

## STAFF SUMMARY FOR AUGUST 24-25, 2016

**4. NEUSHUL MARICULTURE LEASE TRANSFER****Today's Item**Information Action 

Approve request to transfer state water bottom lease No. M-654-03 from Neushul Mariculture to PharmerSea, LLC.

**Summary of Previous/Future Actions**

- Renew 15 year lease Oct 7, 2015; Los Angeles
- Receive request to transfer lease Jun 22-23, 2016; Bakersfield
- **Today approve request Aug 23-24, 2016; Sacramento**

**Background**

FGC has the authority to lease state water bottoms that grant exclusive privilege to any person for conducting aquaculture pursuant to Fish and Game Code sections 15400 and 15405. Leases shall not be assigned or transferred without the prior approval of FGC (Fish and Game Code Section 15412).

Mrs. Devon Harger, Neushul Mariculture, Inc., holds state water bottom lease No. M-654-03. The lease is comprised of two parcels covering 25 acres along the Santa Barbara coastline to cultivate marine algae for research purposes (Exhibit 1). FGC approved renewal of the lease in Oct 2015 for a period of 15 years and is subject to the revised 2011 FGC lease terms. However, at the time of this writing, efforts to complete and execute the 15-year renewed lease are still under way.

In Jan 2016, Mrs. Harger submitted a request to transfer the lease to Mr. Daniel Marquez, PharmerSea, LLC (Exhibit 2). Mr. Marquez has submitted the necessary application and filing fee, and confirmed that there are no changes proposed to lease-approved culture methods or species (Exhibit 3). If granted, the lease would transfer to Mr. Marzquez for the remainder of the lease period under the same terms and conditions, including responsibility for conditions of the lease area; new financial guarantees would be established as required in the lease terms.

DFW has reviewed the current lease and request for transfer (Exhibit 2). No changes to lease provisions or operations are proposed and, as a result, DFW has determined that the proposed project is subject to a categorical exemption from CEQA (Exhibit 3).

**Significant Public Comments (N/A)****Recommendation**

**FGC Staff:** Under a motion to adopt the consent calendar, determine that the transfer is exempt from CEQA pursuant to CEQA Guidelines Section 15301, based on the record, and approve the lease transfer contingent on execution of the lease renewal with Neushul Mariculture.

**DFW Staff:** Approve the request to transfer state water bottom lease M-654-03.

STAFF SUMMARY FOR AUGUST 24-25, 2016

**Exhibits**

1. [Lease M-654-03 map and legal description](#)
2. [Letter from Devon Harger, Neushul Mariculture, Inc., dated Jan 2016](#)
3. [Application and fee for lease of state water bottom from Mr. Daniel Marquez, received Aug 3, 2016](#)
4. [DFW memo, received Aug 2, 2016](#)

**Motion/Direction**

- A. Moved by \_\_\_\_\_ and seconded by \_\_\_\_\_ that the Commission adopts the consent calendar, items 4-7.

## **State Water Bottom Lease M-654-03 Legal Description**

All that area of state water bottoms lying within the Santa Barbara Channel (Santa Barbara County), State of California, consisting of two (2) parcels of water bottom lying adjacent to the Ellwood Pier near Ellwood, Santa Barbara County, as shown on the Dos Pueblos Canyon Quadrangle, California, 7-1/2 minute series (topographic) United States Department of Interior, Geological Survey, ranging in depth from 3.05-10.6 meters (10-35 feet), and being more particularly described as follows:

