

**CALENDAR ITEM
C66**

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04/20/17
PRC 7958.1
L. Pino

GENERAL LEASE – PROTECTIVE STRUCTURE USE

LESSEE:

Pebble Beach Company

AREA, LAND TYPE, AND LOCATION:

Sovereign land located in the Pacific Ocean, adjacent to the Pebble Beach Golf Course, Pebble Beach, Monterey County.

AUTHORIZED USE:

Continued use and maintenance of three existing seawalls used for bluff protection.

LEASE TERM:

10 years, beginning April 1, 2017.

CONSIDERATION:

Annual rent in the amount of \$4,128, with an annual Consumer Price Index adjustment.

SPECIFIC LEASE PROVISIONS:

Liability insurance in an amount no less than \$3,000,000 per occurrence.

STAFF ANALYSIS AND RECOMMENDATION:

Authority:

Public Resources Code sections 6005, 6216, 6301, 6501.1, and 6503; California Code of Regulations, title 2, section 2000, subdivision (b).

Public Trust and State's Best Interests Analysis:

On March 25, 2008, the Commission authorized the issuance of a General Lease – Protective Structure Use, PRC 7958.1, to the Pebble Beach Company (Pebble Beach), for a 10-year term, effective April 1, 2007, for two seawalls adjacent to the Pebble Beach Golf Course ([Calendar Item C34, March 25, 2008](#)). The lease expired on March 31, 2017.

CALENDAR ITEM NO. **C66** (CONT'D)

On June 23, 2011, the Commission authorized the issuance of a General Lease – Right-of-Way Use, PRC 8925.1, to Pebble Beach for temporary access and use of a beach to facilitate reconstruction of existing coastal protection structures adjacent to the Pebble Beach Clubhouse (Clubhouse) ([Calendar Item C101, June 23, 2011](#)). That lease expired on December 22, 2011. Pursuant to the terms of the lease, Pebble Beach provided survey data and as-built drawings for Commission staff to review. Based on the information provided, staff determined that approximately 215 square feet of the newly reconstructed seawall encroached onto sovereign land.

On February 2, 2013, the Commission authorized an amendment to Lease No. 7958.1 to include an existing, previously unauthorized, third seawall adjacent to the Clubhouse and back compensation in the amount of \$906 for the unauthorized use of State land, for the period beginning January 13, 2012 to March 31, 2013 ([Calendar Item C63, February 22, 2013](#)). Pebble Beach is now applying for a new General Lease – Protective Structure Use for the three seawalls.

The proposed lease is for an area approximately 1,764 square feet, which includes three seawalls located along the bluff beneath the Clubhouse, 17th green, and 18th tee box and green of the Pebble Beach Golf Course. The seawalls consist of grouted riprap and concrete that have been sculpted, textured, and colored to resemble the adjacent natural outcrops of sandstone bedrock in order to minimize potential impacts to the visual aesthetic of the area.

The seawalls act to protect against erosion, bluff failure, and to protect the golf course located atop the bluff. The Pebble Beach Clubhouse located atop the bluff is a private members-only club with two swimming pools, spa, fitness center, dining room, and meeting facilities. In addition to its private nature, the Pebble Beach Club includes public recreational facilities on its down coast edge, specifically restrooms and shower facilities, and provides public access through and around the edge of its parking lot to the Stillwater Cove Pier and beach. In addition to protecting the uplands from bluff failure and erosion, the seawall adjacent to the Pebble Beach Clubhouse also provides for the public health and safety by protecting visitors to the adjacent public beach from bluff failure.

Adverse effects related to seawalls and other types of coastal armoring can include increased beach erosion, interference with natural sand supply, loss of public beach, and potential impacts on flora and fauna as a result of encroachment by protective structures on the beach environment.

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Various beach nourishment programs have been conducted by city and regional governing bodies, and sand loss mitigation fees have been implemented as a requirement for new coastal development permits to mitigate for these impacts, by helping to maintain a sandy beach for public access and recreation. For these reasons, the lease is limited to a 10-year term, which allows the Commission flexibility if the previously-described impacts occur or if the Commission determines that the Public Trust needs and values of the area have changed over time.

The existing seawall structures on sovereign land do not substantially interfere with the Public Trust needs and values at this location at this time. The proposed lease requires the lessee keep and maintain the seawalls in good order and repair, 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 and occupation of State land.

