

**CALENDAR ITEM  
C49**

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02/21/14  
PRC 3639.1  
A. Franzoia

**AMENDMENT OF LEASE AND AUTHORIZATION OF SUBLEASE**

**LESSEE/SUBLESSOR:**

Santa Catalina Island Company and Santa Catalina Island Conservancy

**SUBLESSEE:**

Hubbs Sea World Research Institute and Catalina Sea Bass Fund

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

335 acres, more or less, of sovereign land in Catalina Harbor, Santa Catalina Island, Los Angeles County.

**AUTHORIZED USE:**

Continued use and maintenance of 720 revenue producing moorings, 32 non-revenue producing moorings, and six revenue producing string lines.

**LEASE TERM:**

20 Years beginning January 1, 2002

**CONSIDERATION FOR REVENUE PRODUCING MOORINGS AND STRING LINES:**

A minimum annual rent of \$324,800 payable in two equal installments of \$162,400 each due on or before March 1 and August 31 of each year of the lease against the following percentages of gross income:

Moorings Subleases and Overnight Stay Charges	25%
Towing, Mechanical Services, Boat and Mooring Repairs	4%
Diving Services	5%
All Other Revenue	10%

**PROPOSED AMENDMENT:**

1. Section 2-Special Provisions, Paragraph 2 - Land Use is hereby modified to add subparagraph 2(a) "This lease authorizes experimental stock enhancement facilities including two finfish grow-out pens and one future shellfish culture research facility."

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2. Section 2-Special Provisions, Paragraph 3(c) is hereby modified as follows: "The only authorized improvements to be placed on the lease premises shall be 720 revenue producing moorings, six revenue producing string lines, 32 non-revenue generating moorings, and experimental stock enhancement facilities that include two finfish grow-out pens and one future shellfish culture research facility."
3. Sublease 2.43 acres of the 335 acre lease premises, under the terms and conditions of Lease No. PRC 3639.1 and its Amendments, to the Hubbs Sea World Research Institute and the Catalina Sea Bass Fund.
4. The Sublease term for the experimental stock enhancement facilities, including two finfish grow-out pens and a future shellfish culture research facility shall be consistent with the terms of Lease No. PRC 3639.1 and expire concurrently with the term of the lease with the State reserving the right to modify lease terms at its sole discretion if it is in the best interest of the State.
5. Consideration for experimental stock enhancement facilities and subleases shall be the public benefit derived for the State's fisheries and fishermen with the State reserving the right to set monetary rent at any time if the Commission finds such action to be in the State's best interest.
6. All other terms and conditions of the lease shall remain in effect without amendment.

**SUBLEASE TERM:**

Beginning February 21, 2014, and ending concurrently with the lease on December 21, 2021.

**CONSIDERATION FOR EXPERIMENTAL STOCK ENHANCEMENT FACILITIES:**

The public 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.

**OTHER PERTINENT INFORMATION:**

1. Lessee owns the upland adjoining the lease premises.
2. On November 26, 2001 the Commission authorized the issuance of Lease No. PRC 3639.1, a Commercial Lease for Moorings at Catalina Island to the Santa Catalina Island Company and the Santa Catalina Island

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Conservancy for the continued use and maintenance of 720 revenue producing moorings and six revenue producing string lines. On October 20, 2005 the Commission authorized an amendment of Lease No. PRC 3639.1 for the installation of 32 additional non-revenue producing moorings to be utilized by the Lessees for administrative purposes.

3. Finfish grow-out pens have been operating since 1994 and are not permitted under the existing lease. The Lessees have applied to the Commission to amend existing Lease No. PRC 3639.1 to authorize experimental stock enhancement facilities including two finfish grow-out pens and one future marine shellfish culture research facility. The existing experimental stock enhancement facilities will be contained within 2.43 acres of the existing 335 acres currently leased to the Lessees.

The California Department of Fish and Wildlife (CDFW) is the lead agency in promoting the Ocean Resources Enhancement and Hatchery Program (OREHP) involving finfish grow-out pens in Catalina Harbor. Staff has engaged in discussions with CDFW and they have no objection to the issuance of a lease.

