

**STAFF REPORT
C60**

A 72
S 34

06/21/18
PRC 3086.1
K. Connor

ASSIGNMENT OF LEASE

LESSEE/ASSIGNOR:

Linda Marie Fletcher, Successor Co-Trustee of Trust A of the Malburg Family Trust dated May 25, 2001, as amended, and Carlo Sima, Successor Co-Trustee of Trust A of the Malburg Family Trust dated May 25, 2001, as amended

APPLICANT/ASSIGNEE:

Steven Ramelot, as Trustee of the Steven Ramelot Family Trust, U/A dated July 6, 2012

AREA, LAND TYPE, AND LOCATION:

Sovereign land in Huntington Harbour, adjacent to 16442 Malden Circle, 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 March 8, 2014.

CONSIDERATION:

\$4,614 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.

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Public Trust and State's Best Interests Analysis:

On June 19, 2014, the Commission authorized a General Lease - Recreational Use to Leonis C. and D. Leonie Malburg, for a term of 10 years ([Item C70, June 19, 2014](#)). That lease will expire on March 7, 2024. On October 19, 2017, the Commission authorized an Assignment of Lease to Leonis Clos Malburg, Trustee of Trust A of the Malburg Family Trust dated May 25, 2001, as amended ([Item C59, October 19, 2017](#)). Subsequent to this approval, Leonis Clos Malburg died and the property passed to Linda Marie Fletcher, Successor Co-Trustee of Trust A of the Malburg Family Trust dated May 25, 2001, as amended, and Carlo Sima, Successor Co-Trustee of Trust A of the Malburg Family Trust dated May 25, 2001, as amended. On January 22, 2018, the upland property was deeded to Steven Ramelot, as Trustee of the Steven Ramelot Family Trust, U/A dated July 6, 2012. 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 public resources or the impacts thereto.

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.

Compared to year 2000 levels, the region could see up to 1 foot of sea-level rise by the year 2030, 2 feet by 2050, and possibly over 5 feet by 2100 (National Research Council 2012). As stated in *Safeguarding California* (California Natural Resources Agency 2014), 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

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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.

The lease is a 10-year General Lease – Recreational Use that began on June 19, 2014 and may be subject to the climate change effects of the projected scenario of 1 foot of sea-level rise (from year 2000 levels) by 2030 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, dislodgement, or hazards from the electrical conduits. Further climate change impact analyses on the leased facilities will be assessed at the time the lease is up for renewal in 2024 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).

EXHIBIT:

- A. Site and Location Map

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RECOMMENDED ACTION:

It is recommended that the Commission:

PUBLIC TRUST AND STATE'S BEST INTERESTS:

