

**CALENDAR ITEM
C29**

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12/03/08
W 26311
S. Young

GENERAL LEASE - NON-COMMERCIAL USE

APPLICANT:

Long Point Development, LLC
6610 Palos Verdes Drive South
Rancho Palos Verdes, CA 90276

AREA, LAND TYPE, AND LOCATION:

1.062 acres, more or less, of filled and unfilled sovereign lands in the Pacific Ocean, near the city of Rancho Palos Verdes, Los Angeles County.

AUTHORIZED USE:

Construction, use and maintenance of a vegetated drainage channel in connection with an existing bluff top 66-inch drainage outfall; the placement of 1,500 cubic yards of sand for beach enhancement; and use and maintenance of a beach area for the general public and guests of the Terranea Resort.

LEASE TERM:

25 years, beginning December 3, 2008.

CONSIDERATION:

Consideration being 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 and \$5,375 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:

Combined single limit insurance coverage of no less than \$2,000,000.

OTHER PERTINENT INFORMATION:

1. Applicant owns the uplands adjoining the lease premises.
2. In 1954, the Commission approved the issuance of a 15-year lease to Marineland of the Pacific, Inc., for the construction of a pier for boat docking and a salt water intake system used in connection with the upland

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marine park and aquarium. Apparently, in conjunction with the construction of the authorized improvements, the Lessee also filled an approximate one-acre parcel of tide and submerged lands at the base of the bluff and without authorization from the Commission.

3. Through a series of assignments, the lease came to be held by Marineland Amusements Corporation (MAC). On March 22, 1984, the Commission approved acceptance of a lease quitclaim deed from MAC and approved the termination of the lease. Subsequently, the pier and the salt water intake facilities were removed from the Lease Premises. Long Point Development, LLC (Applicant) acquired the upland parcels in 2004, which has now begun development on the uplands with the Terranea Resort (Resort).
4. On August 28, 2002, the city of Rancho Palos Verdes (City) approved a Conditional Use Permit (CUP) and Tentative Parcel Map for the construction of a 400-room resort hotel, bungalows with banquet and retail facilities, 50 casitas, 32 villas and a driving range with a then 3-hole golf practice facility. The City-issued CUP was subsequently appealed to the Coastal Commission. On June 11, 2003, the Coastal Commission approved the issuance of Coastal Development Permit (CDP) No. A-5-RPV-02-324 for the project. The CDP was approved with special conditions to limit bluff face development and to ensure the public's access to proposed trails, the golf facility and restaurants. The CDP has been amended a number of times since in order to accommodate changes in the design of the project and modifications required by the Coastal Commission and the City. Construction has commenced on the Resort project and it is anticipated to be completed during 2009.
5. The Applicant is now proposing to make specific improvements to the filled and unfilled sovereign lands located on the lower beach area. The proposed improvements include importing 1,500 cubic yards of sand, construction of a storm-water drainage channel that will convey run-off from the bluff outfall to the ocean while functioning as a bio-swale, installing a security fence along the toe of the bluff edge and constructing a foot-bridge across the drainage channel which would connect an existing coastal access trail to the proposed sand recreational area. The sand recreational area, which will receive 1,500 cubic yards of sand, and a portion of the vegetated drain channel bench improvements are located on lands subject to the jurisdiction of the Commission. Accordingly, the Applicant has applied to the Commission for a lease to use 1.062 acres of sovereign land for these purposes. Once completed, the physical condition of the lower beach area will be enhanced while providing the

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general public and Resort guests an added recreational amenity. As proposed, the lower beach area will provide, through the Resort's management, passive recreational amenities such as lounge chairs, umbrellas, seating areas and towels for visitors. The beach portion of the lease premises is currently utilized by the public in connection with recreational diving activities and these types of activities will continue at no charge to the public.

To create the sand recreational area, approximately 1,500 cubic yards of sand will be imported to the site from an off-site location, such as an upland commercial quarry. The sand will be placed over a weed-inhibitor liner to minimize the re-growth of invasive weeds. Importing sand to the site will be via truck and prior to delivery of the sand to the site, the Applicant will be required to submit a material analysis indicating that the sand is suitable for placement on the beach.

The proposed lower beach improvements are also subject to an Immaterial Amendment to the Applicant's existing CDP No. A-5-RPV-02-324 for the Resort. The Applicant is required to obtain the Amendment from the Coastal Commission prior to commencing construction of the lower beach improvements.

On May 10, 2007, the Applicants recorded an offer of dedication (OTD) for public access and passive recreational purposes for public trails, trail corridors and park areas located on the bluff top of the upland Resort parcels. The Applicants are in the process of making the trails ADA compliant and are making other improvements including providing public parking and public bikeways within the Resort development. On May 10, 2007, the Applicant also recorded an offer of dedication for habitat restoration/enhancement and protection purposes within the development.

6. **Construction of storm drainage channel:** Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 2, Replacement or Reconstruction Title 14, California Code of Regulations, section 15302.

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300.

7. **Importation of 1,500 cubic yards to sand to be placed at toe of bluff:** Pursuant to the Commission's delegation of authority and the State CEQA

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Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 4, Minor Alterations to Land Title 14, California Code of Regulations, section 15304.

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300.

8. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS OBTAINED:

City of Rancho Palos Verdes

FURTHER APPROVALS REQUIRED:

California Coastal Commission

EXHIBITS:

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

PERMIT STREAMLINING ACT DEADLINE:

January 2, 2009

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

CONSTRUCTION OF STORM DRAINAGE CHANNEL: FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 2, REPLACEMENT OR RECONSTRUCTION; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15302.

IMPORTATION OF 1,500 CUBIC YARDS OF SAND TO BE PLACED AT TOE OF BLUFF: FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A

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CATEGORICALLY EXEMPT PROJECT, CLASS 4, MINOR ALTERATIONS TO LAND; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15034.

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 SECTIONS 6370, ET SEQ.

AUTHORIZATION:

AUTHORIZE ISSUANCE OF A GENERAL LEASE – NON-COMMERCIAL USE TO LONG POINT DEVELOPMENT, LLC, BEGINNING DECEMBER 3, 2008, FOR A TERM OF 25 YEARS, FOR CONSTRUCTION, USE AND MAINTENANCE OF A VEGETATED STORM DRAINAGE CHANNEL BENCH IMPROVEMENT PROJECT IN CONNECTION WITH AN EXISTING BLUFF TOP 66-INCH DRAINAGE OUTFALL; AND THE PLACEMENT OF 1,500 CUBIC YARDS OF SAND FOR BEACH ENHANCEMENT; AND USE AND MAINTENANCE OF A BEACH AREA FOR GENERAL PUBLIC USE AND FOR GUESTS OF THE TERRANEA RESORT AS SHOWN ON EXHIBIT A AND ON LANDS DESCRIBED IN EXHIBIT B ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; CONSIDERATION BEING 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 STATES BEST INTEREST; AND ANNUAL RENT IN THE AMOUNT OF \$5,375, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; LIABILITY INSURANCE IN THE AMOUNT OF NO LESS THAN \$2,000,000.