4. The Lessees have also applied to the Commission for authorization to sublease the experimental stock enhancement facilities to the Hubbs Sea World Research Institute and Catalina Sea Bass Fund.
5. A Negative Declaration, State Clearinghouse No. 2012041030, was prepared by the California Department of Fish and Wildlife and adopted on July 12, 2012, for this project. The California State Lands Commission staff has reviewed such document.
6. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating such lands and through the California Environmental Quality Act (CEQA) review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

**APPROVALS OBTAINED:**

California Department of Fish and Wildlife-Ocean Resources Enhancement and Hatchery Program

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U.S. Army Corps of Engineers-Provisional Letter of Permission  
U.S. Coast Guard-Private Aids to Navigation Permit

**FURTHER APPROVALS REQUIRED:**

California Coastal Commission-Coastal Development Permit pending  
U.S. Fish and Wildlife Service-Federal Section 7 Evaluation Form C, Ph. II

**EXHIBITS:**

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

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that a Negative Declaration, State Clearinghouse No. 2012041030, was prepared by the California Department of Fish and Wildlife and adopted on July 12, 2012, for this Project and that the Commission has reviewed and considered the information contained therein.

**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 section 6370 et seq.

**AUTHORIZATION:**

Authorize the Amendment of Lease No. PRC 3639.1, a Commercial Lease, to Santa Catalina Island Company and Santa Catalina Island Conservancy to allow for experimental stock enhancement facilities and a Sublease to Hubbs Sea World Research Institute and Catalina Sea Bass Fund, of 2.43 acres of the existing 335 acre lease area for experimental stock enhancement facilities on land in Catalina Harbor, Santa Catalina Island as described on Exhibit A and shown on Exhibit B attached and by this reference made a part hereof, effective February 21, 2014, to December 31, 2021; consideration for the experimental stock enhancement facilities to be the public 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; all other terms and conditions of the lease will remain in effect without amendment.

**EXHIBIT A**

**PRC 3639.1**

**LAND DESCRIPTION**

Three parcels of tide and submerged land situate in the bed of the Pacific Ocean in Catalina Harbor of Santa Catalina Island, Los Angeles County, State of California, more particularly described as follows:

**PARCEL 1 (HSWRI Pen)**

BEGINNING at the point which bears South 61° 48' 11" West 1250.33 feet from the NGS monument Harbor 1933 having CCS27 Zone 6 coordinates of Northing (y) = 466341.40 feet, Easting (x) = 1311829.67 feet; thence from said point of beginning in a clockwise direction the following four courses:

1. South 56° 49' 45" West 200.00 feet;
2. North 33° 10' 15" West 300.00 feet;
3. North 56° 49' 45" East 200.00 feet;
4. South 33° 10' 15" East 200.00 feet to the POINT OF BEGINNING.

**PARCEL 2 (CSF Pen, Summer Position)**

BEGINNING at the point which bears North 69° 01' 39" West 722.60 feet from the NGS monument Harbor 1933 having CCS27 Zone 6 coordinates of Northing (y) = 466341.40 feet, Easting (x) = 1311829.67 feet; thence from said point of beginning in a clockwise direction the following four courses:

1. South 89° 39' 24" West 135.00 feet;
2. North 0° 20' 36" West 170.00 feet;
3. North 89° 39' 24" East 135.00 feet;
4. South 0° 20' 36" East 170.00 feet to the POINT OF BEGINNING.

**PARCEL 3** (CSF Pen, Winter Position)

BEGINNING at the point which bears North 16° 07' 20" West 790.35 feet from the NGS monument Harbor 1933 having CCS27 Zone 6 coordinates of Northing (y) = 466341.40 feet, Easting (x) = 1311829.67 feet; thence from said point of beginning in a clockwise direction the following four courses:

1. North 0° 20' 36" West 170.00 feet;
2. North 89° 39' 24" East 135.00 feet;
3. South 0° 20' 36" East 170.00 feet;
4. South 89° 39' 24" West 135.00 feet to the POINT OF BEGINNING.

This description is based on California Coordinate System of 1927, Zone 6.