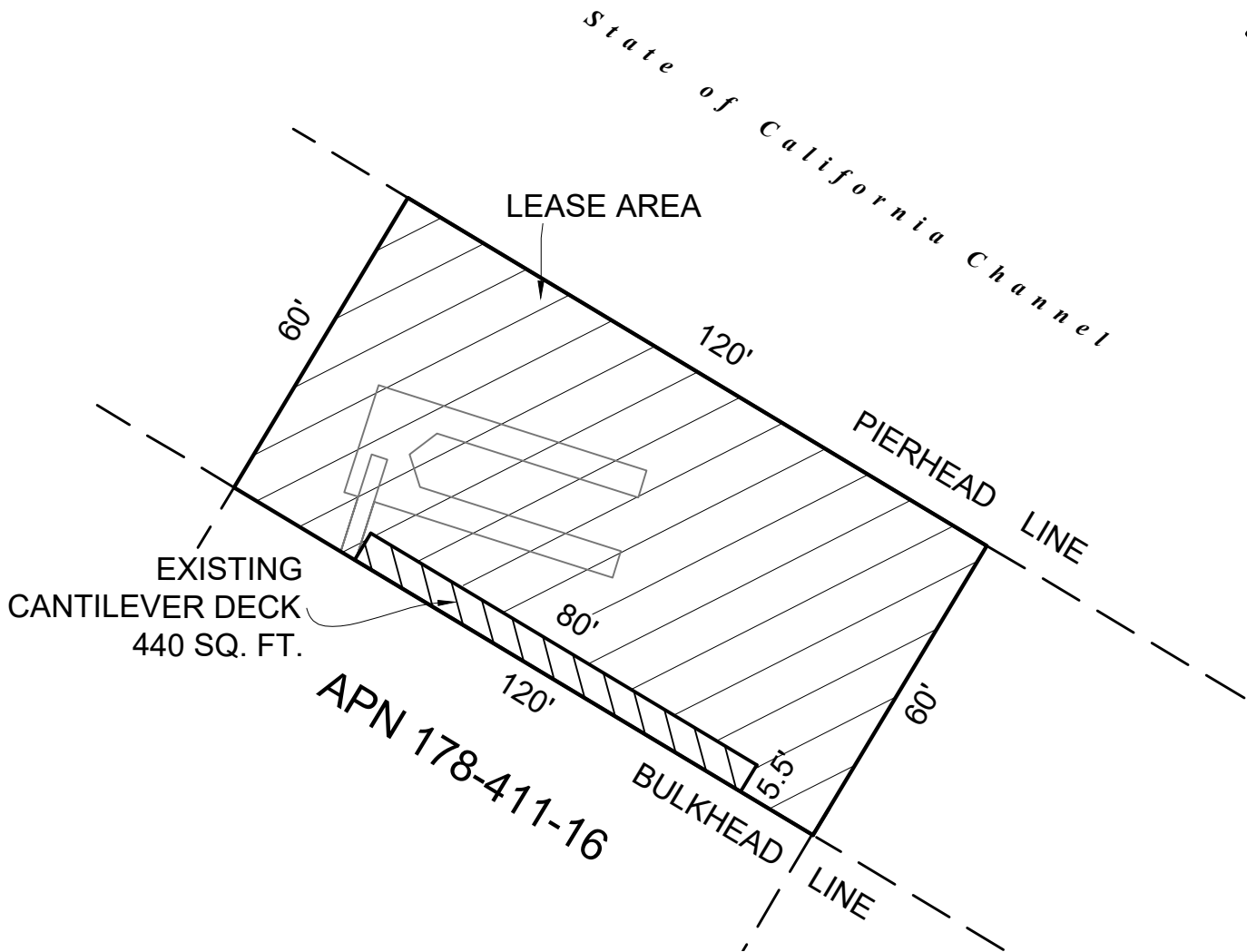
Find that the proposed lease assignment will not impact the Public Trust needs and values at this location, at this time, and for the foreseeable term of the lease; and is in the best interests of the State.

AUTHORIZATION:

Authorize the assignment of Lease No. PRC 3086.1, 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 Linda Marie Fletcher, Successor Co-Trustee of Trust A of the Malburg Family Trust dated May 25, 2001, as amended, and Carlo Sima, Successor Co-Trustee of Trust A of the Malburg Family Trust dated May 25, 2001, as amended, to Steven Ramelot, as Trustee of the Steven Ramelot Family Trust, U/A dated July 6, 2012; effective January 22, 2018.

NO SCALE

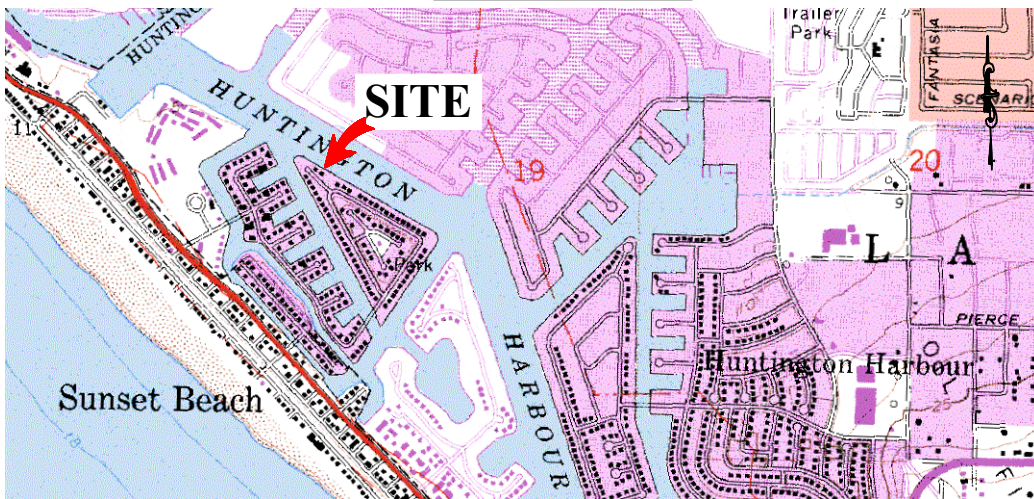
SITE



16442 MALDEN CIRCLE, HUNTINGTON BEACH

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

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.

Exhibit A

PRC 3086.1
 RAMELOT FAMILY TRUST
 APN 178-411-16
 GENERAL LEASE -
 RECREATIONAL USE
 ORANGE COUNTY



MJJ 04/17/2018