

**STAFF REPORT
C64**

A 72
S 34

12/03/18
PRC 7986.1
K. Connor

ASSIGNMENT OF LEASE

LESSEE/ASSIGNOR:

Ida Agnifili Zaby, Trustee of the I. Agnifili Trust, dated April 29, 2008

APPLICANT/ASSIGNEE:

Frank B. DeGelas and Donna L. DeGelas, as Trustee(s) of The Frank and Donna DeGelas Trust Established 2-27-2003

AREA, LAND TYPE, AND LOCATION:

Sovereign land in Huntington Harbour, adjacent to 3632 Venture Drive, 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 April 6, 2011.

CONSIDERATION:

\$1,506 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 April 6, 2011, the Commission authorized a General Lease – Recreational Use to Angelo Zaby, Trustee of the Angelo Zaby Trust, Dated September 9, 1983 ([Item C36, April 6, 2011](#)). On June 21, 2013, the Commission authorized an assignment of the lease to Ida Zaby ([Item](#)

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[C77, June 21, 2013](#)). Subsequently, on June 28, 2016, the Commission authorized an assignment of the lease from the Lessee to their trust ([Item C67, June 28, 2016](#)). The lease will expire on April 5, 2021. On April 27, 2018, the upland property was deeded to Frank B. DeGelas and Donna L. DeGelas, as Trustee(s) of The Frank and Donna DeGelas Trust Established 2-27-2003. 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

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: Projections are with respect to a 1991 to 2009 baseline.

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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 is a 10-year General Lease – Recreational Use that began on April 6, 2011, 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 conducted at the time the lease expires in 2021 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).

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EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

PUBLIC TRUST AND STATE'S BEST INTERESTS:

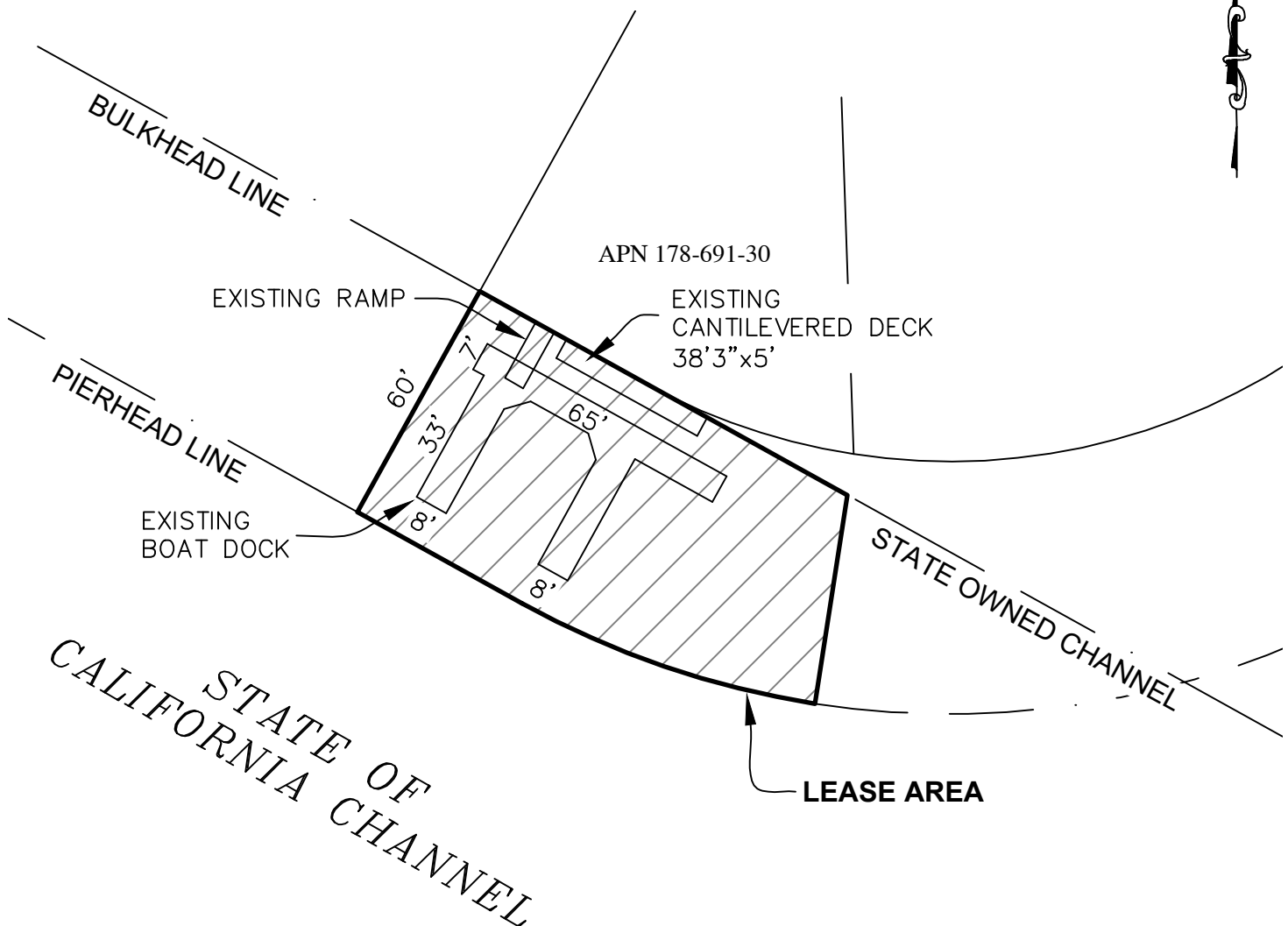
Find that the proposed lease assignment will not impact the Public Trust needs and values at this location, at this time, and for the foreseeable term of the lease; and is in the best interests of the State.

