Meeting Date: 10/21/26
Lease Number: 7797
Staff: L. Anderson

Staff Report 19

APPLICANT:

Mercer-Fraser Company

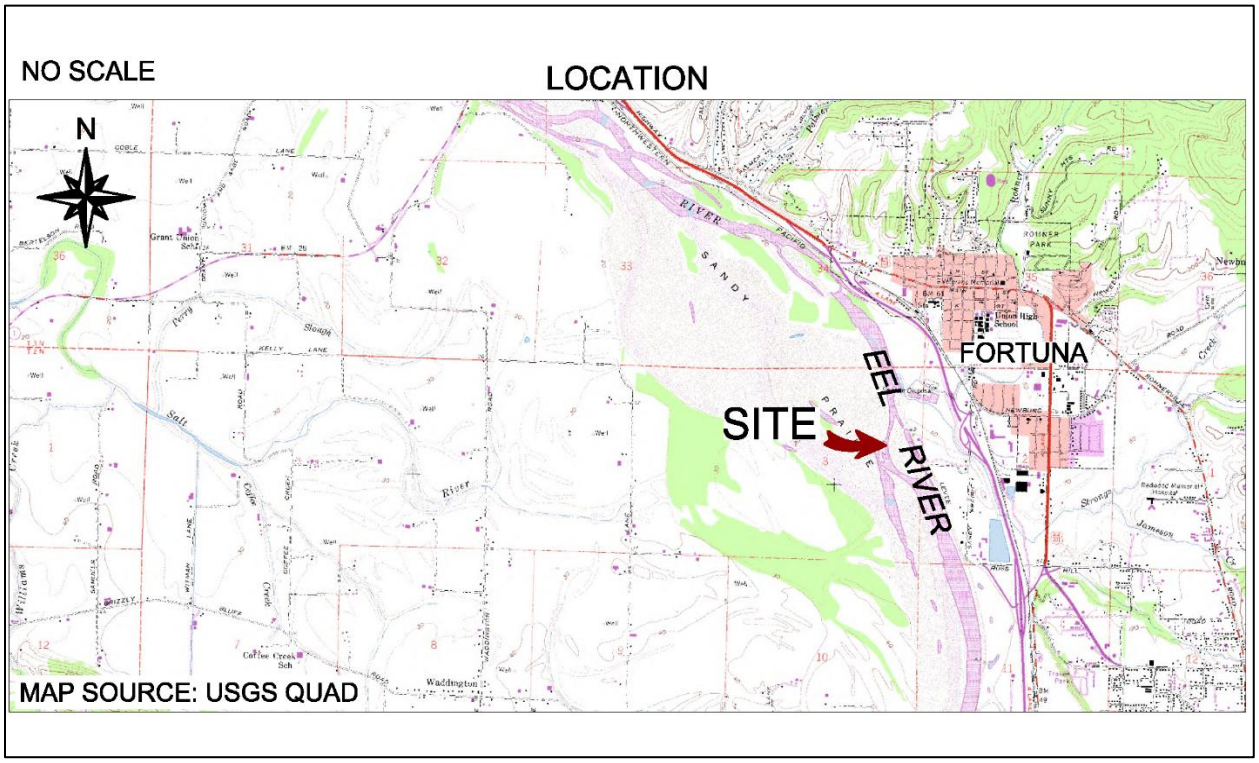
PROPOSED ACTION:

Issuance of a General Lease – Right-of-Way Use.

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Eel River, adjacent to Assessor's Parcel Numbers (APN) 106-041-015, 200-352-006, and 200-352-009, near Fortuna, Humboldt County (as shown in Figure 1).