Climate Change:

Climate change impacts, including sea-level rise, more frequent and intense storm events, and increased flooding and erosion, affect both open coastal areas and inland waterways in California. The lease area is located in Carmel Bay, which is a tidally-influenced site. By 2030, the region could see up to 1 foot of sea-level rise (from year 2000 levels), 2 feet by 2050, and possibly over 5 feet by 2100 (National Research Council 2012). Rising sea levels can lead to increased flooding through regular inundation and larger flooding events when combined with tidal events and storm surges. These climate change and sea-level rise impacts can also affect erosion and sedimentation rates through increased wave action and scour, which in turn can lead to decreased shoreline stability and structure.

Improvements to the lease area include three existing seawalls averaging about \pm 20 feet high above current sea levels (approximately 1,764 square feet) used as bluff protection beneath the Pebble Beach Clubhouse, 17th green, and 18th tee box and green on the Pebble Beach Golf Course. The seawalls consist of grouted riprap and concrete.

The seawalls within the lease area are vulnerable to the impacts from sea-level rise and more frequent and intense storms that are the result of climate change. The seawalls are likely to degrade at a faster pace over the lease term than in the past due to increased time of exposure to wave action, storm surge, and higher total water levels. Bluff erosion as a result

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of precipitation, groundwater drainage, wind force, and slumping may also exert pressure on the seawalls from the landward side. Therefore, they may require more frequent maintenance to ensure continued function during and after storm seasons and reduce the risk to public safety in the event they become a source of marine debris or a coastal hazard as a result of dislodgement or structural failure.

The seawalls also have the potential to exacerbate the impacts of sea-level rise and increased storm and wave activity on sovereign land adjacent to the lease area. The beach area seaward of the seawall near the Stillwater Cove Pier is subject to width reduction and loss from erosion, scour, and coastal squeeze (the reduction of beach width due to the inability of the beach to naturally migrate landward as a result of hard armoring infrastructure). In addition to the seawall exerting an artificial influence on the natural landward migration of the beach, by creating a barrier between the naturally eroding bluffs and the beach, and effectually prevent beach replenishment via natural passive erosion. Seawalls increase beach scour at the toes and sides of the walls by reflecting and refracting wave energy back on to the beach with higher force due to their placement and composition. Beach loss is anticipated to increase over the term of the lease because of the combined factors of climate change impacts, natural dynamic coastal processes, and the presence of these seawalls.

The 10-year lease term provides both the Commission and the lessee an opportunity to check in at a relatively short-term interval to monitor the effects of sea-level rise and evaluate the design and functionality of the existing protective structures in order to make incremental adaptation steps as necessary and appropriate.

Conclusion:

For all the reasons above, Commission staff believes the issuance of this lease is consistent with the common law Public Trust Doctrine, will not substantially interfere with the Public Trust needs and values at this location at this time and for the foreseeable term of the proposed lease and is in the best interest of the State.

OTHER PERTINENT INFORMATION:

1. Lessee owns the upland adjoining the lease premises.
2. Staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1,

CALENDAR ITEM NO. **C66** (CONT'D)

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.

3. 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 staff's consultation with the persons nominating such lands and through the CEQA review process, it is staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBITS:

- A. Land Description
- B1. Location and Site Map
- B2. Parcel 1 Location and Site Map
- B3. Parcel 2 Location and Site Map
- B4. Parcel 3 and Parcel 4 Location and Site Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity 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).

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.

PUBLIC TRUST AND STATE'S BEST INTEREST:

Find that the issuance of this lease is consistent with the common law Public Trust Doctrine, 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.

CALENDAR ITEM NO. **C66** (CONT'D)

AUTHORIZATION:

Authorize the issuance of a 10-year General Lease – Protective Structure Use to the Pebble Beach Company beginning April 1, 2017, for a term of 10 years, for the continued use and maintenance of three existing seawalls adjacent to the Pebble Beach Golf Course and Clubhouse , as described on Exhibit A and shown on Exhibits B1 through B4 (for reference purposes only) and by this reference made a part hereof; annual rent in the amount of \$4,128 per year, with an annual Consumer Price Index adjustment; and liability insurance in an amount no less than \$3,000,000 per occurrence.

EXHIBIT A
LAND DESCRIPTION

PRC 7958.1

Four parcels of tide and submerged lands in a portion of the Pacific Ocean known as Stillwater Cove, adjacent to Rancho El Pescadero, County of Monterey, State of California. Said parcels more particularly described as follows:

PARCEL 1

All that portion of land lying directly beneath the 1996 coastal bluff restoration and stabilization project within a strip of land, 80.00 feet wide, being contiguous with and lying southerly of the following described line:

BEGINNING at a point having CCS83, Zone 4 coordinates of North 2102808.12 feet and East 5696329.59 feet; thence N 61°50'29" W, 465.62 feet; thence S 87°37'20" W, 427.05 feet to the POINT OF TERMINATION of this line.