### Parcel 1 (of two parcels)

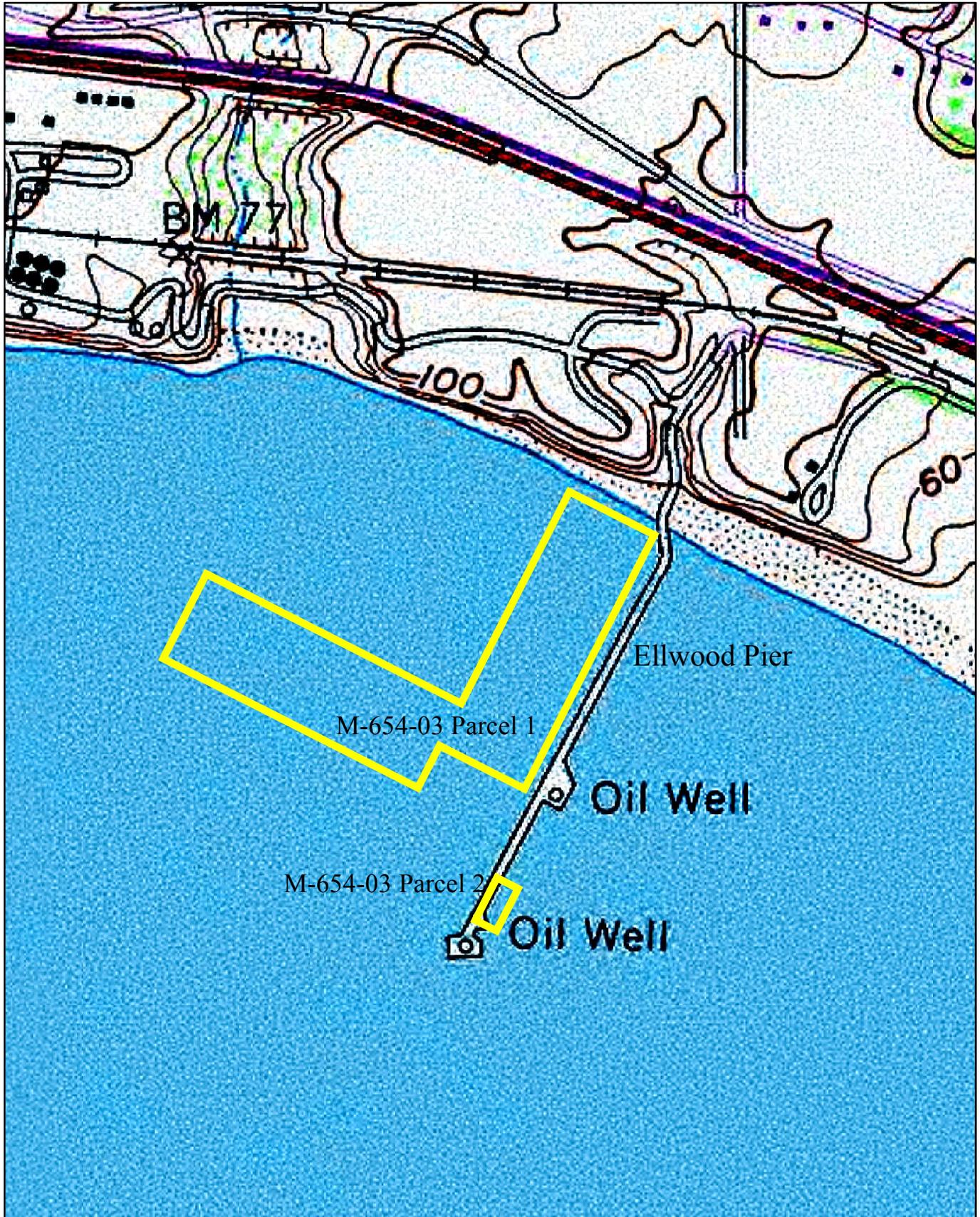
Beginning at a point 1,617 feet from the base, which is the new end of Ellwood Pier, located at approximately 34° 25' 56" North Latitude, 119° 55' 27" West Longitude; thence N 61° 50' W 418 feet, thence South 28° 10' West 209 feet, thence North 61° 51' West 1,254 feet; thence North 28°10' East 418 feet; thence South 61° 50' East 1,254 feet; thence North 28° 10' East 1,045 feet; thence South 61° 50' East 418 feet; thence South 28° 10' West 1,254 feet along the alignment of and contiguous to, the Ellwood Pier to the point of beginning, containing twenty-four (24) acres more or less.

### Parcel 2 (of two parcels)

Beginning at a point which is approximately 393 feet southwesterly from the end of the Ellwood Pier located at approximately 34°25' North Latitude, 119° 55' 23" West Latitude along the old pier alignment South 28° 10' West 209 feet, thence South 61° 50' East 104.5 feet, thence North 28° 10' East 209 feet, thence North 61° 50' West 104.5 to the point of beginning, containing one (1) acre more or less. All bearings true.

These parcels (1 and 2), containing 25 acres more or less, together comprise Aquaculture Lease M-654-03 (Exhibit 1).

State Water Bottom Lease M-654-03  
Santa Barbara, CA



CA Dept. Fish and Game



0 0.1 0.2 0.4  
Miles

Coordinate system:  
NAD 1983 California Teale Albers  
Coordinates displayed in Decimal Degrees

January, 2016

Fish and Game Commission

P. O. Box 944209

Sacramento, CA 94244-2090

Cc: [Kirsten.ramey@wildlife.ca.gov](mailto:Kirsten.ramey@wildlife.ca.gov)

RE: Neushul Mariculture, Inc. Lease site M-654-03

Dear Fish and Game Commission,

I would like to transfer Lease site M-654-3 to Daniel Marquez's company, Pharmasea, LLC. Would you please add this item to the agenda for consideration at the next Commission meeting.

Sincerely,

Devon Harger

Neushul Mariculture, Inc.

