

## STAFF REPORT

**44**

A 76

S 36

08/23/19

PRC 932.1

K. Foster

## REVISION OF RENT

### LESSEE:

Cabrillo Power I LLC  
4600 Carlsbad Boulevard  
Carlsbad, CA 92008

### AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Pacific Ocean adjacent to Carlsbad State Beach and Agua Hedionda Lagoon, Carlsbad, San Diego County.

### AUTHORIZED USE:

Placement of up to 500,000 cubic yards of suitable dredge materials per dredging cycle from Agua Hedionda Lagoon on sovereign land adjacent to Carlsbad State Beach, Carlsbad, San Diego County.

### LEASE TERM:

10 years, beginning September 1, 2014.

### CONSIDERATION:

This lease provides that the Commission may modify the rent periodically during the lease term. Pursuant to this provision, staff conducted a review of the rent under this lease and recommends that rent be revised from \$125 per year to \$140 per year, effective September 1, 2019.

### OTHER PERTINENT INFORMATION:

1. Approval or denial of the revision of rent is a discretionary action by the Commission. Each time the Commission approves or rejects a revision of rent, it exercises legislatively delegated authority and responsibility as trustee of the State's Public Trust lands as authorized by law. Upon expiration or prior termination of the lease, the Lessee has no right to a new lease or to renewal of any previous lease.
2. On August 15, 2014, the Commission authorized a General Lease – Beach Nourishment Use to Cabrillo Power I LLC for a term of 10 years, beginning on September 1, 2014 ([Item C50, August 15, 2014](#)). The lease will expire on August 31, 2024.

STAFF REPORT NO. **44** (CONT'D)

3. The Lessee operates the Encina Power Station, which draws cooling water from the adjacent Agua Hedionda Lagoon. The Lessee periodically dredges the area around the Station's cooling water intake pipes to remove sediment that accumulates in the Lagoon as a result of tidal action. Dredging is conducted in cycles of between one and three years to maintain the tidal prism and help prevent the intake pipes from being clogged.
4. The area subject to dredging is in Agua Hedionda Lagoon on land not within the Commission's jurisdiction. Consequently, the dredging activities conducted by the Lessee within the Lagoon do not require a lease.
5. Prior to each dredging cycle, the Lessee is required to prepare and submit a Sampling and Analysis Plan (SAP). The SAP for that cycle describes the procedures to be followed for dredged sediment sampling and testing to ensure the material meets state and federal standards and is suitable for beach placement.
6. This action is consistent with Strategy 2.2 of the Commission's Strategic Plan to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals.
7. Approving the revision of rent 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

**RECOMMENDED ACTION:**

It is recommended that the Commission:

