

STAFF REPORT

48

A 72

S 34

08/23/19
PRC 5742.1
K. Connor

**TERMINATION AND ISSUANCE OF A
GENERAL LEASE – RECREATIONAL USE**

LESSEE:

Thomas Chow

APPLICANT:

Jia-Peir Wang and Yueh-Chin-Hsu Wang, Co-Trustees of the Wang Family Trust
Dated February 15, 1996

PROPOSED LEASE:

AREA, LAND TYPE, AND LOCATION:

Sovereign land located in the Main Channel of Huntington Harbour
adjacent to 16722 Coral Cay Lane, Huntington Beach, Orange County.

AUTHORIZED USE:

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

LEASE TERM:

10 years, beginning December 12, 2018.

CONSIDERATION:

\$3,222 per year, with an annual Consumer Price Index adjustment.

SPECIFIC LEASE PROVISIONS:

Insurance: Liability coverage in an amount no less than \$1,000,000 per
occurrence.

STAFF ANALYSIS AND RECOMMENDATION:

Authority:

Public Resources Code sections 6005, 6216, 6220, 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 December 17, 2009, the Commission authorized issuance of a 10-year
General Lease – Recreational Use to Thomas Chow, for the continued

STAFF REPORT NO. 48 (CONT'D)

use and maintenance of an existing boat dock, access ramp, and cantilevered deck in the Main Channel of Huntington Harbour, beginning December 12, 2009 ([Item C25, December 17, 2009](#)). That lease will expire on December 11, 2019.

The Lessee paid rent through December 11, 2018. But on April 25, 2018, the Lessee transferred ownership of the upland property to the Applicant, Jia-Peir Wang and Yueh-Chin-Hsu Wang, Co-Trustees of the Wang Family Trust Dated February 15, 1996.

The lease states that the Commission may deem sale of the upland property an abandonment of the lease premises if the Commission has not authorized an assignment of the lease. Additionally, the Lessee did not pay rent after December 11, 2018.

Staff cannot locate the Lessee's new contact information to request that the Lessee agree to the early termination of the lease in writing. The Lessee showed the intent to terminate the lease through the submittal of an incomplete quitclaim deed in March 2018 and the failure to pay rent after December 11, 2018. Additionally, transfer of the upland property without an assignment and failure to pay rent are both defaults under the lease. Staff recommends that the Commission find that the lease terminated after December 11, 2018, the last day that the Lessee paid rent.

The Applicant is applying for a new lease for the use and maintenance of the boat dock, access ramp, and cantilevered deck. The proposed lease is dated to begin on December 12, 2018, and requires the Applicant to pay the first year's rent by October 22, 2019. If the Applicant does not pay the rent by the deadline, then penalty and interest shall be assessed to the owed amount until it is paid in full. The proposed lease also extends the indemnity provision to begin retroactively on the date the Applicant acquired the upland property.

The subject facilities, consisting of a boat dock, access ramp, and cantilevered deck are privately owned and maintained and located within the Main Channel of Huntington Harbour. The boat dock and access ramp are used for recreational boating. Recreational boating is water-dependent and is generally consistent with the common law Public Trust Doctrine. The California Legislature has identified private recreational boating facilities as an authorized use of Public Trust lands (Pub. Resources Code, § 6503.5).

STAFF REPORT NO. 48 (CONT'D)

The Main Channel in Huntington Harbour was created in the early 1960s and the adjacent upland parcel is privately owned and developed with a residence. There is no public access at this upland property because the private upland property directly abuts the concrete bulkhead that defines the limits of the channel. The boat dock extends to the pierhead line which is 60 feet into the 400-foot-wide channel leaving the majority of the Main Channel available for navigation and public recreation.

The existing cantilevered deck is connected to the upland residence. Residential use is generally not consistent with the Public Trust Doctrine. However, the cantilevered deck extends no more than 5 feet over the Main Channel and does not substantially interfere with the public's right of navigation or access. Proposed rent for the cantilevered deck is calculated using a benchmark rate based on nearby upland land values to ensure the State receives appropriate compensation for use of sovereign land as the deck serves as an extension of the upland property's private backyard.

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 and 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.

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. The lease also requires the payment of annual rent to compensate the people of the State for the use of public land.

