

Staff Report 36

LESSEE:

City of Seal Beach

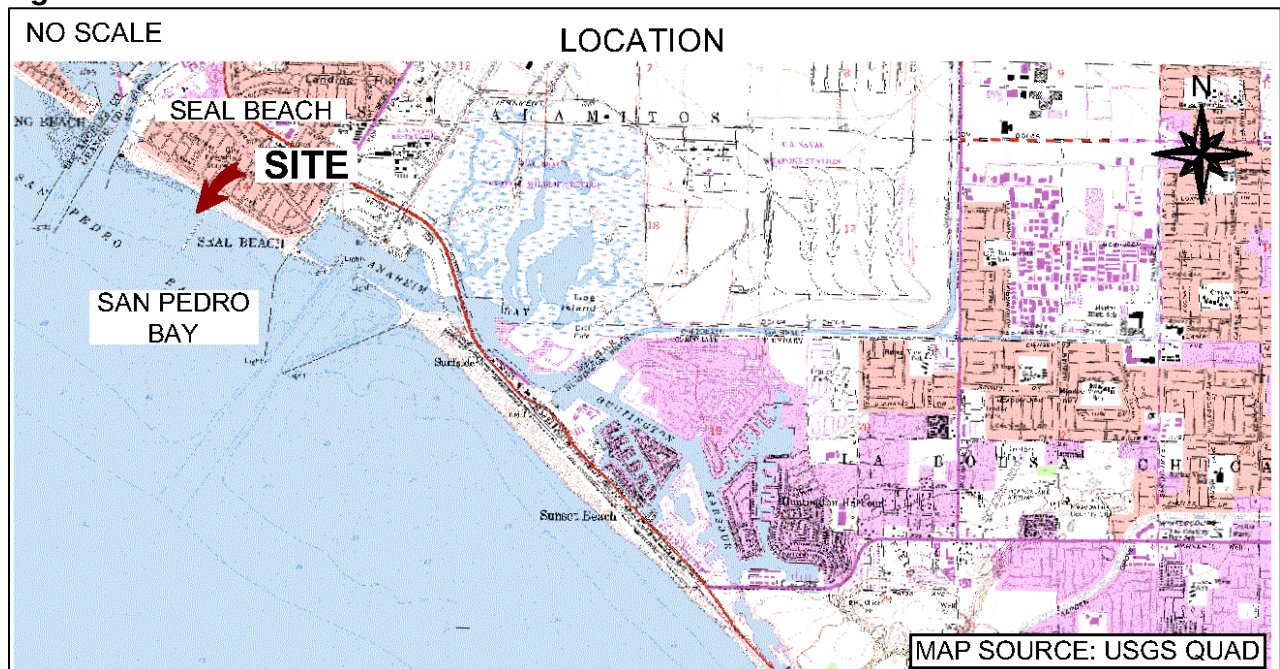
PROPOSED ACTION:

Revision of Rent

AREA, LAND TYPE, AND LOCATION:

Sovereign land located in the Pacific Ocean, Seal Beach, Orange County (as shown in Figure 1).