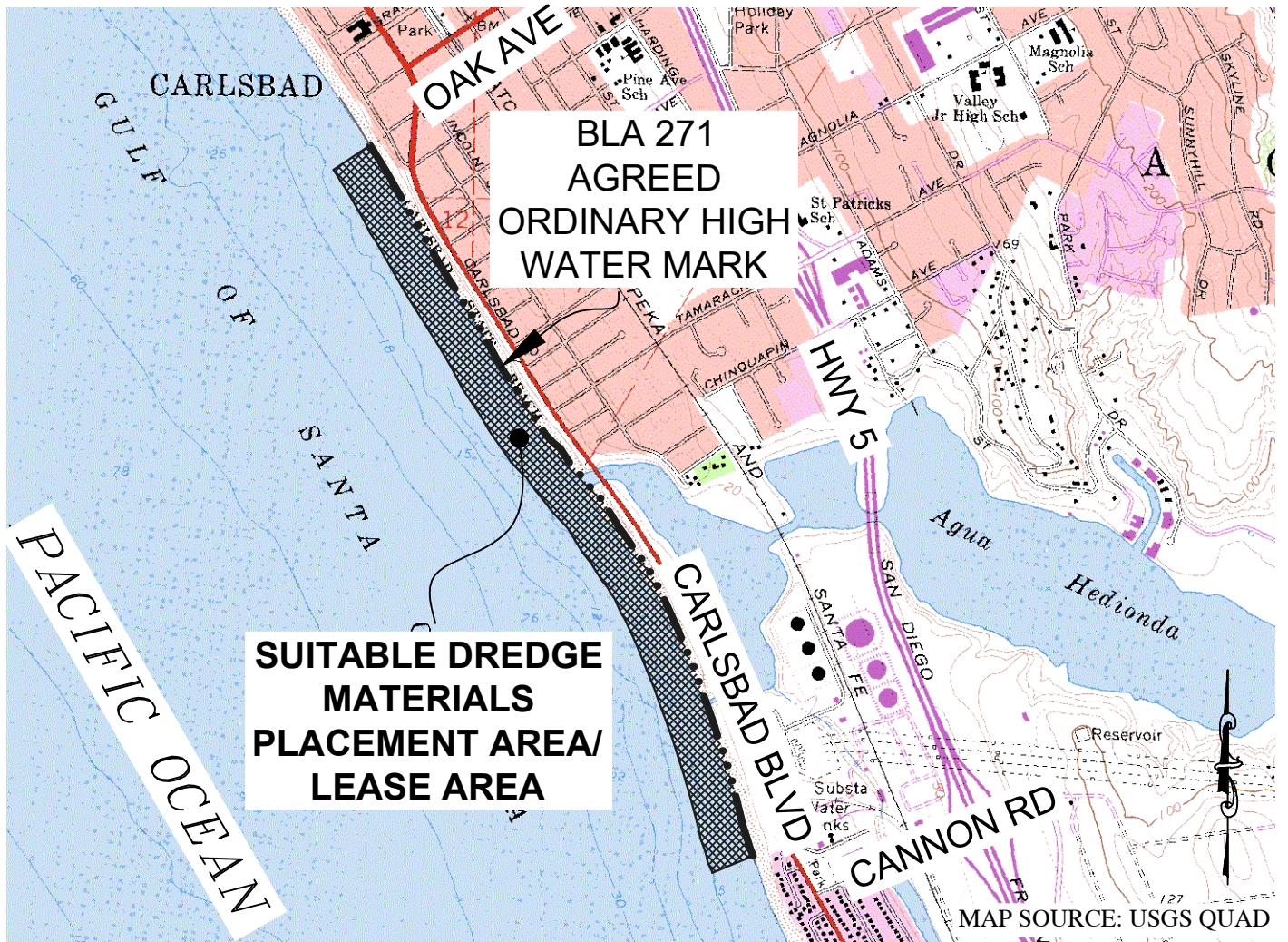
**AUTHORIZATION:**

Approve the revision of rent for Lease No. PRC 932.1 from \$125 per year to \$140 per year, effective September 1, 2019.



NO SCALE

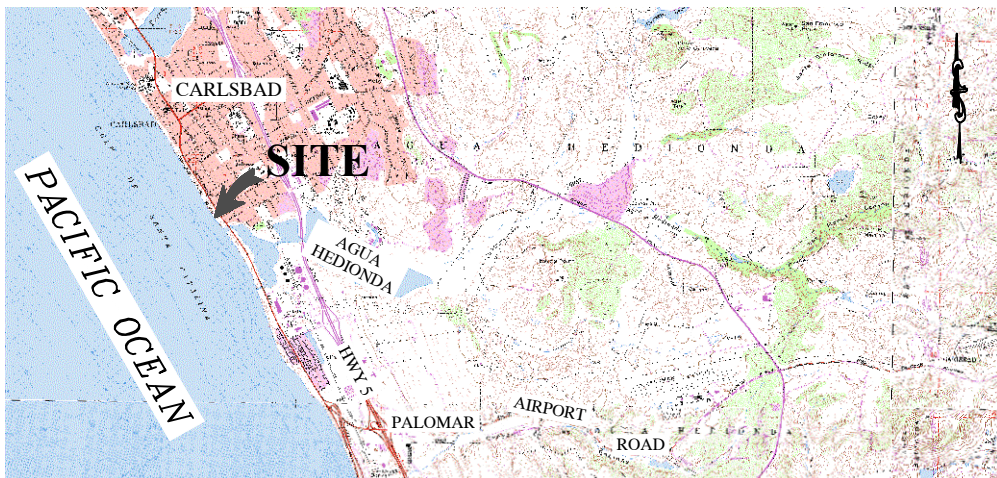
## SITE



CARLSBAD STATE BEACH VICINITY

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 932.1  
CABRILLO POWER I LLC  
GENERAL LEASE - BEACH  
NOURISHMENT USE  
SAN DIEGO COUNTY



JWP 07/22/19