Meeting Date: 10/21/26
Lease Number: 9835
Staff: M. Waldo

Staff Report 08

APPLICANT/LESSEE:

City of Fort Bragg

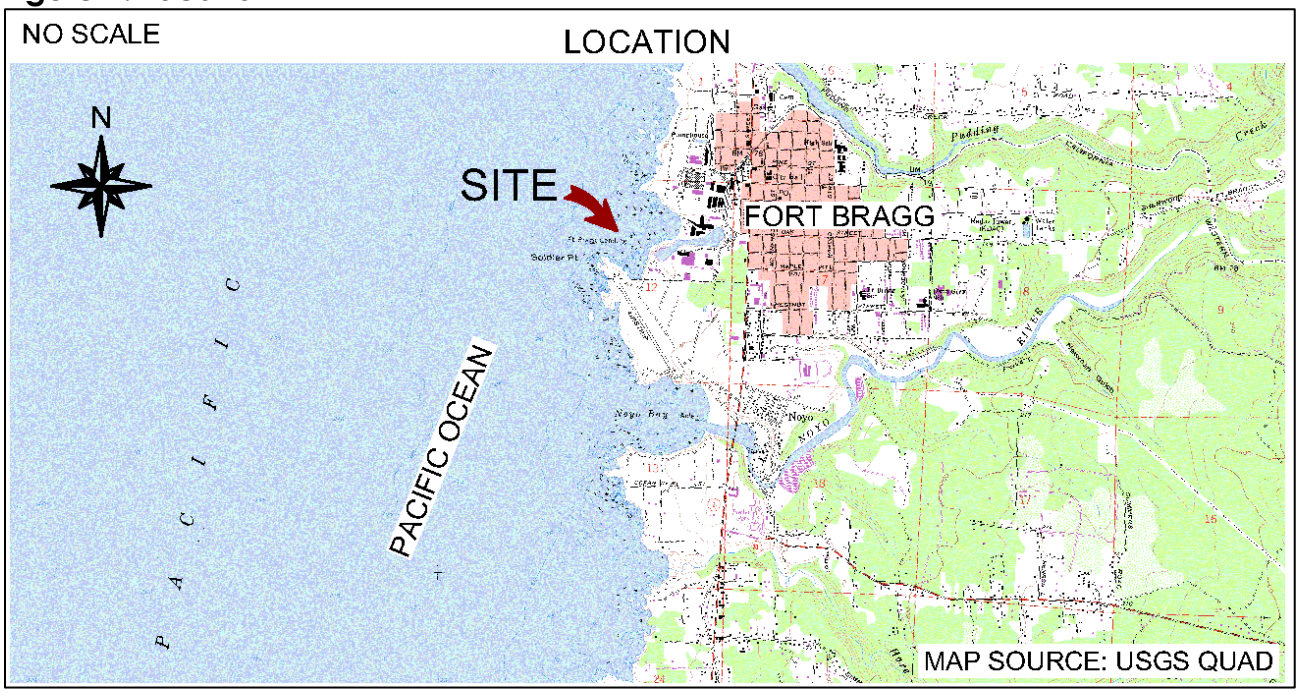
PROPOSED ACTION:

Amendment of a General Lease – Public Agency Use

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Pacific Ocean, Mill Bay, near Fort Bragg, Mendocino County (as shown in Figure 1).

