Meeting Date: 08/25/26
Lease Number: 6966
Staff: M. Sapunor

Staff Report 39

APPLICANT:

Portofino Cove Condominium Association

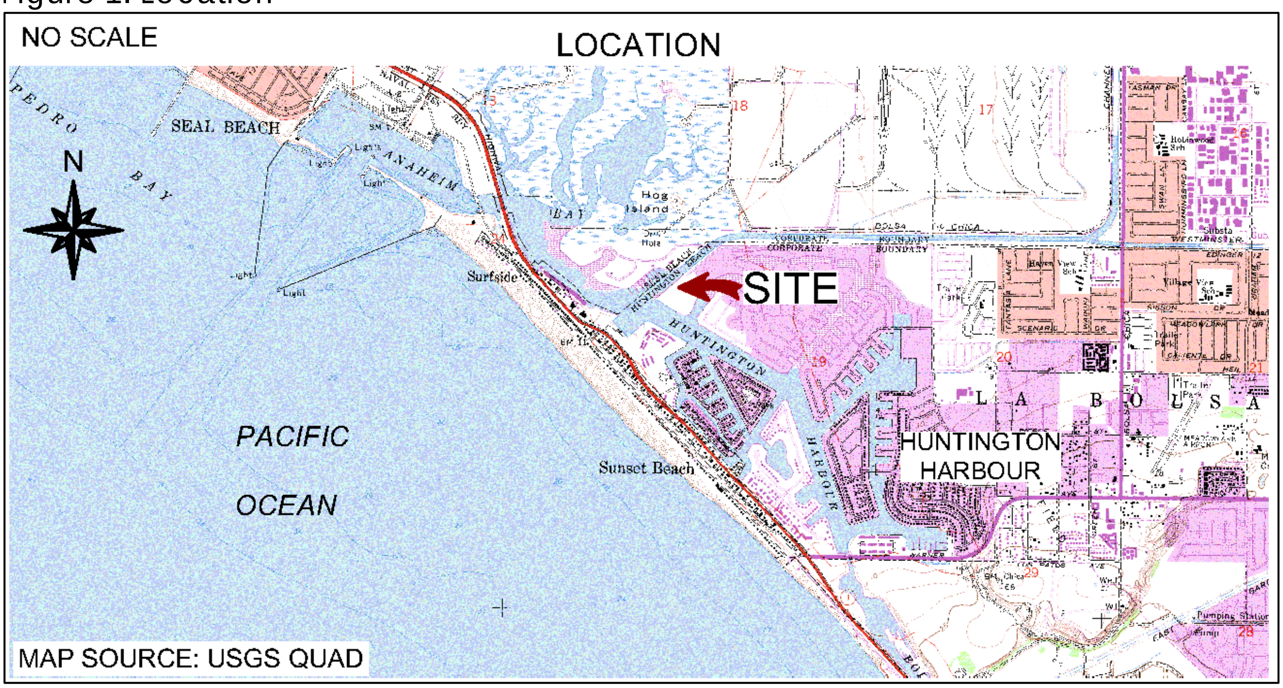
PROPOSED ACTION:

Issuance of a General Lease – Other.

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Bolsa Chica Channel of Huntington Harbour, adjacent to 16291 Countess Drive, near Huntington Beach, Orange County (as shown in Figure 1).