AUTHORIZATION:

Authorize the assignment of Lease No. PRC 7986.1, 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 Ida Agnifili Zaby, Trustee of the I. Agnifili Trust, dated April 29, 2008, to Frank B DeGelas and Donna L. DeGelas, as Trustee(s) of The Frank and Donna DeGelas Trust Established 2-27-2003; effective April 27, 2018.

NO SCALE

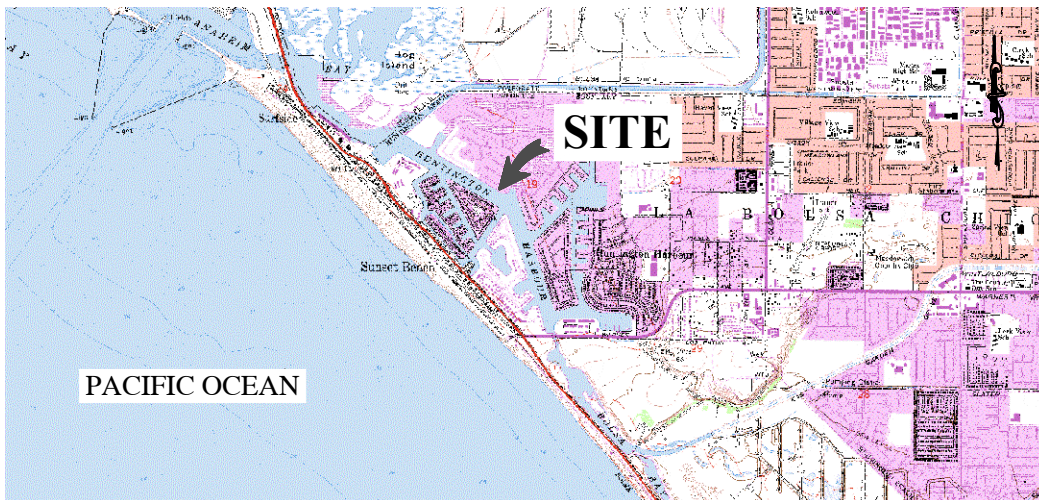
SITE



3632 VENTURE DRIVE, HUNTINGTON BEACH

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 7986.1
 DE GELAS TRUST
 APN 178-691-30
 GENERAL LEASE -
 RECREATIONAL USE
 ORANGE COUNTY



DJF 10/29/18

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.