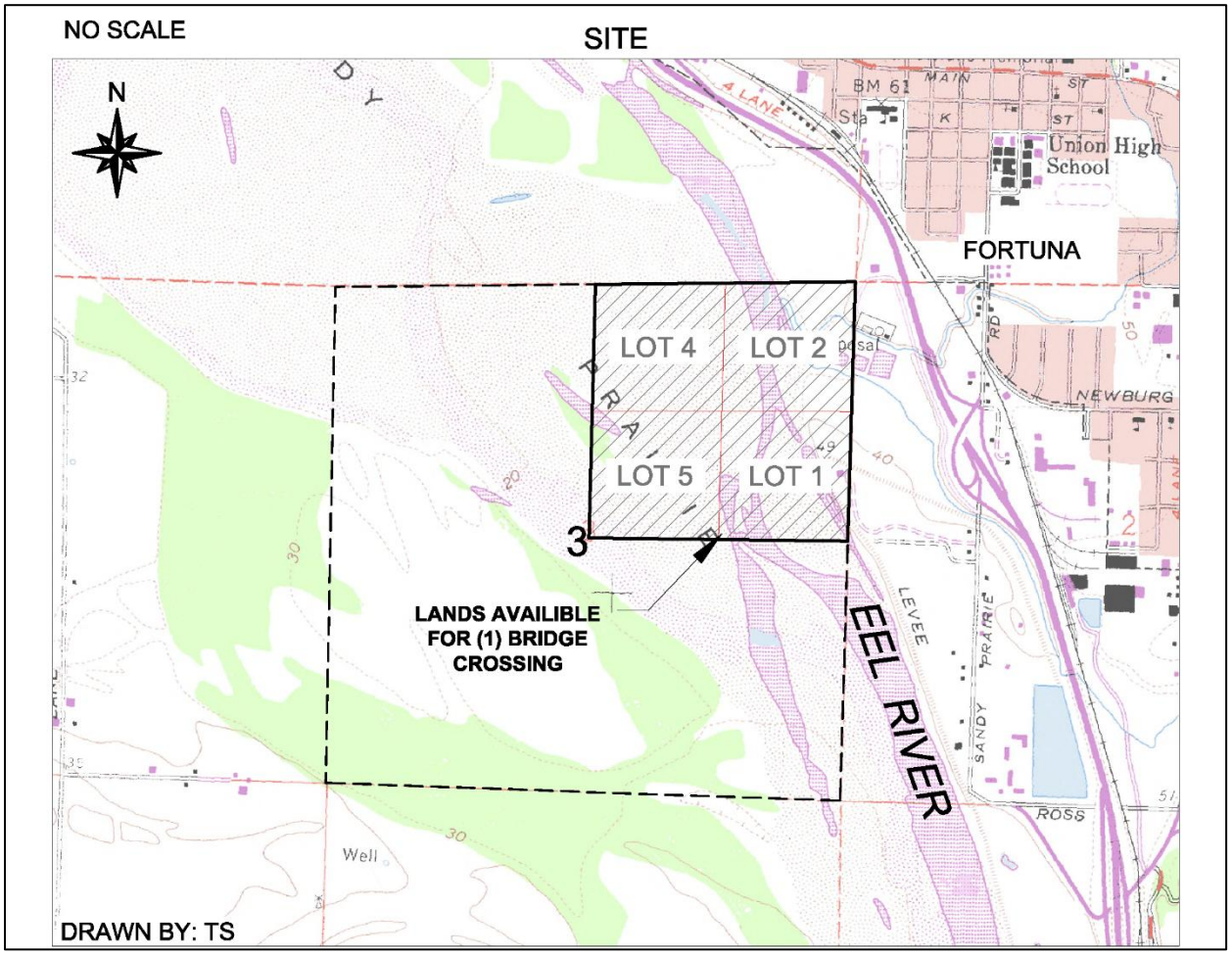
Figure 1. Location



AUTHORIZED USE:

Use of a seasonal bridge (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 21, 2026.

CONSIDERATION:

$599 per year, with an annual Consumer Price Index adjustment; and $1,079 for unauthorized occupation of State land for the period prior to October 21, 2026.

SPECIFIC LEASE PROVISIONS:

- Liability insurance in an amount no less than $1,000,000 per occurrence.
- On an annual basis, the crossing may not be placed on the Lease Premises sooner than June 30 and shall be removed no later than October 15.
- At any time during the term of this Lease, Lessor shall not be liable for any damages to any fixtures or personal property, including any equipment, tools, or machinery on the Lease Premises.
- No refueling, repairs, or maintenance of vehicles or equipment will take place on the Lease Premises.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

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

PUBLIC TRUST AND STATE'S BEST INTERESTS:

On June 23, 2020, the Commission authorized a 5-year General Lease – Right-of-Way Use to Mercer-Fraser Company for the continued annual placement, use, and removal of a seasonal bridge crossing over the Eel River (Item 17). The lease expired December 31, 2024. The Applicant is now applying for a new lease for the use of a seasonal bridge crossing.

The crossing would be placed no earlier than June 30 and removed no later than October 15 each year, unless an extension is approved by the regulatory agencies. Following removal of the bridge crossing, the channel would be restored to the pre-existing surface of the channel bottom to the maximum extent feasible.

