

**STAFF REPORT  
C60**

A 72  
S 34

12/03/18  
PRC 3166.1  
K. Connor

**ASSIGNMENT OF LEASE**

**LESSEE/ASSIGNOR:**

Elsie Sue Pierson, Co-Trustee of the Pierson Family Trust, udt dated March 25, 2004

**APPLICANT/ASSIGNEE:**

Sunshine Growers Nursery Inc.

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

Sovereign land in Huntington Harbour, adjacent to 16522 Somerset Lane, Huntington Beach, Orange County.

**AUTHORIZED USE:**

Continued use and maintenance of an existing boat dock, access ramp, and cantilevered deck.

**LEASE TERM:**

10 years, beginning May 7, 2014.

**CONSIDERATION:**

\$1,800 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

**SPECIFIC LEASE PROVISIONS:**

Liability insurance in an amount no less than \$1,000,000 per occurrence.

**STAFF ANALYSIS AND RECOMMENDATION:**

**Authority:**

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

**Public Trust and State's Best Interests Analysis:**

On October 14, 2014, the Commission authorized a General Lease – Recreational Use to Elsie Sue Pierson, Co-Trustee of the Pierson Family Trust, udt dated March 25, 2004, for a term of 10 years ([Item C81, October 14, 2014](#)). That lease will expire on May 6, 2024. On September

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14, 2018, the upland property was deeded to Sunshine Growers Nursery Inc. The Applicant has agreed to perform and be bound by the terms, conditions, covenants, and agreements contained in the lease.

The lease assignment will not result in a change in the use of, or impacts to, Public Trust resources.

**Climate Change:**

Climate change impacts, including sea-level rise, increased wave activity, storm events, and flooding are not limited to the open coast. The existing structures subject to the proposed lease are located within the Huntington Harbour development, along an inland, navigable, tidally influenced channel, and may be vulnerable to the impacts of sea-level rise. Huntington Harbour is built near sea-level elevation, and as a result is vulnerable to flooding and storm surge events. Huntington Harbour is adjacent to two wetlands, Bolsa Chica and the Seal Beach National Wildlife Refuge, which could act as natural buffers to storm surges and lessen flood risks.

The California Ocean Protection Council updated the State of California Sea-Level Rise Guidance in 2018 to provide a synthesis of the best available science on sea-level rise projections and rates. Commission staff evaluated the “high emissions,” “medium-high risk aversion” scenario to apply a conservative approach based on both current emission trajectories and the lease location and structures. 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<sup>1</sup>**

| <b>Year</b> | <b>Projection (feet)</b> |
|-------------|--------------------------|
| 2030        | 0.7                      |
| 2040        | 1.2                      |
| 2050        | 1.8                      |
| 2100        | 6.7                      |

Source: Table 28, State of California Sea-Level Rise Guidance: 2018 Update

Note: <sup>1</sup> Projections are with respect to a 1991 to 2009 baseline.

As stated in *Safeguarding California Plan: 2018 Update* (California Natural Resources Agency 2018), climate change is projected to increase the frequency and severity of natural disasters related to flooding, drought, and storms (especially when coupled with sea-level rise). The combination of these conditions will likely result in increased wave run up, storm surge,

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and flooding in coastal and near coastal areas. In tidally influenced waterways, more frequent and powerful storms can result in increased flooding conditions and damage from storm-created debris. Climate change and sea-level rise will further influence coastal and riverine areas by changing erosion and sedimentation rates. Beaches, coastal landscapes, and near-coastal riverine areas will be exposed to increased wave force and run up, potentially resulting in greater beach or bank erosion than previously experienced.

This increase in sea level combined with more frequent and stronger storm events will likely expose the lease area structures to higher flood risks, comprised of greater total water levels for longer periods of time. The lease is a 10-year General Lease – Recreational Use that began on May 7, 2014, and may be subject to the climate change effects of the projected sea-level rise scenario provided above. Regular maintenance and implementing best management practices, as required by the terms of the lease, will help reduce the likelihood of severe structural degradation and dislodgement. Further climate change impact analyses on the leased facilities will be assessed at the time the lease expires in 2024 if an application is submitted for a new lease and would be based on projected sea-level rise scenarios at that time.

**Conclusion:**

Staff believes approval of this assignment will not substantially interfere with Public Trust uses and values and is in the best interests of the State.

**OTHER PERTINENT INFORMATION:**

1. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction.
2. Assignment of a lease 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, section 15378, subdivision (b)(5).

**EXHIBIT:**

- A. Site and Location Map

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**RECOMMENDED ACTION:**

It is recommended that the Commission:

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

Find that the proposed lease assignment will not impact 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.