PARCEL 2

All that portion of land lying directly beneath the 1996 coastal bluff restoration and stabilization project within a strip of land, 100.00 feet wide, being contiguous with and lying southerly of the following described line:

COMMENCING at a point having CCS83, Zone 4 coordinates of North 2102465.82 feet and East 5696881.94 feet; thence S 47°45'47" W, 80.00 feet to the POINT OF BEGINNING; thence S 39°31'43" E, 170.00 feet; thence N 76°40'48" E, 140.00 feet to the POINT OF TERMINATION of this line.

PARCEL 3

COMMENCING at a 2-inch iron pipe with screw cap, no tag at the southwesterly corner of that certain lot as described in that deed as recorded on March 8th, 1989 in the Office of the Recorder, County of Monterey at Reel 2338, Official Records, page 561, thence South 62°52'28" East, 1195.00 feet more or less to a point on the northerly bank of Stillwater Cove, said point being the POINT OF BEGINNING; thence the following courses and distances:

1. South 05°24'38" West, 3.03 feet; thence
2. South 85°14'32" East, 14.00 feet; thence
3. North 76°53'23" East, 10.00 feet; thence
4. North 61°10'41" East, 15.00 feet; thence
5. South 68°44'10" East, 14.001.82 feet; thence
6. North 88°44'04" East, 9.00 feet; thence
7. North 69°25'14" East, 20.50 feet; thence

8. North 20°38'12" West, 5.00 feet to a point hereinafter referred to as "POINT A"; thence
9. South 79°24'54" West, 14.00 feet; thence
10. South 33°11'42" West, 5.00 feet; thence
11. North 81°26'53" West, 11.00 feet; thence
12. North 60°58'41" West, 14.00 feet; thence
13. South 68°58'09" West, 39.00 feet more or less to the POINT OF BEGINNING.

Containing an area of 585 square feet, more or less.

PARCEL 4

COMMENCING at the aforementioned "POINT A"; thence North 68° 05' 02" East 171.87 feet to the POINT OF BEGINNING; thence the following courses and distances:

1. South 58°06'56" East, 4.50 feet; thence
2. North 35°45'01" East, 4.50 feet; thence
3. North 54°14'59" West, 2.00 feet; thence
4. South 63°08'58" West, 5.41 feet more or less to the POINT OF BEGINNING.

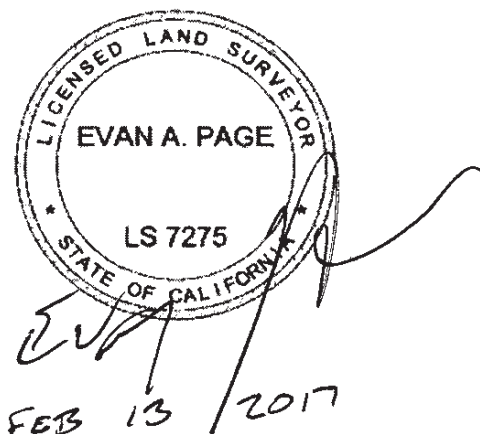
Containing an area of 15 square feet, more or less.

EXCEPTING THEREFROM any portions lying landward of the Ordinary High Water Mark of the Pacific Ocean.

The BASIS OF BEARINGS for PARCEL 1 and for PARCEL 2 is the California Coordinate System of 1983 (CCS83), Zone 4. The BASIS OF BEARINGS for PARCEL 3 and for PARCEL 4 is taken as being N 71°26'30" W between two found monuments on the southwesterly boundary of Parcel 1 as described in the deed recorded in the Official Records of the County of Monterey on Reel 2338, at Page 561.