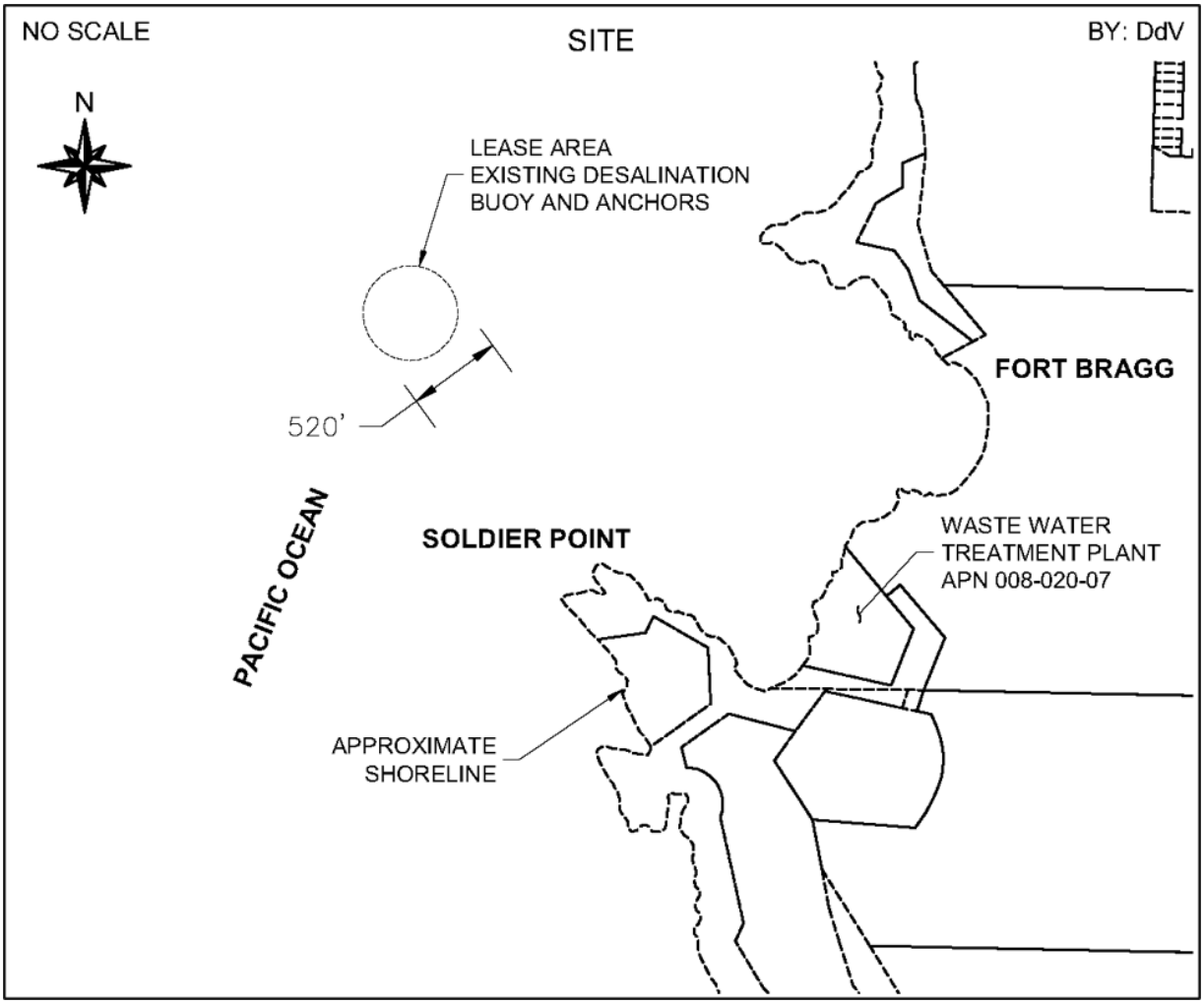
Figure 1. Location



AUTHORIZED USE:

Installation, use, and removal of a desalination pilot project (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:

2 years, beginning August 21, 2025.

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 interest.

PROPOSED AMENDMENT:

- Section 1, Authorized Improvements: To Be Constructed, is to be amended to delete the 3-inch diameter water conveyance pipeline, which was never constructed.
- Section 1, Term, ending date is amended from August 20, 2027, to December 31, 2027.
- Replace Exhibit A, Land Description, and Exhibit B, Site and Location Map, for the Lease with Exhibit A and Exhibit B, attached, and by reference made a part of this Amendment.

All other terms and conditions of the lease shall remain in effect without amendment.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

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

PUBLIC TRUST AND STATE'S BEST INTERESTS:

On August 21, 2025, the Commission authorized the issuance of a General Lease – Public Agency Use to the City of Fort Bragg for the installation, use, and removal of a desalination pilot project (Item 5). The lease expires on August 20, 2027.

