

**STAFF REPORT  
C27**

A 22  
S 13

10/18/18  
W 27060  
A. Franzoia

**GENERAL LEASE – OTHER**

**APPLICANT:**

Association of Surfing Professionals, LLC (dba World Surf League)

**PROPOSED LEASE:**

*AREA, LAND TYPE, AND LOCATION:*

1,000 acres, more or less, of sovereign land in the Pacific Ocean, offshore of Pillar Point and Pillar Point Harbor, near Princeton-by-the-Sea and Half Moon Bay, San Mateo county.

*AUTHORIZED USE:*

Temporary use to conduct a professional surfing contest commonly known as the Mavericks Challenge.

*LEASE TERM:*

5 years, beginning October 1, 2018

*CONSIDERATION:*

\$600 per year, with an annual Consumer Price Index adjustment.

*SPECIFIC LEASE PROVISIONS:*

Insurance:

Liability insurance in an amount no less than \$10,000,000 per occurrence.

Surety:

\$3,000

Other:

Lessee shall submit a live video/audio stream of each event via the Internet and photo verification, at no cost, to the Commission.

Lessee shall provide at least five digital photographs of each surf competition, with copyright license permissions from the copyright holder(s) for Commission's use of the photographs. The copyright license permissions must allow for the Commission's ongoing use

STAFF REPORT NO. **C27** (CONT'D)

of the photographs for public-facing materials, including but not limited to Commission print, electronic, and online publications and presentations, and the Commission's website.

Lessor authorizes the use of state lands for the Mavericks Challenge as represented by Lessee. Lessee shall ensure that the Challenge will include: (1) equal compensation for each category of the Women's Division and Men's Division, such that, the first place winner, second place winner, and any other participant level that receives prize money in the Men's Division shall be awarded identical sums of prize money, other prizes, goods, or other compensation as the first place winner, second place winner, and any other participant level that receives prize money in the Women's Division; (2) at least 10 female competitors in the Women's Division; (3) multiple heats in the Women's Division; (4) equal provision of any and all benefits, including logistical support, to competitors in both the Women's Division and the Men's Division; and (5) equal opportunities and access for members of the media, regardless of gender.

**STAFF ANALYSIS AND RECOMMENDATION:**

**Authority:**

Public Resources Code sections 6005, 6216, 6301, 6501.1, and 6503; California Code of Regulations, title 2, sections 2000 and 2003.

**Public Trust and State's Best Interests Analysis:**

Pillar Point is at the northernmost point of Half Moon Bay near the seaside resort of Princeton-by-the-Sea, near El Granada along U.S. Highway 1, in San Mateo County.

The Mavericks Surf Contest began as a recreational pursuit by local surfers in the 1960s. In 1990, Jeff Clark, a respected big-wave surfer, led a group of surfers to surf the break at Pillar Point, which later became known as Mavericks. The first competition was held in 1999 and is now held annually, conditions permitting. Since then, interest has continued to grow, with private invitations sent to professional big-wave surfers from around the world. The last time the event took place was on February 12, 2016.

In 2015, Titans of Mavericks, LLC, a wholly owned subsidiary of Cartel Management, Inc., started promoting an invitation-only professional surfing contest to be held on only 1 day between November 1 and March

STAFF REPORT NO. **C27** (CONT'D)

31 at an area of the Pacific Ocean located offshore approximately 0.5 mile from Pillar Point.

Under the Commission's authority, the Executive Officer issued a Letter of Non-Objection, dated December 28, 2015, to Cartel Management, Inc., for the use of an offshore area in the Pacific Ocean near Pillar Point for the invitation-only Titans of Mavericks Surf Contest. The Letter of Non-Objection required that Cartel Management, Inc., submit a lease application, which was submitted on November 4, 2016.

On January 31, 2017, Cartel Management, Inc., and Titans of Mavericks, LLC, filed for Chapter 11 Bankruptcy protection. On September 21, 2017, the Bankruptcy Court approved the sale of Titans of Mavericks to the Applicant. On October 6, 2017, the sale closed, and now the Applicant has submitted an application for a lease.

The proposed lease is for a professional surfing contest that is held for 1 day each year under specific conditions that generate big waves, in excess of 20 feet, offshore of Pillar Point. A limited number of professional surfers proficient in big-wave surfing are invited and given 48-hour notice to attend the event. Competitors come from California and other parts of the world. Invitations to women occurred for the first time in 2017.

Public access to the shoreline during the event is prohibited for safety reasons due to heavy surf conditions and steep cliffs, and public viewing is prohibited from the bluffs above Pillar Point, which contain sensitive habitat. Public access to the surfing area is prohibited for safety reasons and only surfer support and safety vessels are permitted during the event. Due to the lack of public access, the event has been televised to a broader audience all over the world.