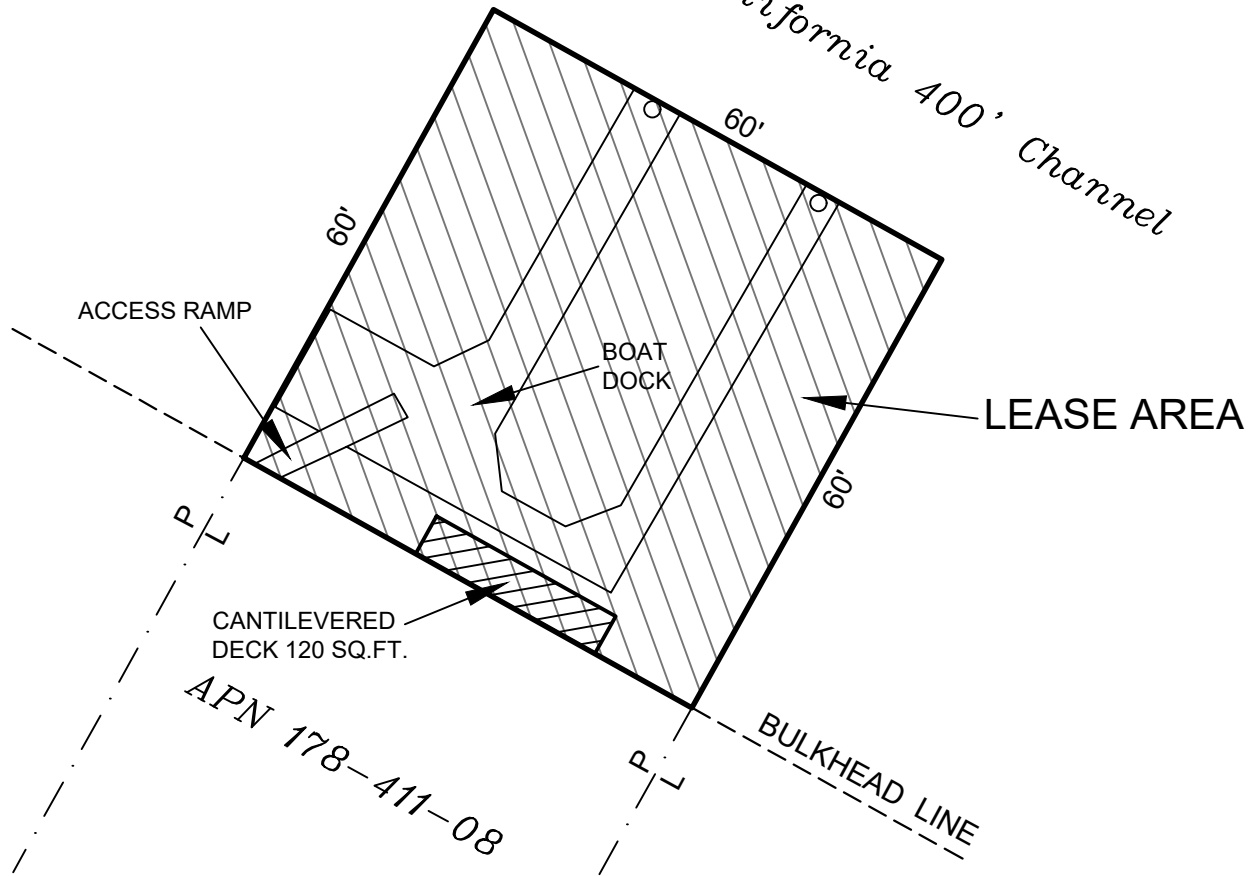
**AUTHORIZATION:**

Authorize the assignment of Lease No. PRC 3166.1, a General Lease - Recreational Use, of sovereign land as shown on Exhibit A (for reference purposes only), attached and by this reference made a part hereof, from Elsie Sue Pierson, Co-Trustee of the Pierson Family Trust, udt dated March 25, 2004, to Sunshine Growers Nursery Inc.; effective September 14, 2018.

NO SCALE

# SITE

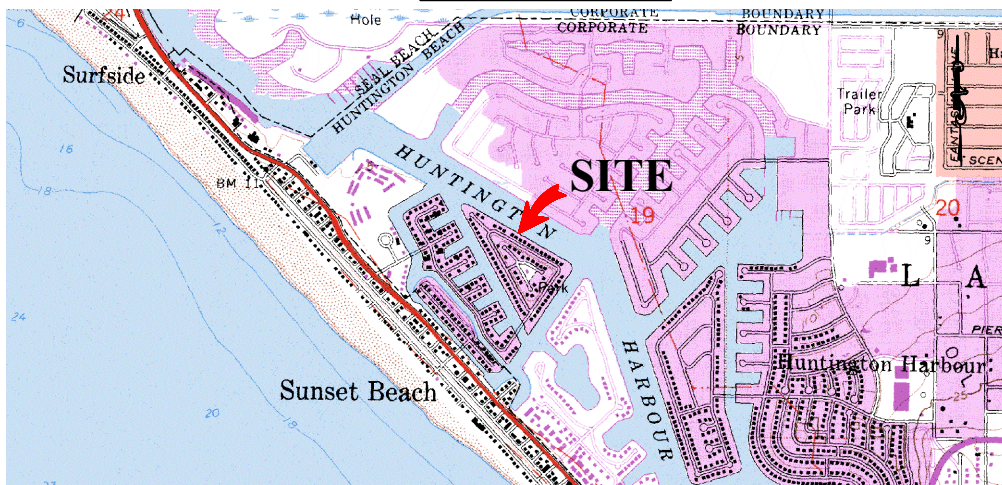
State Of California 400' Channel



16522 SOMERSET LANE, HUNTINGTON HARBOUR

NO SCALE

# LOCATION



MAP SOURCE: USGS QUAD

# Exhibit A

PRC 3166.1  
 SUNSHINE GROWERS  
 NURSERY, INC.  
 APN 178-411-08  
 GENERAL LEASE -  
 RECREATIONAL USE  
 ORANGE COUNTY



TS 10/05/18

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.