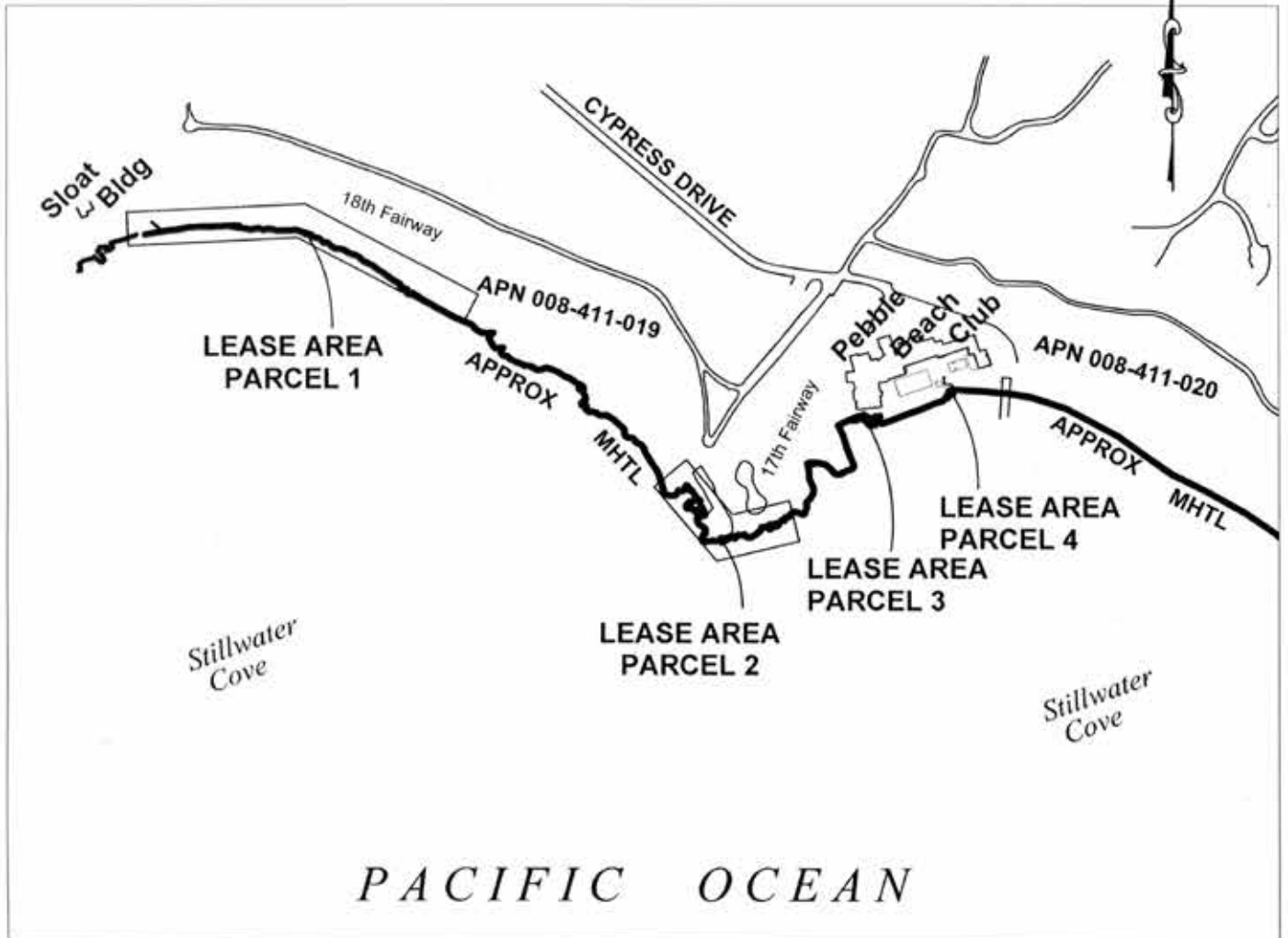
The descriptions for Parcels 1 & 2 were taken from those of the lease to the Pebble Beach Club, approved by the State Lands Commission at their regular meeting of March 25, 2008. The descriptions for Parcels 3 & 4 are based upon field survey information as provided to the CSLC by the applicant.

