

# Staff Report 96

## **LESSEE/SUBLESSOR:**

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Santa Catalina Island Conservancy

## **SUBLESSEE:**

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Site 16, LLC

## **PROPOSED ACTION:**

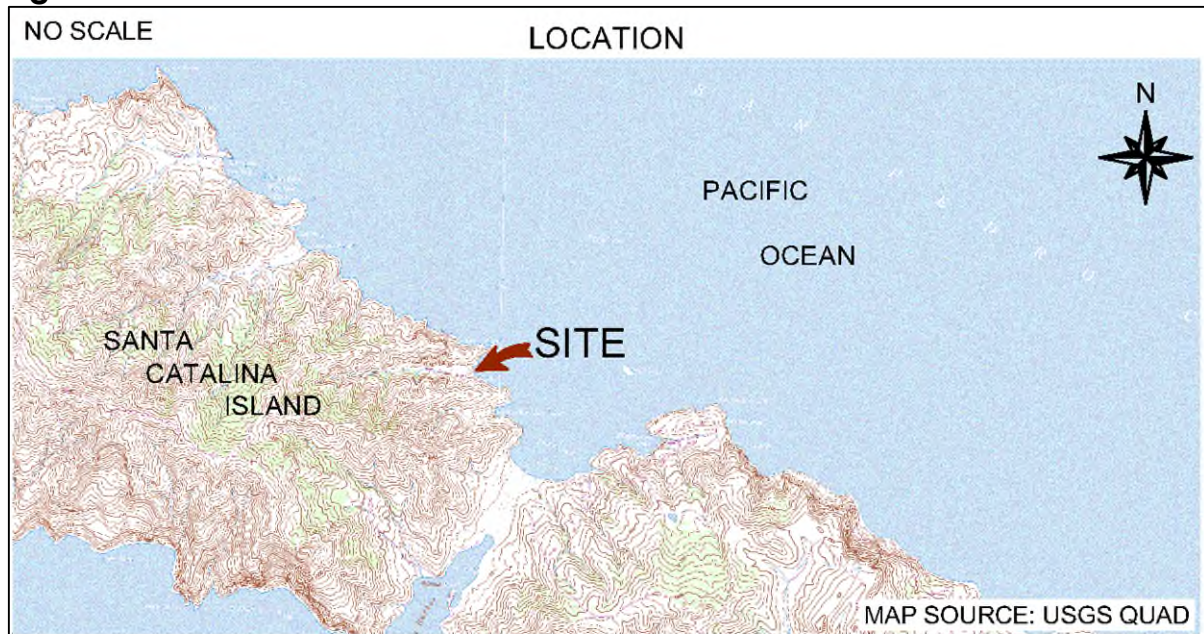
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Amendment of lease and endorsement of a sublease.

## **AREA, LAND TYPE, AND LOCATION:**

Sovereign Land in the Pacific Ocean at Cherry Cove, Santa Catalina Island, adjacent to 1 Cherry Valley Road, Avalon, Los Angeles County (as shown in Figure 1).