The lease premises are portions of the active channel in the lower Eel River. Sand and gravel extraction activities occur annually on areas adjacent to the active channel where flood-washed alluvial material has been deposited. The extraction activities do not happen on state lands. Pre-extraction surveys are conducted to depict the topography of the extraction sites; the topography varies annually depending on winter flows and river configuration. The seasonal bridge crossing would allow equipment to access the extraction areas from the nearby Mercer-Fraser processing facility (Plant B). The crossing would be installed pursuant to the

terms and conditions of the County of Humboldt Conditional Use Permit, U.S. Army Corps of Engineers Letter of Permission, California Coastal Commission Coastal Development Permit, California Department of Fish and Wildlife Streambed Alteration Agreement, North Coast Regional Water Quality Control Board 401 Water Quality Certification, as well as recommendations made by the County of Humboldt Extraction Review Team. The crossing would span the wetted channel and would consist of a railroad flat-car bridge typically constructed six feet above the water surface with a three-foot minimum clearance. Fill consisting of native aggregate, sourced directly from the gravel bar, and clean-washed gravel/cobbles would be used to construct the bridge abutments. Fill would be placed behind k-rail and concrete abutment blocks on both sides of the crossing.

The size and location of the crossing and portion of fill necessary to construct the abutments would be determined annually. Low-bridge warning signs would be posted when the bridge is in place. Passage for canoes, kayaks, and other water-related activities in the Eel River would, therefore, remain available throughout the year. The crossing would be placed no earlier than June 30 and removed no later than October 15 each year, unless an extension is approved by the above-listed regulatory agencies. Following removal of the crossing, the channel would be restored to the pre-existing surface of the channel bottom to maximum extent feasible.

Staff recommend starting the new lease on October 21, 2026. The seasonal bridge was placed in 2025 and 2026. Rent has been paid through December 31, 2024. Therefore, staff recommend the Applicant pay $1,079 for the unauthorized occupation of state land for the existing facilities for the period prior to October 21, 2026. The proposed lease will require the Applicant to indemnify the State for the entire period of unauthorized occupation, ensuring the State is protected.

The proposed lease does not alienate the State's fee simple 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 proposed 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 insure the lease premises and indemnify the State for any liability incurred as a result of the lessee's activities thereon.

CONCLUSION:

For all the reasons above, staff believes the issuance of this lease 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 proposed lease; and is in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. Approval or denial of an 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. If the Commission denies the application, the Applicant may be required to remove the improvements and restore the premises to their original condition. 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. The California Coastal Commission (CCC) prepared an environmental document pursuant to its certified regulatory program (Cal. Code Regs., tit. 14, § 15251, subd. (c)) and granted Permit No. 1-26-0065 for this seasonal bridge installation and removal project (Project) on August 12, 2026.

   Staff has reviewed the document and determined that the conditions, as specified in the California Code of Regulations, title 14, section 15253, subdivision (b), have been met for the Commission to use this document for its compliance with California Environmental Quality Act (CEQA).
4. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but the activity will not affect those significant lands. Based upon participation from the agency nominating such lands through the permitting process, it is staff's opinion that the project, as proposed, is consistent with its use classification.

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that Permit No. 1-26-0065 (the environmental document), prepared for this Project and adopted on August 12, 2026, by CCC pursuant to its certified regulatory program (Cal. Code Regs., tit. 14, § 15251, subd. (c)), is a substitute document as provided by California Code of Regulations, title 14, section 15252, subdivision (a), and that the Commission has reviewed and considered the information therein.

Find that the conditions described in the California Code of Regulations, title 14, section 15253, subdivision (b), have been met for the Commission, acting as a responsible agency, to use the environmental document to comply with the requirements of CEQA (Cal. Code Regs., tit. 14, §15096)

Determine that the proposed lease, as approved, will not have a significant effect on the environment.

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed lease will not substantially impair the public rights to navigation and fishing or substantially interfere with the Public Trust needs and values at this location, at this time, and for the foreseeable term of the lease; and is in the best interests of the State.

AUTHORIZATION:

1. Authorize acceptance of compensation from the Applicant in the amount of $1,079 for unauthorized occupation of State land for the period prior to October 21, 2026.

2. Authorize issuance of a General Lease – Right-of-Way Use to the Applicant beginning October 21, 2026, for a term of 10 years, for the use of a seasonal bridge; annual rent in the amount of $599 with an annual Consumer Price Index

adjustment; and liability insurance in an amount no less than $1,000,000 per occurrence.