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

STAFF REPORT NO. 48 (CONT'D)

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 Angeles¹

Year	Projection (feet)
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: ¹ 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, 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 area contains fixed features, including pilings and an overhanging deck, and unfixed features, including a floating recreational dock and access ramp. Flooding conditions could cause structures to be damaged or dislodged, presenting hazards to public safety as well as dangers for navigation within the channel. The floating nature of the unfixed features will allow them to rise and fall with tides and waves, increasing their resiliency to some sea-level rise impacts. The fixed features may need to be raised or reinforced to withstand future conditions. Although the bulkhead underneath the deck is not under the

STAFF REPORT NO. 48 (CONT'D)

Commission's jurisdiction, any sea-level rise impacts to the bulkhead could also affect the structures under the Commission's jurisdiction because it serves to stabilize the bank. Therefore, any loss or degradation of the bulkhead could result in property damage and public safety concerns within the lease area and the surrounding waterways.

More locally based knowledge of sea-level rise impacts and adaptation strategies will be available to Huntington Harbour residents as a result of the ongoing efforts to update the City of Huntington Beach's Local Coastal Program and General Plan, and through the City's Coastal Resiliency Task Force. Regular maintenance, as required by the terms of the lease, will reduce the likelihood of severe structural degradation or dislodgement. Pursuant to the proposed lease, the Applicant acknowledges that the lease premises and adjacent upland (not within the lease area) are located in an area that may be subject to the effects of climate change, including sea-level rise.

Conclusion:

For all the reasons above, Commission staff believes the termination of the existing lease and issuance of the proposed lease will not substantially interfere with Public Trust needs at this location, at this time, and for the foreseeable term of the proposed 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 may be required to remove the existing boat dock, access ramp, and cantilevered deck and restore the premises to their original condition. Upon expiration or prior termination of the lease, the lessee also has no right to a new lease or to renewal of any previous lease.
2. 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.
3. Termination of the lease is not a project as defined by the California Environmental Quality Act (CEQA) because it is an administrative action that will not result in direct or indirect physical changes in the environment.

STAFF REPORT NO. 48 (CONT'D)

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

4. Staff recommends that the Commission find that issuance of the lease is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15300 and California Code of Regulations, title 2, section 2905.

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that issuance of the lease 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 2, section 2905, subdivision (a)(2).

PUBLIC TRUST AND STATE'S BEST INTERESTS:

1. Find that the existing and, for a limited period, continuing use and maintenance of the boat dock and access ramp will not substantially interfere with Public Trust needs and values at this location and are consistent with the common law Public Trust Doctrine; and
2. Find that the existing and, for a limited period, continuing use and maintenance of the cantilevered deck is not generally consistent with the Public Trust Doctrine, but the current use does not substantially interfere with the trust; and
3. Find that issuing the proposed lease is in the best interests of the State.

STAFF REPORT NO. 48 (CONT'D)

AUTHORIZATION:

1. Approve the early termination, effective December 12, 2018, of Lease No. PRC 5742.1, a General Lease – Recreational Use, issued to Thomas Chow.

2. Authorize issuance of a General Lease – Recreational Use to the Applicant beginning December 12, 2018, for a term of 10 years, for an existing boat dock, access ramp, and cantilevered deck, as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; annual rent in the amount of \$3,222, with an annual Consumer Price Index adjustment; and liability insurance in an amount no less than \$1,000,000 per occurrence.

EXHIBIT A

PRC 5742.1

LAND DESCRIPTION

A parcel of submerged land situate in Huntington Harbour, in the City of Huntington Beach, Orange County, California, described as follows:

BEGINNING at the most easterly corner of Lot 47, as said lot is shown and so designated on that certain map of Tract No. 8040 filed November 22, 1974, in Book 350, Pages 27 through 37, Official Records of said County; thence along the northeasterly prolongation of the southeasterly line of said lot 60.00 feet to the pierhead line, as said pierhead line is described in Resolution No. 5197, passed and adopted December 6, 1982 by the City Council of said City; thence northwesterly along said pierhead line 60.00 feet to the intersection of said pierhead line with the northeasterly prolongation of the northwesterly line of said lot; thence southwesterly along said northeasterly prolongation 60.00 feet to the most northerly corner of said lot; thence southeasterly along the northeasterly line of said lot to the point of beginning.

