

**CALENDAR ITEM
C70**

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S 26

02/09/16
PRC 4480.9
D. Simpkin

**TERMINATION OF A GENERAL LEASE – PUBLIC AGENCY USE AND
ISSUANCE OF A GENERAL LEASE – PUBLIC AGENCY USE**

LESSEE:

City of Los Angeles Department of Water and Power

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Pacific Ocean, near the city of Santa Monica, Los Angeles County.

AUTHORIZED USE:

Continued use and maintenance of an underwater electrode.

LEASE TERM:

10 years, beginning February 9, 2016.

CONSIDERATION:

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 interests.

BACKGROUND:

On July 30, 1970, the Commission authorized a 49-year General Lease – Public Agency Use to the City of Los Angeles Department of Water and Power (LADWP), for an underwater electrode array. The Lease will expire on July 22, 2019.

The underwater electrode array, part of the Sylmar Ground Return System (System), is an important component of the Pacific Direct Current Intertie (PDCI). The PDCI is a high-voltage direct current transmission system that carries power between the Pacific Northwest and Los Angeles area. The electrode allows energy to be safely conducted through the Earth, which ensures power reliability. The System extends offshore approximately 6,000 feet where it connects to 48 electrodes in 24 concrete vaults.

CALENDAR ITEM NO. **C70** (CONT'D)

LADWP is currently designing and conducting environmental review for the construction of a new ground return system (Sylmar Ground Return System Replacement Project; State Clearinghouse Number 2010091044). LADWP is unsure whether the new project will be completed prior to expiration of the existing lease and is requesting termination of the existing lease and issuance of a new General Lease – Public Agency Use.

STAFF ANALYSIS AND RECOMMENDATION:

Statutory Authority:

Public Resources Code sections 6005, 6216, 6221, and 6301; California Code of Regulations, Title 2, section 2000, subdivision (b).

Public Trust and State's Best Interests Analysis:

The subject existing facilities consist of 48 electrodes in 24 concrete vaults located on the ocean floor at least 40 feet deep approximately 6,000 feet offshore, and a ground cable connecting the electrodes to onshore facilities. Additionally, there are marker buoys to avert mooring of vessels. The subject facilities have been under lease to LADWP since 1970 and are part of the Sylmar Ground Return System which provides the grounding point. The tide and submerged lands in Santa Monica Bay was chosen as the location because it is near the Sylmar converter station but isolated from other industrial facilities. Through the Coastal Act, the Legislature has found that certain types of facilities for electrical generation may be necessary to locate in the coastal area to ensure that inland and coastal resources are preserved and orderly economic development proceeds (Public Resources Code section 30001.2). The subject facility is a necessary component of the existing power grid that provides power to the general public in the Los Angeles region. Based on the information known to Commission staff at this time, the subject existing facilities do not currently substantially interfere with the public's public trust needs and values at this location and for the foreseeable term of the lease.

The proposed lease is for a limited term while LADWP designs a new ground return system at a new undetermined location. The proposed lease includes provisions requiring the lessee to indemnify the state for any liability incurred as a result of the lessee's activities thereon and a requirement to restore the lease premises to their original condition. For all the reasons above, Commission staff believes the issuance of this lease is consistent with the common law public trust doctrine and is in the State's best interests.

CALENDAR ITEM NO. **C70** (CONT'D)

OTHER PERTINENT INFORMATION:

1. Applicant has the right to use the upland adjoining the lease premises.
2. Staff recommends the termination of the current lease and the issuance of a new lease, as it promotes Strategy 1.1 of the Commission's Strategic Plan, by assisting in the delivery of 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.
3. Termination of the lease is not a project as defined by the California Environmental Quality Act (CEQA) 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).

4. The staff recommends that the Commission find that issuance of the lease is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, 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.

5. 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 CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBITS:

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

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that issuance of the lease is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a

CALENDAR ITEM NO. **C70** (CONT'D)

categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed lease will not substantially interfere with the public's public trust needs and values at this location, is consistent with the common law public trust doctrine, and is in the State's best interests.

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this issuance of the lease is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

AUTHORIZATION:

1. Authorize termination of Lease No. PRC 4480.9, a General Lease – Public Agency Use, to the City of Los Angeles Department of Water and Power, effective February 8, 2016.
2. Authorize issuance of a General Lease – Public Agency Use to the City of Los Angeles Department of Water and Power beginning February 9, 2016, for a term of 10 years, for the continued use and maintenance of an underwater electrode, as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; consideration to be 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 interests.