[REDACTED]

[REDACTED]

[REDACTED]

FORM A  
State Of California Department Of Fish And Game Application For Lease Of  
State Water Bottoms For Aquaculture

Applicant  
Name: Daniel E Marquez  
Address: \_\_\_\_\_

Phone  
No. \_\_\_\_\_

Aquaculture Registration No \_\_\_\_\_ Expiration  
Date \_\_\_\_\_

Species of plant or animals to be cultured:

To whom it may concern,  
Please refer to M-654-03 aquaculture lease.  
This is for name transfer of above lease from Naushul  
Mariculture Inc to Pharmed Sea LLC. I also agree  
to negotiate escrow conditions.  
Thank You

Application is hereby made to the Fish and Game Commission of the State of California for a lease of State water bottoms in the area described in the attached exhibit entitled "Exhibit A-Legal Description", and as shown on the map attached hereto marked "Exhibit B". Each exhibit bears the name of this applicant. Such lease will be for the purpose of aquaculture involving the species designated above. In support of this application, the applicant hereby submits the following explanation of the type of operation and cultural practices to be employed:

- A. Purpose of operation - research and development or production
- B. Plan of development and proposed production schedule - 5 year plan
- C. Type of cultural method(s) to be employed: bottom, long line, buoyed habitats, etc.
- D. Department of Health Services growing water classification: approved, conditionally approved, prohibited, restricted or unclassified

(Attach additional sheets for detailed explanation)

Date: 8-2-16

Signed: 

Print Name: Daniel E. Marquez

(See instructions on the back)



State of California – Department of Fish and Wildlife  
**2016 AQUACULTURE REGISTRATION APPLICATION**  
 DFW 750 (REV. 10/30/15)

VALID JANUARY 1, 2016 THROUGH DECEMBER 31, 2016. If issued after January 1, valid on date issued.  
 (Fee includes a nonrefundable three percent (3%) application fee, not to exceed \$7.50)

- NEW – FEE \$827.50**       **NEW – ADDITIONAL FACILITY (NO FEE)**  
 **RENEWAL – FEE \$520.00 + \$622.50 SURCHARGE FEE IF APPLICABLE**  
 **RENEWAL – ADDITIONAL FACILITY (NO FEE)**  
 **CHECK HERE IF MAILING OR FACILITY ADDRESS CHANGED**

CDFW USE ONLY  
 REGISTRATION NUMBER

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

OWNER'S FIRST NAME Daniel		M.I. E	LAST NAME Marquez		DATE ISSUED LICENSE
BUSINESS NAME PharmerSea LLC			FACILITY NAME (if different from business name)		DATE OF BIRTH
CITY Goleta			STATE CA	ZIP CODE 93117	COUNTY Santa Barbara
FACILITY ADDRESS/LOCATION Santa Barbara Channel (Santa Barbara County)			CITY Goleta	STATE CA	ZIP CODE 93117

**ATTENTION APPLICANTS**  Check here if you wish the Department to include your business name, business address, and business telephone number on the list of aquaculturists released to the public.

**BUSINESS CONDUCTED AT YOUR FACILITY** (Circle the letter for each type.)

- |   |   |  |  |
|---|---|--|--|
| <input type="checkbox"/> A – REARS TROUT FOR SALE           | <input type="checkbox"/> E – ALLOWS TROUT FISHING BY CUSTOMERS      | <input type="checkbox"/> I – REARS INVERTEBRATES FOR SALE    | <input type="checkbox"/> M – REARS SALMON/STEELHEAD FOR SALE |
| <input type="checkbox"/> B – REARS WARM WATER FISH FOR SALE | <input type="checkbox"/> F – ALLOWS WARM WATER FISHING BY CUSTOMERS | <input type="checkbox"/> J – RESEARCH AND DEVELOPMENT        | <input type="checkbox"/> N – LIVE HAULER                     |
| <input type="checkbox"/> C – REARS MINNOWS FOR SALE         | <input type="checkbox"/> G – ALLOWS TAKING OF FROGS BY CUSTOMER     | <input type="checkbox"/> K – CONSULTANT                      | <input type="checkbox"/> O – PROCESSOR                       |
| <input type="checkbox"/> D – REARS FROGS FOR SALE           | <input type="checkbox"/> H – PRIVATE, NON COMMERCIAL                | <input checked="" type="checkbox"/> L – REARS AQUATIC PLANTS | <input type="checkbox"/> P – REARS MARINE FIN FISH FOR SALE  |

**SPECIES REQUESTED:** (Check each species.) \* Hybrid bass is limited to the specific geographic area defined in Section 204(h), Title 14, of the CCR.