END OF DESCRIPTION

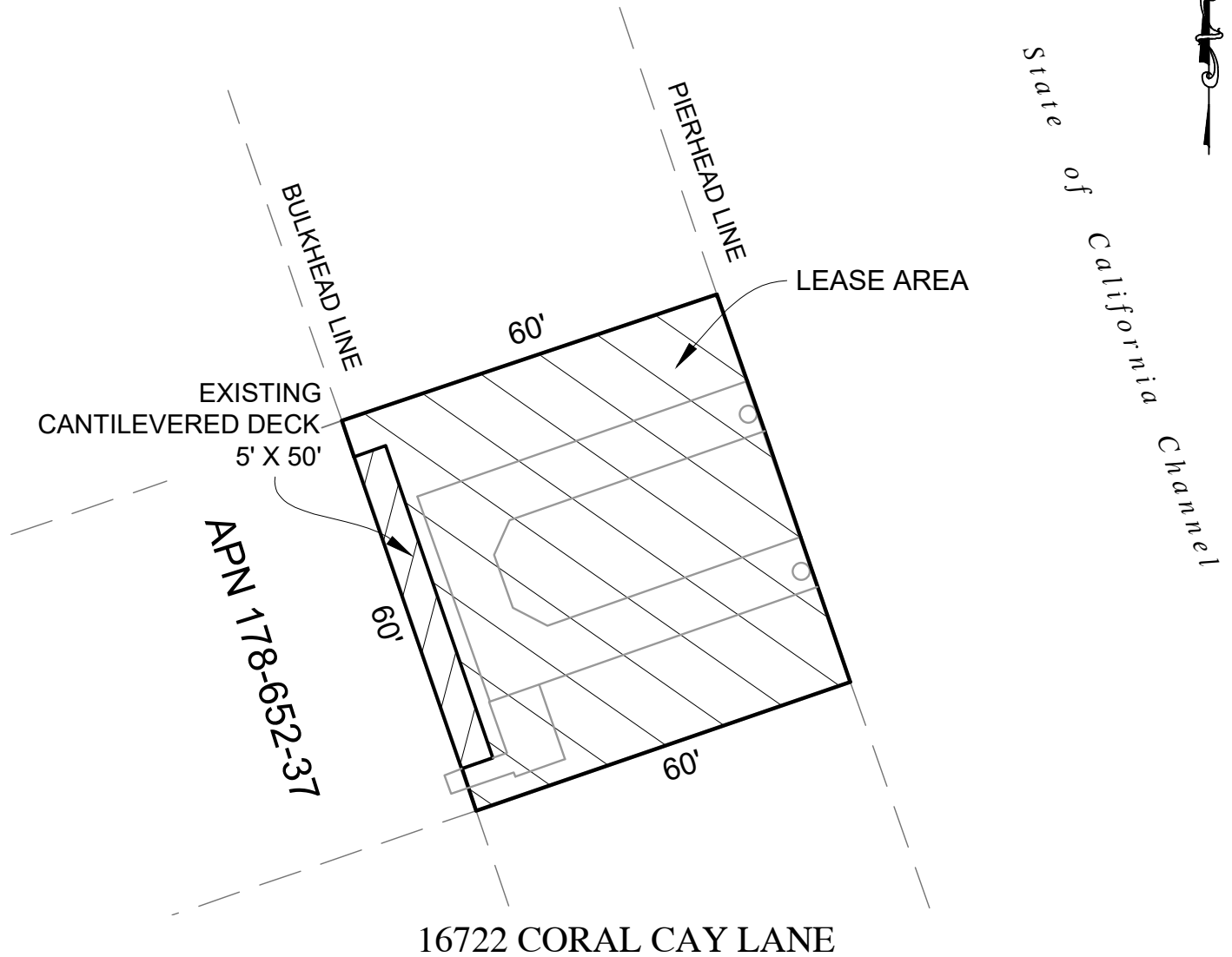
Prepared 11/10/2009 by the California State Lands Commission Boundary Unit



[Handwritten signature]

NO SCALE

SITE



NO SCALE

LOCATION



Exhibit B

PRC 5742.1
 WANG
 APN 178-652-37
 GENERAL LEASE -
 RECREATIONAL USE
 ORANGE COUNTY



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.