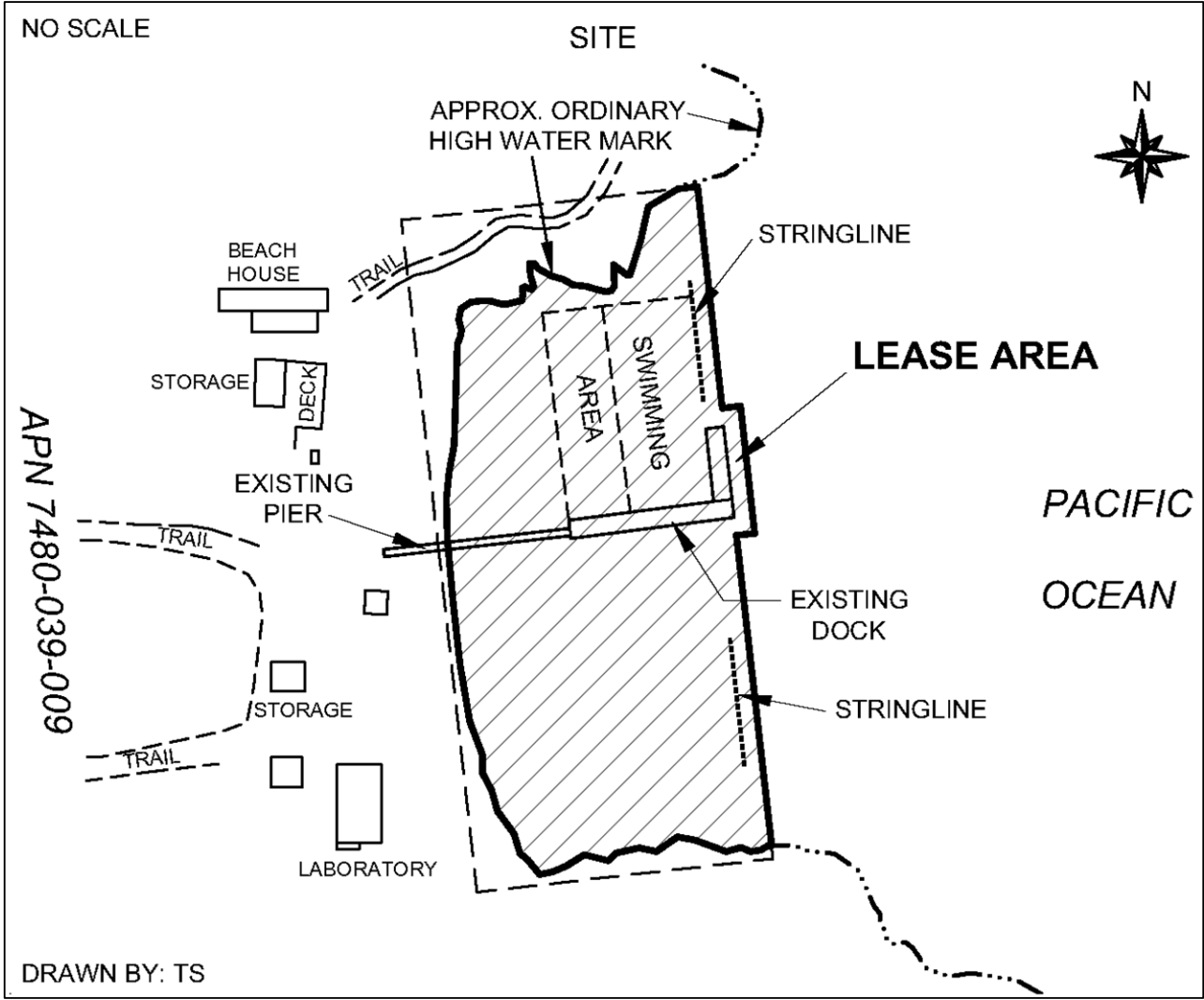
**Figure 1. Location**



**AUTHORIZED USE:**

Use of an existing pier, access ramp, floating dock, swim area, and stringlines (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 January 1, 2024.

**CONSIDERATION:**

\$22,226 per year, with an annual Consumer Price Index adjustment.

**PROPOSED AMENDMENT:**

- Add Lease Exhibit C, Sublease Endorsement.
- Add Provision 10 to Section 2.

**STAFF ANALYSIS AND RECOMMENDATION:**

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**AUTHORITY:**

Public Resources Code sections 6005, 6216, 6301, 6501.1, 6503, 6503.5, and 6505.5; California Code of Regulations, title 2, section 2000 and 2003.

**PUBLIC TRUST AND STATE'S BEST INTERESTS:**

On February 22, 2013, the Commission authorized a General Lease - Recreational Use to the San Gabriel Valley Boy Scouts of America for the use of an existing pier, access ramp, floating dock, and swim area in the Pacific Ocean at Cherry Cove, Santa Catalina Island, Los Angeles County ([Item 69, February 22, 2013](#)).

On February 27, 2018, following a merger of the San Gabriel Valley Boy Scouts of America and the Los Angeles Area Boy Scouts of America, the Commission authorized an Assignment of Lease and Revision of Rent to transfer this lease to the newly formed entity known collectively as the Greater Los Angeles Area Council Boy Scouts of America (BSA). ([Item 67, February 27, 2018](#)). This lease expired on December 31, 2022.

The Santa Catalina Island Conservancy (SCIC) owns the upland parcel which was leased to the BSA for decades and operated as a scout camp, Camp Cherry Valley. Their lease expired December 31, 2023. The BSA has historically been the owner of the adjacent in-water improvements and therefore the Lessee under Lease 6441.

Due to uncertainties over its business structure and future operations, the BSA chose not to seek renewal of either of its leases. Therefore, as the owner of the upland parcel, SCIC took ownership of the in-water improvements formerly owned by the BSA and requested a new lease from the Commission.

On February 26, 2024, the Commission authorized issuance of a General Lease – Recreational Use (Lease 6441) to the SCIC, for the use of an existing pier, access ramp, floating dock, swim area, and stringlines ([Item 76, February 26, 2024](#)). This lease will expire on December 31, 2033.

On May 29, 2024, the SCIC, as owner of the upland parcel and Lessee under Lease 6441, authorized a lease to Site 16, LLC to operate Camp Cherry Valley which includes both upland and in-water improvements. This lease commenced on June 1, 2024, prior to the Commission's knowledge or approval. This lease will expire on December 31, 2031, but includes provisions to allow Site 16, LLC to apply for two lease extensions, adding a potential 13 years. However, the extension would grant Site 16, LLC, as the Sublessee under Lease 6441, rights to utilize the Lease Premises beyond the Lease's December 31, 2033 expiration date, which is prohibited by its lease provisions. Therefore, any extensions made under the SCIC lease cannot extend beyond December 31, 2033.

The Lessee is now applying to amend Lease 6441 for the Endorsement of a Sublease. Staff recommends amendment of Lease 6441 and authorization, by endorsement, of the sublease between the Lessee and Sublessee, effective June 1, 2024, to coincide with the commencement of the sublease.

The proposed lease amendment and sublease endorsement do not alienate the State's fee simple interest or permanently impair public rights. The lease is limited to a 10-year term and no sublease can extend beyond the lease term. The lease 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 lease requires the lessee and sublessee to indemnify the State for any liability incurred as a result of the lessee's activities thereon.

### **CONCLUSION:**

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

### **OTHER PERTINENT INFORMATION:**

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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 Lessee cannot execute the sublease. 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. Amendment of the lease and endorsement of a sublease are not projects as defined by the California Environmental Quality Act because they are administrative actions 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).

## **RECOMMENDED ACTION:**

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It is recommended that the Commission:

### **PUBLIC TRUST AND STATE’S BEST INTERESTS:**

Find that the proposed amendment and endorsement of a sublease will not substantially impair the public rights to navigation and fishing or substantially interfere with 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 the amendment of Lease 6441, a General Lease – Recreational Use, effective June 1, 2024, to include Exhibit C, Sublease Endorsement and add Provision 10 to Section 2; all other terms and conditions of the lease shall remain in effect without amendment.
2. Authorize, by endorsement, a sublease between the Lessee/Sublessor and the Sublessee for facilities and activities located on the Lease Premises. The Sublessee shall name the State as an additional insured for all liability insurance covering its operations within the lease premises.