EXHIBIT A

PRC 4480.9

LAND DESCRIPTION

A parcel of tide and submerged land in Santa Monica Bay, Pacific Ocean, at Will Rogers State Beach situate in the County of Los Angeles, State of California, more particularly described as follows:

BEGINNING at the southerly terminus of the centerline of an easement acquired from the State of California, acting through the Department of Parks and Recreation, described in deed recorded January 30, 1970, Book D-4621, Page 451, official records of Los Angeles County, and bearing N 3°03'36" E, a distance of 222.58 feet to a C.E. STD. SURV. MON. 21410-9 as shown on "Plat of State Lands" indexed as L-CC62 and found in State Lands Commission lease file PRC 4480.9, said point also being a point on the mean high tide line of the Pacific Ocean as shown on said plat; thence from said POINT OF BEGINNING the following seven (7) courses:

- 1) S 86°56'24" E, 5.00 feet;
- 2) S 17°16'09" E, 475.20 feet;
- 3) S 0°18'44" W, 4825.05 feet;
- 4) S 68°32'56" W, 800 feet;
- 5) N 05°46'32" E, 5157.29 feet;
- 6) N 12°38'12" E, 451.79 feet;
- 7) S 86°56'24" E, 7.00 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark of said Bay, Ocean.

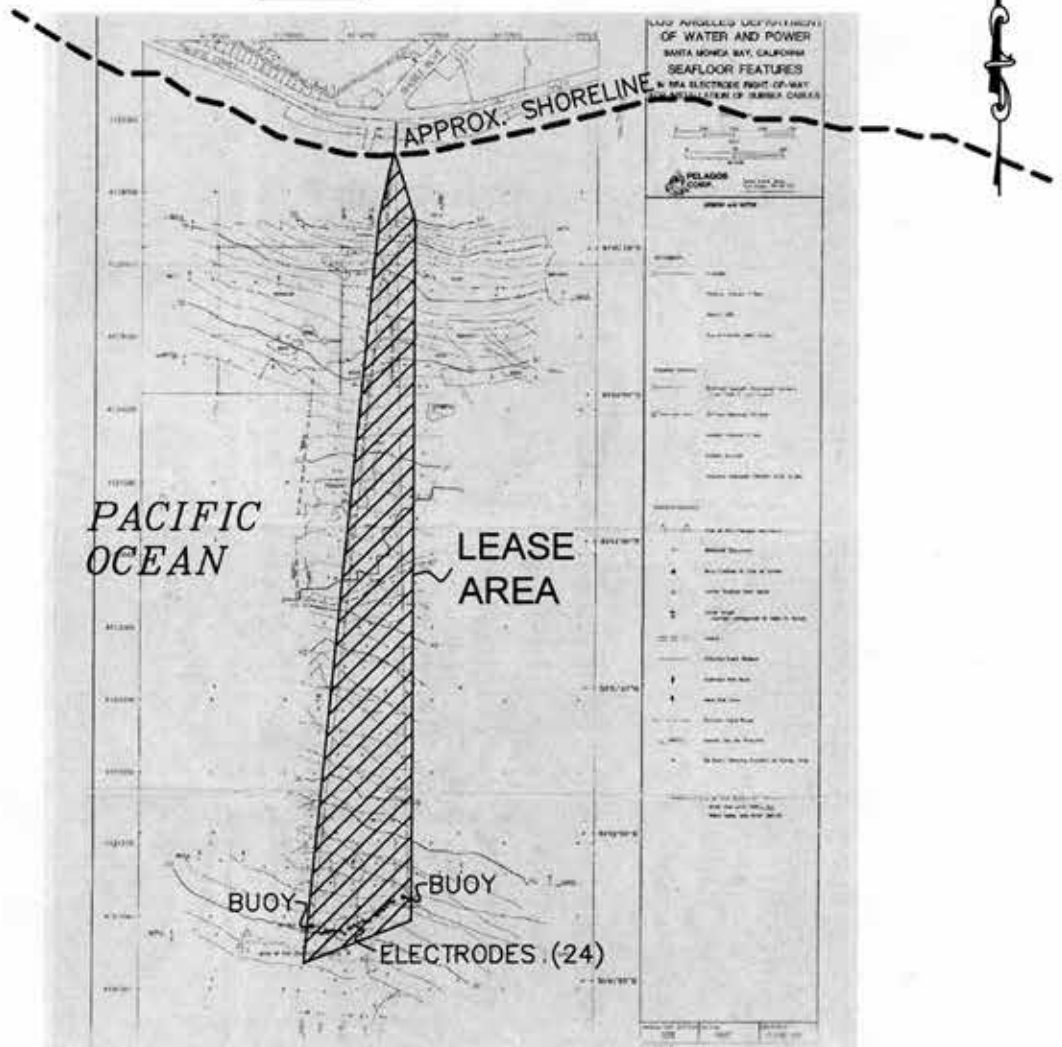
END OF DESCRIPTION

Revised by the State Lands Commission boundary unit on 12/21/15. Original description found in PRC file 4480, "Exhibit A" Calendar Item 6 dated 7/30/70"



NO SCALE

SITE



WILL RODGERS STATE BEACH, SANTA MONICA

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B
 PRC 4480.9
 LADWP
 GENERAL LEASE -
 PUBLIC AGENCY USE
 LOS ANGELES COUNTY



MJF 12/21/15

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.