END OF DESCRIPTION



NO SCALE

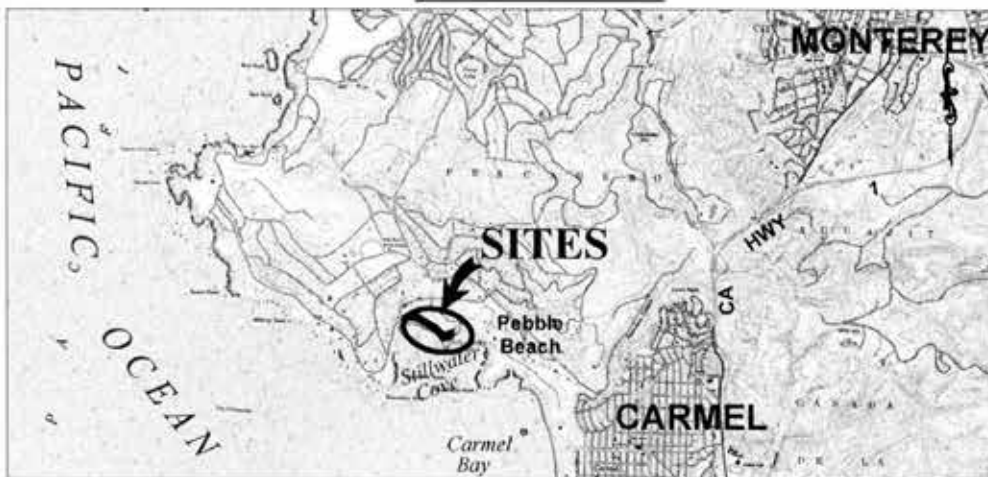
SITE



LEASE FOR SEAWALL, PEBBLE BEACH CLUB

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B-1

PRC 7958.1

PEBBLE BEACH CLUB

APN 008-411-019, 020

GENERAL LEASE -

PROTECTIVE STRUCTURE USE

MONTEREY COUNTY

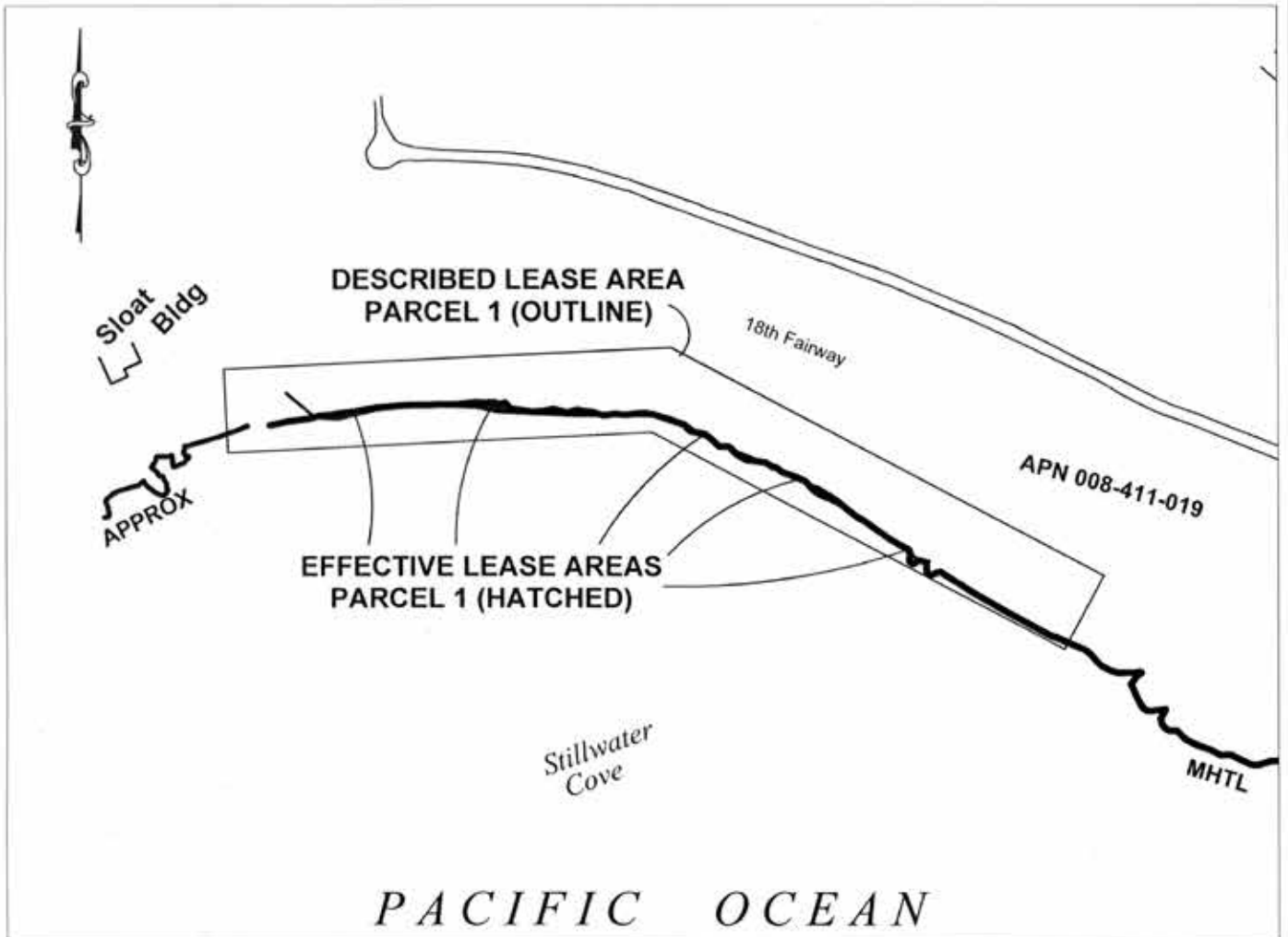


EAP 02/17

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.