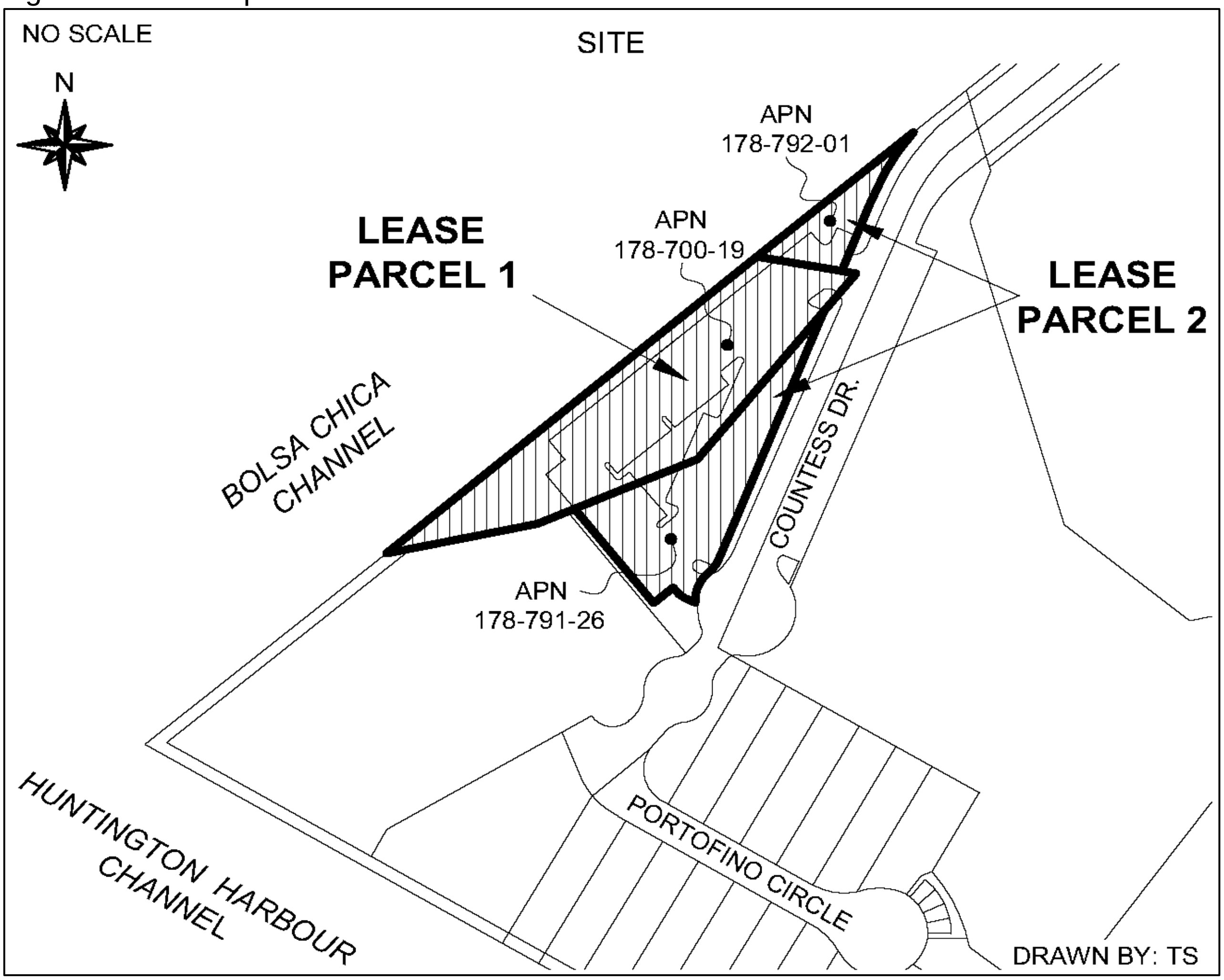
Figure 1. Location



AUTHORIZED USE:

Use of an existing public parking lot, two fire hydrants, and appurtenant facilities (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:

15 years, beginning August 25, 2026.

CONSIDERATION:

The public use and benefit, with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interests.

Specific Lease Provisions:

- Lessee shall not assign or transfer the operation or management of the Parking Facilities on the Lease Premises without the Lessor's prior approval.
- Lessee shall clearly identify and specifically define a maximum of 30 parking spaces for the exclusive use of Lessee. Any vehicle displaying an authorized permit obtained from Lessee is allowed to use the designated parking spaces. Overnight parking is prohibited unless permitted by Lessee. Lessee shall submit, at Lessor's request, a parking lot plan delineating the specific parking spaces.
- With the exception of the 30 parking spaces retained by Lessee, all parking spaces shall be available to the public to increase access to neighboring beaches, Seabridge Park (maintained by the City), and to the Huntington Harbour Main and Bolsa Chica Channels.
- Parking lot hours shall be maintained so that the public has daily access from 30 minutes before sunrise to 30 minutes after sunset but in no event earlier than 5:00 AM or later than 9:00 PM.
- Parking lot signage shall include hours of operation, emergency phone numbers, and unauthorized vehicle towing enforcement information. Evidence of signage shall be submitted to Lessor within 60 days of Lease authorization.
- Lessee is expressly authorized to have any unauthorized vehicle removed from the lease premises at the owners' expense.
- The provisions of Section 3, Paragraph 11 "Indemnity" shall also extend to the period of Lessee's unauthorized occupation of state-owned lands, from June 29, 2025, to August 25, 2026.

Background:

The State of California acquired fee ownership of the Huntington Harbour Main and Midway Channels in 1961 as a result of a land exchange entered into between the Commission and the Huntington Harbour Corporation. Projects including new development or maintenance of existing facilities extending into these Channels beyond the bulkhead line require a lease from the Commission. The Applicant's upland property is located along the Main and Bolsa Chica Channels of Huntington Harbour.

On September 26, 1985, the Commission authorized an agreement, known as the Parking Area Agreement between the Commission and Mola Development Corporation et al. The original agreement allowed for 30 parking spaces in conjunction with the development of the Portofino Cove Condominiums. The agreement waived rental payment for the 30 parking spaces on sovereign land in return for the obligations assumed by Portofino Cove Condominium Association for the 71 free public parking spaces.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6216, 6301, 6303, 6501.1, and 6503; California Code of Regulations, title 2, sections 2000 and 2003.

PUBLIC TRUST AND STATE'S BEST INTERESTS

On June 29, 2015, the Commission authorized the issuance of a General Lease – Other to Portofino Cove Condominium Association, a California corporation, for a term of 10 years for the use, operation, maintenance, repair, replacement, and monitoring of a landscaped, paved, and lighted public parking lot with 101 approved parking spaces and two fire hydrants (Item 69). That lease expired June 28, 2025.