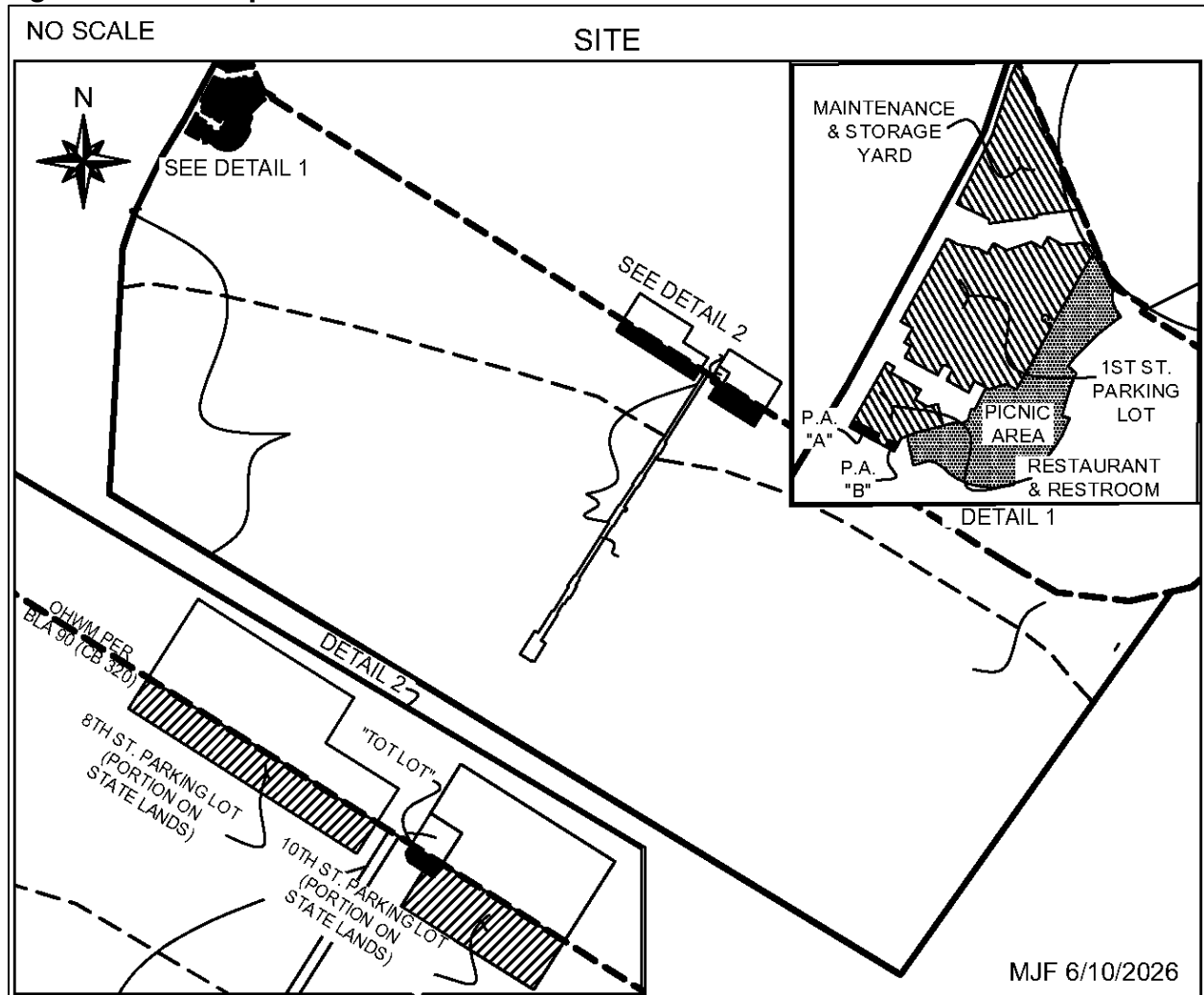
Figure 1. Location



AUTHORIZED USE:

Continued use and maintenance of an existing pier with a lifeguard tower, concrete sheet pile groin, maintenance building, storage building, restaurant, public restroom, picnic area, patio, raised planter areas with retaining walls, parking lots; a seasonal flood control berm; and seasonal lifeguard stations (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:

30 years, beginning June 22, 2016.

CONSIDERATION:

The lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, the staff has conducted a review of the rent under this lease and recommends that the rent be revised from \$140 per year to \$167 per year, effective June 22, 2026.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the revision of rent is a discretionary action by the Commission. Each time the Commission approves or rejects a revision of rent, it exercises legislatively delegated authority and responsibility as trustee of the State's Public Lands as authorized by law. The Lessee has no right to a new lease or to renewal of any previous lease.
2. On August 9, 2016, the Commission authorized the issuance of a 30-year General Lease – Public Agency Use to the City of Seal Beach and Endorsement of Subleases to DCOR, LLC, SoCal Holdings, LLC, Michael E. Balchin (River's End Café), and ABM Parking Services ([Item 28](#)), for the use and maintenance of an existing pier with a lifeguard tower, 750-foot-long concrete sheet pile groin, maintenance building, storage building, restaurant, public restroom, picnic area, patio, raised planter areas with retaining walls, three parking lots, tot lot with a perimeter wall; a seasonal flood control berm to prevent beach run-up during winter months; and the seasonal placement, use, and maintenance of temporary lifeguard stations, located in the Pacific Ocean, City of Seal Beach, Orange County. On February 25, 2022, the Commission authorized an Amendment of Lease ([Item 39](#)), to allow for the construction of a 600 square-foot patio extension, effective February 25, 2022, an endorsement of a 20-year sublease to The Beach House at the River, LLC (aka River's End Café), for use and maintenance of a restaurant and restroom, effective February 12, 2018, and revision of rent from \$125 to \$140 per year, effective June 22, 2022. The lease provides for a 10-year rent review. The lease expires June 21, 2046.
3. The City generates income from various authorized uses within the lease premises, however the overall cost to maintain the existing pier with a lifeguard tower, 750-foot-long concrete sheet pile groin, public restroom, picnic area, patio, parking lots, tot lot with a perimeter wall; seasonal flood control berm to prevent beach run-up during winter months; and the seasonal lifeguard stations, exceeds revenue received.

4. This action is consistent with the “efficient and effective management of the revenue generation portfolio” elements in the “Meeting Evolving Public Trust Needs” Strategic Focus Area of the Commission’s 2021-25 Strategic Plan.
5. Approving the revision of rent is not a project as defined by the California Environmental Quality Act 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).

RECOMMENDED ACTION:

It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease PRC 3792 from \$140 per year to \$167 per year, effective June 22, 2026.