Surfing is a worldwide recreational water sport, and professional surfing promotes the beauty and athletic skill of surfing. California's shoreline is host to innumerable recreational and water-oriented uses including surfing. Use of public waters for a temporary, 1-day professional surfing event promotes water-oriented recreational use and is generally consistent with the common law Public Trust Doctrine.

The Commission has broad discretion to issue leases for the use of Public Trust lands. While surfing is a water-dependent form of recreation that is typically considered to be a Public Trust consistent use, there are additional components of the Mavericks Challenge that should be taken into account as part of the Commission's consideration. This event, while

STAFF REPORT NO. **C27** (CONT'D)

temporary, is a large commercial operation that requires exclusive use of state lands and resources. Over the years, the surfing conditions at this location have become world famous and a matter of great public interest. The Mavericks Challenge takes place when conditions are ideal for experienced big-wave surfers. Authorizing the Applicant to have exclusive use of state lands when these conditions are present requires that certain safety precautions must be taken since surfing in the area can be dangerous. However, at the same time, the lease would give the Applicant sole control to determine who is qualified to participate in the competition, and the majority of the public will be prohibited from entering the area during the event.

The Public Trust Doctrine at its foundation is a common law doctrine that requires the state to protect and manage its tide and submerged lands for the benefit of all the people of California. Further, a core principle of the Commission's draft Environmental Justice Policy is to promote the fair treatment of people of all races, cultures, national origins, genders, gender identities, gender expressions, religions, sexual orientation, and socioeconomic status concerning the implementation and enforcement of laws and regulations within the Commission's jurisdiction. The Mavericks Challenge is unique among surfing contests around the world due to its popularity and spectacle that relies solely on the exclusive access to and use of public lands and resources to ensure a successful contest. In fact, the core element and major draw of the Mavericks Challenge are the waves, a Public Trust resource on State lands.

Historically, this well-known event has not allowed female athletes to participate. However, working with the California Coastal Commission, the prior event holder and now the Applicant have committed to taking steps to open the competition to female athletes and create a Women's Division. The Applicant has taken equity a step further by increasing the number of heats for women at the Mavericks Challenge. Additionally, the Applicant announced in September 2018 that they will award equal prize money to male and female competitors, at all Applicant-controlled events worldwide, including the Mavericks Challenge. To codify these important commitments made by the Applicant, staff recommends including provisions in the lease that memorialize equal benefits, opportunities, and prize money regardless of gender.

Because the underlying activity of surfing is Public Trust-consistent, and this event promotes water-related activity, staff believes this use of State land, by a private entity, under the terms proposed in the lease is consistent with the common law Public Trust Doctrine.

STAFF REPORT NO. **C27** (CONT'D)

Based on the above reasons, staff believes that an annual 1-day, professional surfing event 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 State's best interest.

**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; and with Strategy 1.3 to protect, expand, and enhance appropriate public use and access to and along the State's inland and coastal waterways.
2. The lease requires the Lessee to obtain and maintain all required permits or other entitlements and to provide Lessor with copies upon request.
3. 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 4, Minor Alterations to Land; California Code of Regulations, title 14, section 15304, example (e).

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15300.

**OTHER AGENCY APPROVALS:**

California Coastal Commission  
Monterey Bay National Marine Sanctuary  
San Mateo County Harbor District  
United States Coast Guard

**EXHIBITS:**

- A. Land Description
- B. Site and Location 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 4, Minor Alterations to Land; California Code of Regulations, title 14, section 15304, example (e).

STAFF REPORT NO. **C27** (CONT'D)

**PUBLIC TRUST AND STATE'S BEST INTERESTS:**

Find that the proposed lease will not substantially impair the public rights to navigation, recreation, and fishing or substantially interfere with the Public Trust needs and values at this location, at this time, and for the foreseeable term of the proposed lease; is consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

**AUTHORIZATION:**

Authorize issuance of a General Lease – Other to the Association of Surfing Professionals, LLC (dba World Surf League), beginning October 1, 2018, for a term of 5 years, for temporary use of sovereign land to conduct a professional surfing contest commonly known as the Mavericks Challenge, as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; consideration: \$600 per year, with an annual Consumer Price Index adjustment; liability insurance in an amount no less than \$10,000,000 per occurrence; and a surety in the amount of \$3,000.

## **EXHIBIT A**

**W 27060**

### **LAND DESCRIPTION**

A parcel of tide and submerged land situate in the Pacific Ocean lying adjacent to Rancho Corral de Tierra approved February 4, 1860 and located west of the Town of El Granada, County of San Mateo, State of California, more particularly described as follows:

A circular parcel of land having a radius of 5780 feet, the center point of which is point INT. 1 as shown on that certain map titled "PLAT OF THE GRANT TO THE SAN MATEO COUNTY HARBOR DISTRICT Chapter 68, Statutes of 1960 Vicinity of Half Moon Bay" (CB 1154) and on file in California State Lands Commission (CSLC), Sacramento Office, said center point bears South 41° 51' 24" East 1298.68 feet from the CSLC monument "PILLAR POINT 3" per said map.