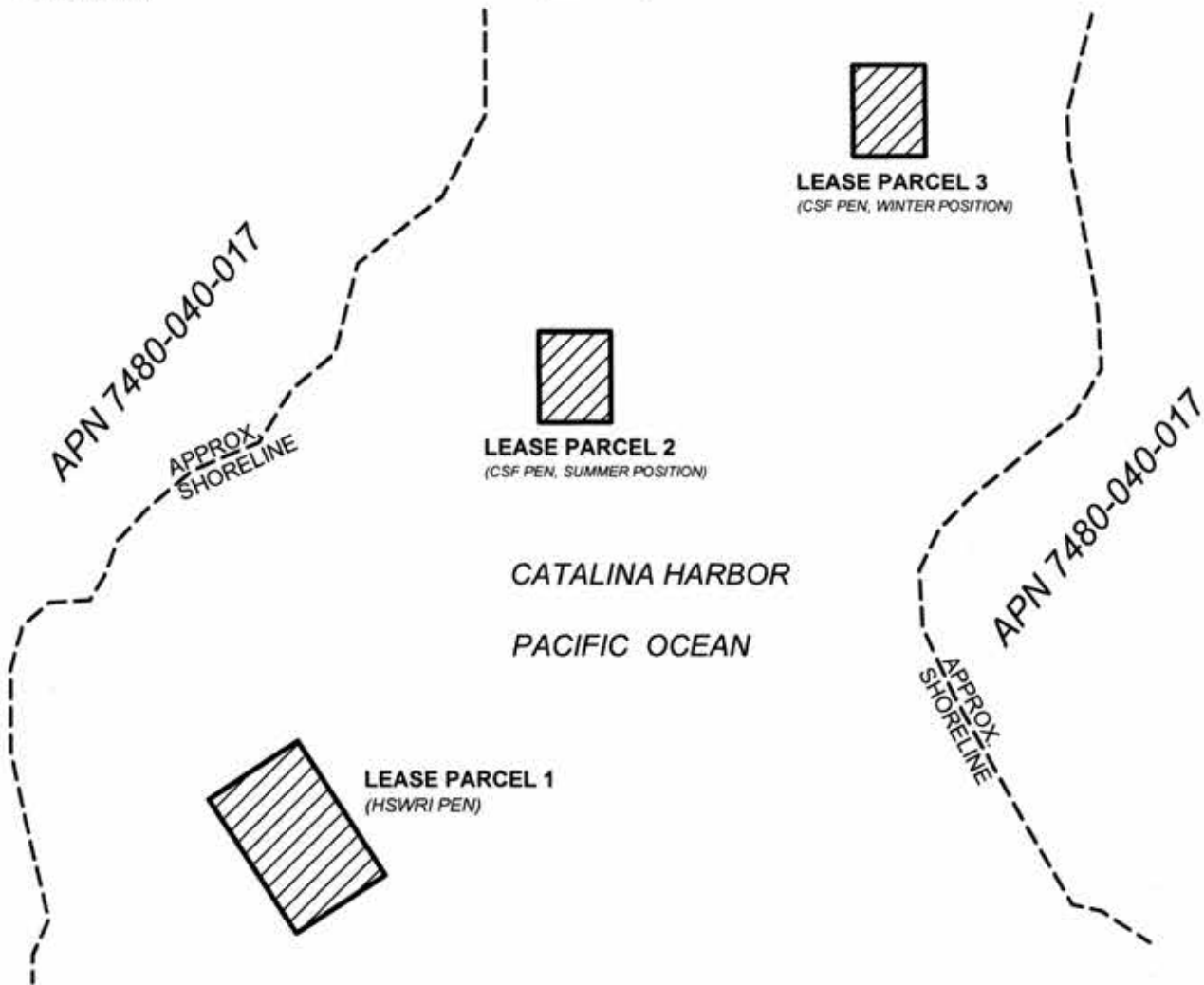
**END OF DESCRIPTION**

Prepared 12/05/13 by the California State Lands Commission Boundary Unit



NO SCALE

### SITE



CATALINA HARBOR, NEAR BALLAST POINT

NO SCALE

### LOCATION



MAP SOURCE: USGS QUAD

### Exhibit B

PRC 3639.1  
 SANTA CATALINA  
 ISLAND COMPANY &  
 SANTA CATALINA ISLAND  
 CONSERVANCY  
 GENERAL LEASE -  
 COMMERCIAL USE  
 LOS ANGELES 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.