NO SCALE

SITE

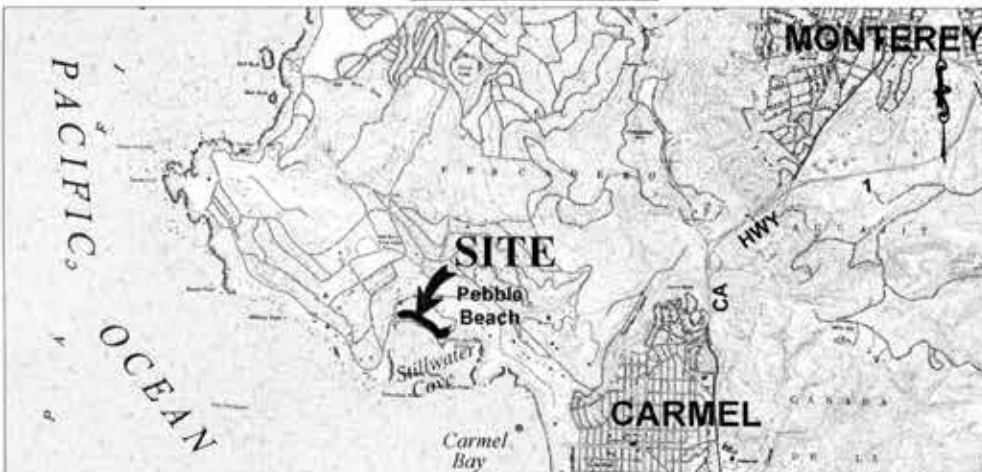


PACIFIC OCEAN

LEASE FOR SEAWALL, PEBBLE BEACH CLUB

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B-2

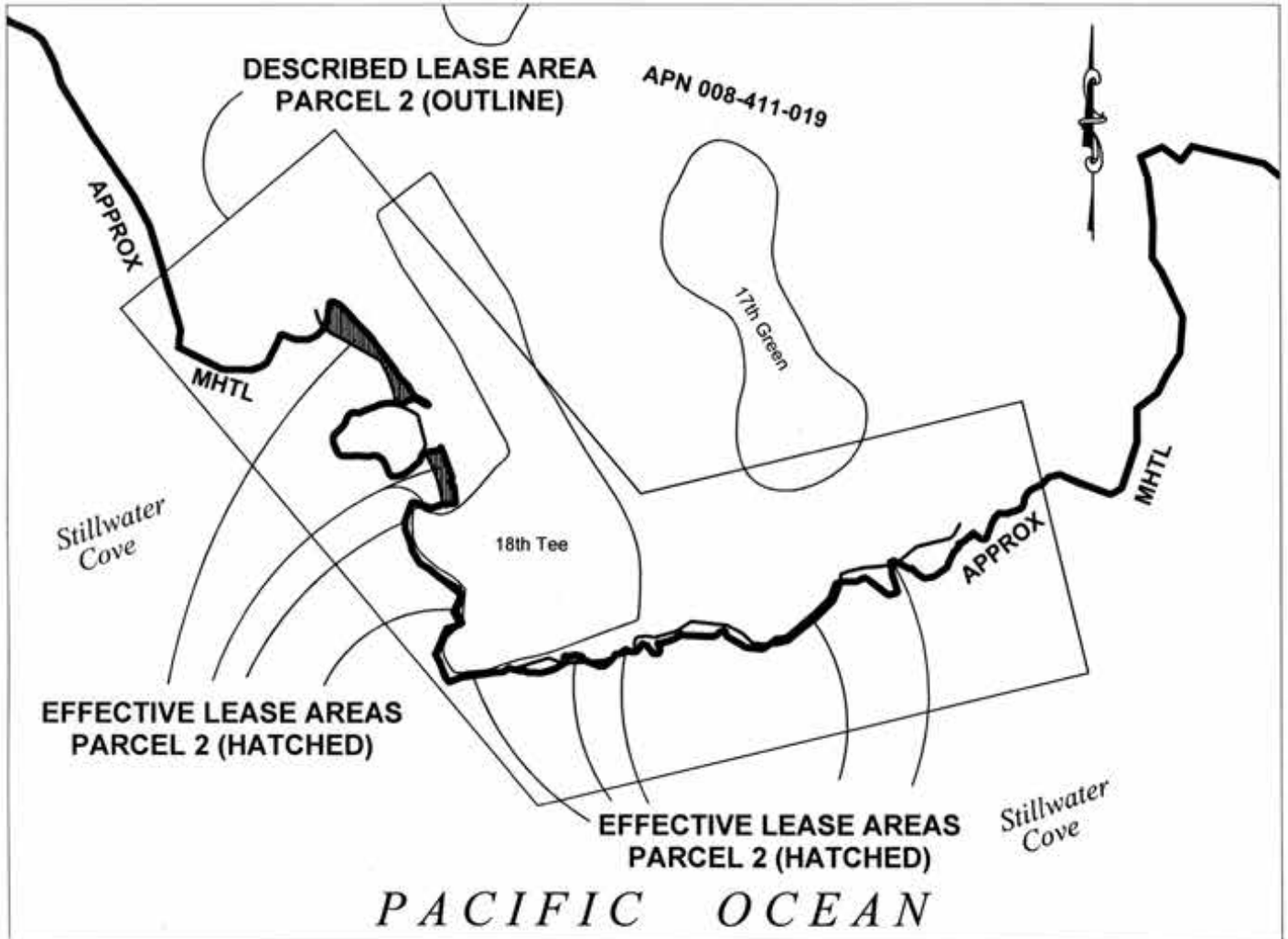
PRC 7958.1
PEBBLE BEACH CLUB
APN 008-411-019, 020
GENERAL LEASE -
PROTECTIVE STRUCTURE USE
MONTEREY COUNTY