The lease currently includes authorization of an approximately 2,900-foot long, 3-inch-diameter HDPE pipeline, referred to as a "permeate pipeline", that was intended to be used to transport desalinated water from the project area to the city's wastewater treatment plant for analysis. During project planning it was determined that the costs associated with the pipeline were disproportionate to the benefits the pipeline would have served for the project. The pipeline was never constructed, and the Applicant is now applying for an amendment of lease to remove the pipeline from the lease authorization. The remaining improvements include a desalination buoy that produces an average of 13,200 gallons of desalinated water per day for 12 months and a secondary mooring system including four marker buoys and four surface buoys. The extended lease term will allow the Applicant more time for testing and aligns with other relevant permits for the project.

The proposed lease amendment does not alienate the State's fee simple interest or permanently impair public rights. Even when considering the proposed lease term extension, the lease is limited to a term of under 5 years and does not grant the lessee exclusive rights to the lease premises. 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.

CLIMATE CHANGE:

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 wave runup, 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. These impacts may affect the temporary (12- month) pilot project of a wave-powered seawater desalination buoy and anchoring system subject to the proposed lease, located in the Pacific Ocean, near Fort Bragg. The proposed extended lease term for the Project would not create any new or altered climate change impacts from those previously analyzed and discussed in the August 21, 2025 staff report (Item 5).

CONCLUSION:

For all the reasons above, staff believe the approval of this lease amendment will not substantially interfere with Public Trust needs 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 the use of sovereign land, it exercises legislatively delegated authority and responsibility as a trustee of the State's Public Trust lands authorized by law. The Lessee has no right to a new lease or to 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. A Mitigated Negative Declaration MND, State Clearinghouse No. 2025030927, was prepared for this Project by the City of Fort Bragg (City) and adopted on May 28, 2025. Commission staff reviewed the MND and Mitigation Monitoring and Reporting Program pursuant to the provisions of the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21081.6) and adopted by the lead agency.

   The Commission considered the MND at its August 21, 2025 meeting (Item 05). As part of the Commission's approval of the lease, the Commission adopted an independent MMP made in conformance with the CEQA Guidelines (Cal. Code Regs., tit. 14, § 15096), as contained on file in the Sacramento office of the California State Lands Commission and incorporated by reference hereto. The Commission's previously adopted MMP remains in full force and effect.

   The proposed lease amendment does not create substantial changes to the project, to the circumstances in which the project occurs, or other new information that requires a subsequent or supplemental CEQA document for the project to continue. The Applicant will be required by the terms of the proposed lease to continue to implement the Commission's previously imposed MMP.

4. This activity does NOT involve lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq. At the time the Commission considered the MND in 2025, staff concluded that such activity would not affect any significant lands.

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that an MND, State Clearinghouse No. 2025030927, was prepared for this project by the City and adopted on May 28, 2025, and that the Commission has reviewed and considered the information contained therein; that in the Commission's independent judgment, the scope of activities to be carried out under the lease to be issued by this authorization have been adequately analyzed; that none of the events specified in Public Resources Code section 21166 or CEQA Guidelines section 15162 resulting in any new or substantially more severe significant impact has occurred; and, therefore no additional CEQA analysis is required.

Find that the Commission's previously adopted Mitigation Monitoring Program remains in full force and effect.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed amendment of the lease will not substantially interfere with Public Trust needs and values at this location, at this time, and for the remaining term of the lease; and is in the best interests of the State.

AUTHORIZATION:

1. Authorize the amendment of Lease 9835, a General Lease – Public Agency Use, effective October 21, 2026, to delete the provisions authorizing construction of a 3-inch diameter water conveyance pipeline, which was never constructed.
2. Authorize an extension of the lease term to December 31, 2027.
3. Authorize the replacement of Exhibit A, Land Description and Exhibit B, Site and Location Map, in the lease with a new Exhibit A and Exhibit B; all other terms and conditions of the lease will remain in effect without amendment.