EXCEPTING THEREFROM any portion lying within said Grant.

ALSO EXCEPTING THEREFROM any portions lying landward of the ordinary high water mark of said Pacific Ocean.

### **END OF DESCRIPTION**

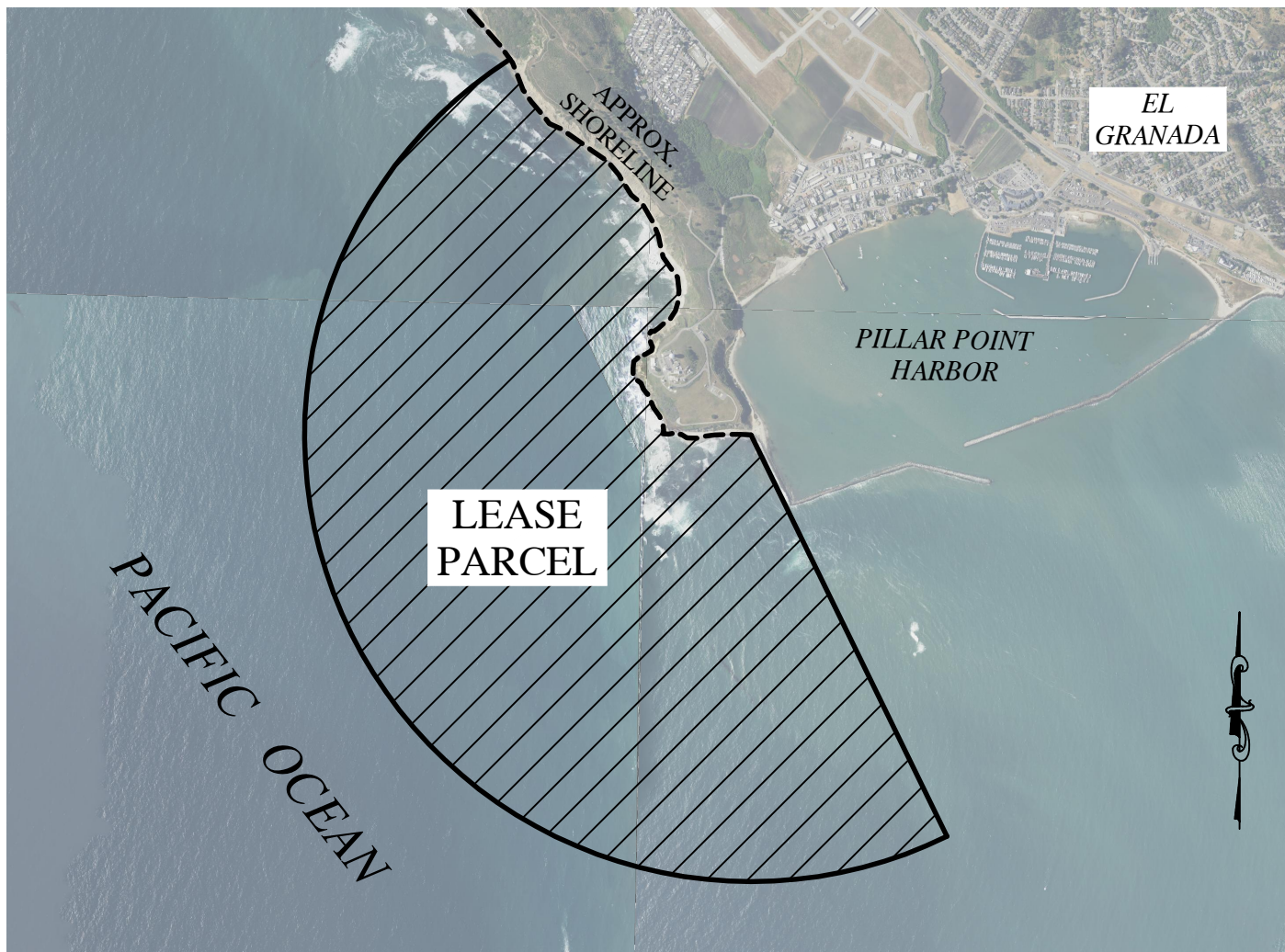
Prepare 07/18/2018 by California State Lands Commission Boundary Unit





NO SCALE

## SITE



PACIFIC OCEAN NEAR PILLAR POINT HARBOR

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 B**

W 27060

ASSOCIATION OF SURFING  
PROFESSIONALS LLC  
GENERAL LEASE -  
OTHER  
SAN MATEO COUNTY



TS 07/18/18