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NO SCALE

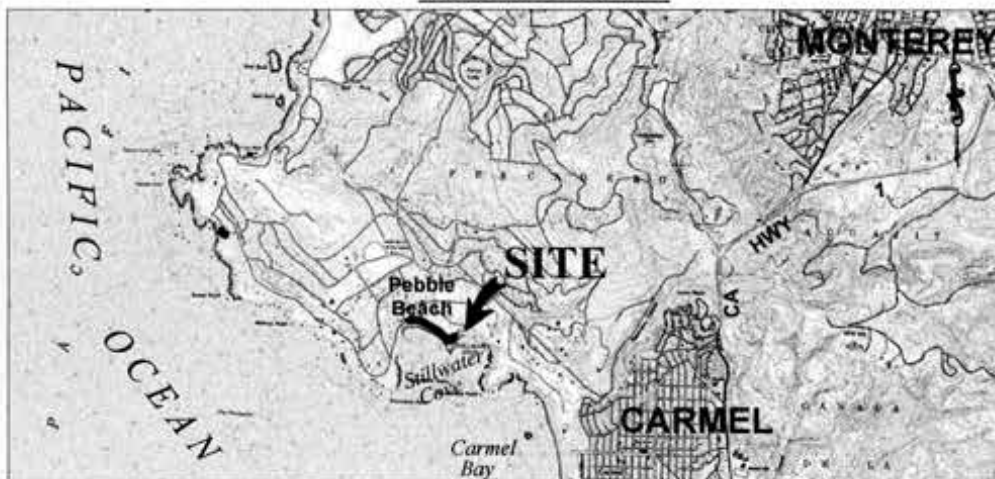
SITE



PACIFIC OCEAN
LEASE FOR SEAWALL, PEBBLE BEACH CLUB

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B-3

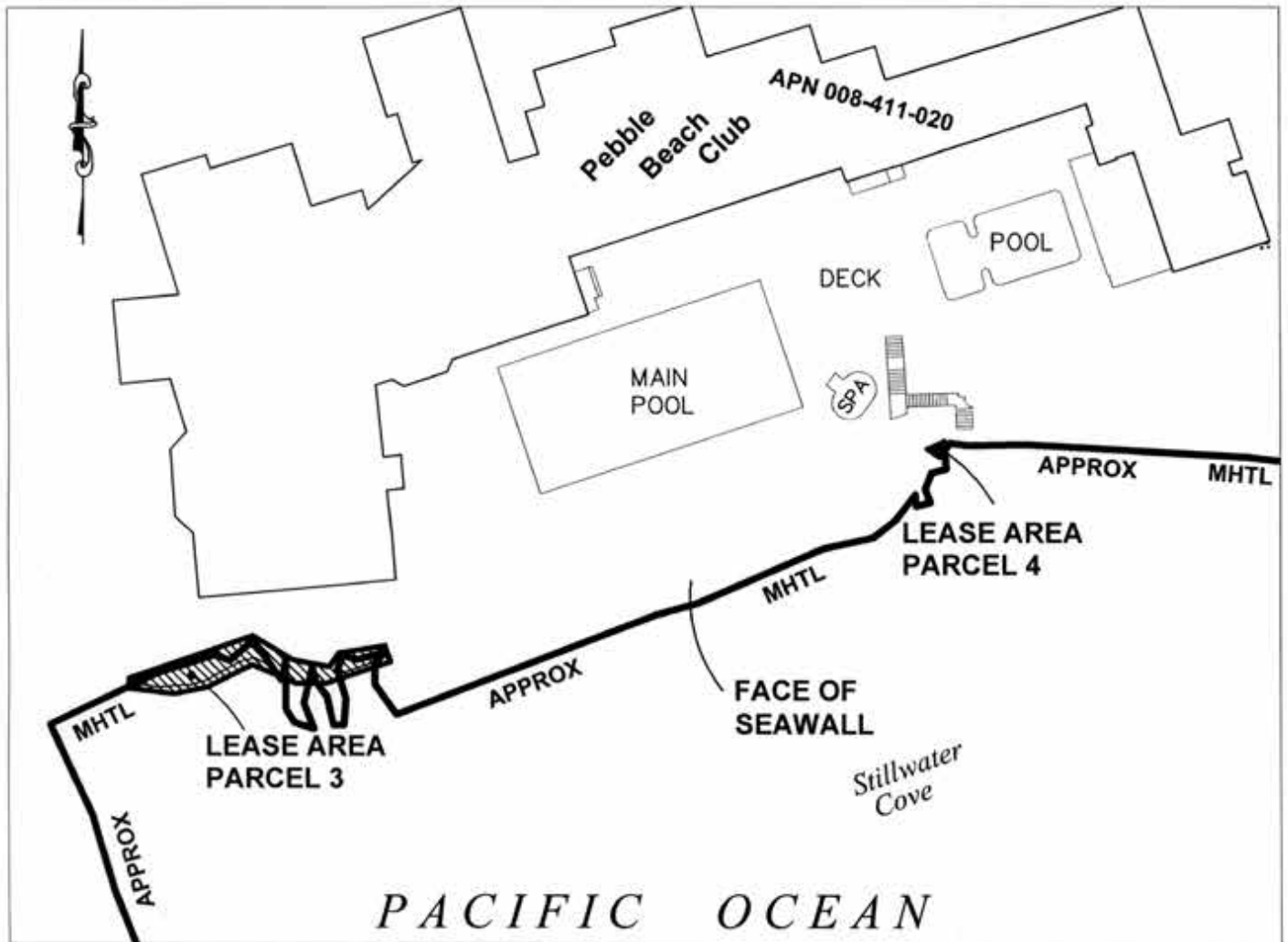
PRC 7958.1
PEBBLE BEACH CLUB
APN 008-411-020
GENERAL LEASE -
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NO SCALE