The Applicant is now applying for a General Lease – Other for the use of the public parking lot, two fire hydrants, and appurtenant facilities. The prior lease authorized the construction of automated entry and exit gates, but these gates were not constructed, and the Applicant has no plans to construct them. Any subsequent plans to construct automated gates will require future Commission action.

The parking lot in question is partially reserved for residents of the Portofino Cove condominium complex. Pursuant to the Parking Area Agreement, 30 of the 101 parking spaces are set aside for the residents and their guests. The 71 remaining parking spaces are open at no cost to the public during prime recreational hours and facilitate access to waterfront, park, beach, and related Public Trust resources. The Lessee estimates its expenses for the maintenance, security, lighting, landscaping, and other upkeep at $10,000 per year, and is budgeting additional funds for more substantial maintenance needs during the term of this proposed lease.

The proposed lease does not alienate the State's fee simple interest or permanently impair public rights. The lease is limited to a 15-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 all improvements from State land and restore the lease premises to their original condition. The proposed lease requires the lessee to indemnify the State for any liability incurred as a result of the lessee's activities thereon.

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 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.

The existing lighted parking lot and landscaping subject to the proposed lease is located within the Huntington Harbour development, which is highly vulnerable to sea level rise. Huntington Harbour is built near sea level elevation, on the former site of the Sunset Bay Estuary wetlands, and receives stormwater runoff from several large flood control channels. Currently, select areas surrounding Huntington Harbour experience flooding during high tides exceeding 6.7 feet and El Niño events, impacting transportation and utility infrastructure, boat ramps and launches, and recreational facilities (p.51, Ch. 7: Vulnerability Assessment, City of Huntington Beach *Sea Level Rise Vulnerability Assessment*, 2021). The Harbour is adjacent to two wetlands, Bolsa Chica Ecological Reserve and the Seal Beach National Wildlife Refuge, which may buffer and absorb storm surges and lessen flood risks; however, the area is still highly vulnerable due to its low elevation.

DATA & PROJECTIONS:

Sea levels in most of California 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 of the last century. By 2050, there is growing confidence that sea levels will be approximately ten inches higher than in 2000. The severity of sea level rise beyond 2050 is contingent on future levels of greenhouse gas emissions. The California Ocean Protection Council (OPC) 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 Huntington Harbour and the continued global reliance on fossil fuels. 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-High (feet)	High (feet)
2040	0.6	0.7
2050	0.9	1.1
2070	2.1	2.7
2100	4.5	6.3

Source: Table 12, State of California Sea Level Rise Guidance: 2024 Update

Note: Projections are with respect to a 2000 baseline.

ANALYSIS:

Huntington Harbour has a high exposure to flood hazards due to the area's low elevation, location on top of former wetlands, and shallow groundwater table. Low-lying roads already experience flooding during high tides and storm events. Commission staff used the online sea level rise mapping tool, Our Coast Our Future, to analyze the future sea level rise vulnerabilities. With 1 foot of sea level rise, flooding of the streets and Pacific Coast Highway will become more widespread and occur more frequently during high tides and storms. Stormwater and wastewater systems, including pump stations and outfalls, could also become inundated and less effective. According to the projections in Table 1, these impacts could occur by 2050 under the intermediate-high and high scenarios.

With 2.7 feet of sea level rise, this parking lot, as well as most streets and waterfront properties will experience flooding during normal tides and weather conditions, likely resulting in damage to and disruption of residential, commercial, and recreational resources. Additionally, sea level rise will cause saltwater to intrude into the shallow groundwater table and push it up to the surface, which could degrade subsurface structures and utilities (e.g., landscaping, paved parking areas, light foundations, fire hydrants) before floodwaters reach the ground level. These impacts could occur between 2070 and 2080 according to the projections in the current OPC report.

Locally available resources such as the upcoming update to the City of Huntington Beach's Local Coastal Program and the 2021 City of Huntington Beach Sea Level Rise Vulnerability Assessment can be valuable references for understanding the impacts from climate change and options available to minimize the risks.

RECOMMENDATION:

Due to the Harbour's dense shoreline development, structures within the lease premises may need to be elevated, redesigned (e.g., floodproofing), or relocated further inland to be resilient to higher total water levels and more extreme tides. Any future construction or activities on State land would require a separate authorization from the Commission.

CONCLUSION:

For all the reasons above, staff believes issuance of the proposed lease will not substantially interfere with the 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.

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 will not be authorized to utilize the parking lot. The lessee has no right to a new lease or a renewal of any previous lease.
2. This action is consistent with the "Meeting Evolving Public Trust Needs" and "Leading Climate Activism" 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 14, section 15301.

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15061.

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 14, section 15301.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed lease will not substantially impair the public rights or substantially interfere with the 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 the issuance of a General Lease – Other to the Applicant beginning August 25, 2026, for a term of 15 years, for the use of an existing public parking lot, two fire hydrants, and appurtenant facilities; consideration is the public use and benefit, with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interests; and liability insurance in an amount no less than $1,000,000 per occurrence.