosystems remaining in California with many rare and sensitive bird species and other marine wildlife. Annually, an estimated 100,000 visitors enjoy wildlife viewing, hiking, and multiple educational programs hosted by the BCER's three nonprofit organizations (Bolsa Chica Conservancy, Amigos de Bolsa Chica, and the Bolsa Chica Land Trust).

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Kapiloff Land Bank Act (Chapter 1471, Statutes of 1982, as amended); Public Resources Code sections 6106, 8600 et seq., 8613, and 8625, subdivisions (b) and (c).

CONCLUSION:

Staff believe that receipt of these funds and deposit into the Kapiloff Land Bank's Special Mitigation and Management Projects Account and subaccount and use for enhancements at the Bolsa Chica Ecological Reserve would benefit existing Public Trust uses and resources and are in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. This proposed action is consistent with strategies outlined in the Commission's [2021-2025 Strategic Plan](#) to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction; and to foster, improve, and enhance relationships to engage the Legislature, public, local, state, and federal agencies, legislative grantees, Commission lessees, potential applicants, non-governmental organizations, and the regulated community.
2. Pacific Airshow, LLC has submitted an application to the Commission for use of state land for future airshow events in Huntington Beach, which will be considered at a future Commission meeting.

3. The staff recommends that the Commission find that acceptance of funds into the Fund is statutorily exempt from the requirements of the California Environmental Quality Act (CEQA). The action is exempt because it involves an action taken pursuant to the Kapiloff Land Bank Act, Public Resources Code section 8600 et seq.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, sections 15060, subdivision (c)(3); Public Resources Code section 8631.

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the acceptance of funds into the Fund is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a statutorily exempt project pursuant to Public Resources Code section 8631, an action taken pursuant to the Kapiloff Land Bank Act, Public Resources Code section 8600 et seq. Any subsequent public access and habitat enhancement projects at the BCER would be considered separately for analysis under CEQA.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the acceptance of these funds for the enhancement of public trust uses at the Bolsa Chica Ecological Reserve is consistent with the Public Trust Doctrine, the Commission's Strategic Plan, management of the state's natural resources for public use and enjoyment, and environmental stewardship.

AUTHORIZATION:

1. Approve acceptance of \$274,758.00 in three separate installments between March 2026 and October 2027 from Pacific Airshow LLC for deposit into the Kapiloff Land Bank Fund's Special Mitigation and Management Projects account, and subaccount for the Bolsa Chica Ecological Reserve.
2. Authorize staff to take whatever action is necessary and execute all necessary documents to receive and deposit these funds.