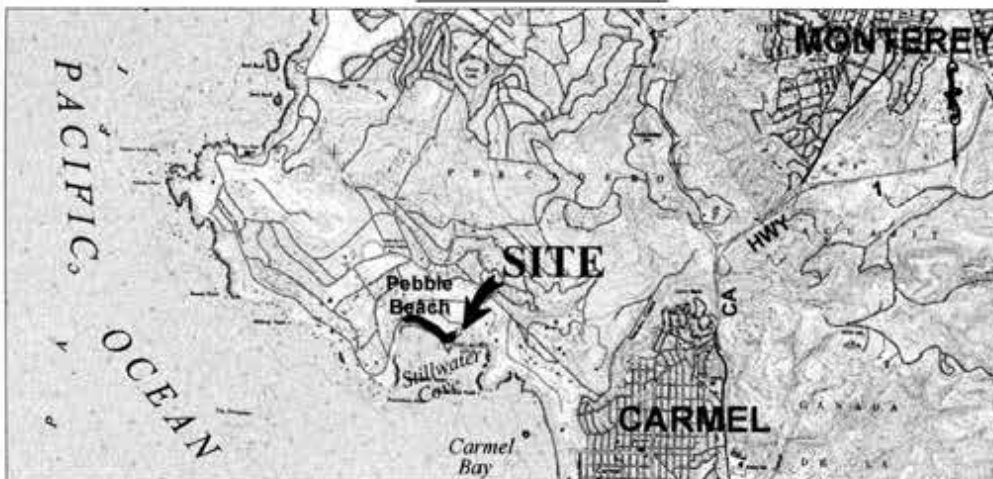
SITE



LEASE FOR SEAWALL, PEBBLE BEACH CLUB

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

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Exhibit B-4

PRC 7958.1

PEBBLE BEACH CLUB

APN 008-411-020

GENERAL LEASE -

PROTECTIVE STRUCTURE USE

MONTEREY COUNTY



EAP 02/17