- |  |   |   |  |
|--|---|---|--|
| <input type="checkbox"/> Abalone, red ( <i>Haliotis rufescens</i> )            | <input type="checkbox"/> Clam, Manila ( <i>Venerupis philippinarum</i> )          | <input type="checkbox"/> Minnow, goldfish ( <i>Carassius auratus</i> )                | <input type="checkbox"/> Shrimp, Pacific white ( <i>Peneus vannamei</i> )  |
| <input type="checkbox"/> Abalone, green ( <i>Haliotis fulgens</i> )            | <input type="checkbox"/> Crappie, black ( <i>Pomoxis nigromaculatus</i> )         | <input type="checkbox"/> Minnow, goldfish x carp hybrid (all spp.)                    | <input type="checkbox"/> Sturgeon, white ( <i>Acipenser transmontanus</i> )  |
| <input type="checkbox"/> Bass, smallmouth ( <i>Micropterus dolomieu</i> )      | <input type="checkbox"/> Crappie, white ( <i>Pomoxis annularis</i> )              | <input type="checkbox"/> Minnow golden shiner ( <i>Notemigonus crysoleucas</i> )      | <input type="checkbox"/> Sunfish, green ( <i>Lepomis cyanellus</i> )   |
| <input type="checkbox"/> Bass, striped ( <i>Morone saxatilis</i> )             | <input type="checkbox"/> Crayfish, signal ( <i>Pacifastacus leniusculus</i> )     | <input type="checkbox"/> Mosquitofish ( <i>Gambusia spp.</i> )                        | <input type="checkbox"/> Sunfish, redear ( <i>Lepomis microlophus</i> )  |
| <input type="checkbox"/> Bass, (hybrids) ( <i>Morone saxatilis</i> )*          | <input type="checkbox"/> Crayfish, red swamp ( <i>Procambarus clarkii</i> )       | <input type="checkbox"/> Mosquitofish, western ( <i>Gambusia affinis</i> )            | Tilapia – specify species:<br><input type="checkbox"/> ( <i>honorum</i> ) <input type="checkbox"/> ( <i>mossambica</i> ) |
| Specify strain   | <input type="checkbox"/> Croaker, orgmth corvine ( <i>Cynoscion xanthurus</i> )   | <input type="checkbox"/> Mussel, Mediterranean ( <i>Mytilus galloprovincialis</i> )   | <input type="checkbox"/> Trout, brook ( <i>Salvelinus fontinalis</i> )   |
| <input type="checkbox"/> Bass, largemouth ( <i>Micropterus salmoides</i> )     | <input type="checkbox"/> Drum red ( <i>Sciaenops ocellatus</i> )                  | <input type="checkbox"/> Oyster, Pacific ( <i>Crassostrea gigas</i> )                 | <input type="checkbox"/> Trout, brown ( <i>Oncorhynchus trutta</i> )   |
| <input type="checkbox"/> Bluegill ( <i>Lepomis macrochirus</i> )               | <input type="checkbox"/> Halibut, California ( <i>Paralichthys californicus</i> ) | <input type="checkbox"/> Oyster, Kumamoto ( <i>Crassostrea sikamea</i> )              | <input type="checkbox"/> Trout, rainbow ( <i>Oncorhynchus mykiss</i> )   |
| <input type="checkbox"/> Bullfrog ( <i>Lithobates catesbeianus</i> )           | <input type="checkbox"/> Minnow, Sac blackfish ( <i>Orthodon microlepidotus</i> ) | <input type="checkbox"/> Oyster, Other _____  | <input checked="" type="checkbox"/> Algae- specify species<br><i>Macrocyctis pyrifera</i><br><i>Gelidium spp</i>         |
| <input type="checkbox"/> Catfish, brown bullhead ( <i>Ameiurus nebulosus</i> ) | <input type="checkbox"/> Minnow, carp ( <i>Cyprinus carpio</i> )                  | <input type="checkbox"/> Perch, Sacramento ( <i>Archoplites interruptus</i> )         |  |
| <input type="checkbox"/> Catfish, channel ( <i>Ictalurus punctatus</i> )       | <input type="checkbox"/> Minnow, koi carp ( <i>Cyprinus carpio</i> )              | <input type="checkbox"/> Prawn, giant freshwater ( <i>Macrobrachium rosenbergii</i> ) |  |
| <input type="checkbox"/> Clam, Pacific geoduck ( <i>Panopea generosa</i> )     | <input type="checkbox"/> Minnow, fathead ( <i>Pimephales promelas</i> )           | <input type="checkbox"/> Scallop, purple-hinge rock ( <i>Crassodoma gigantea</i> )    |  |

**OTHER SPECIES REQUESTED** (PLEASE PRINT CLEARLY THE COMMON AND GENUS AND SPECIES NAMES AS SHOWN ABOVE.)

M. Angustifoila, Mintergnigoila and Pelagophycus spp. No longer need Euchema uncinatum (male plants).  
 This was for a graduate student's research paper.

**FOR FRESH WATER AQUACULTURE FACILITIES** (Complete the following information.)

NEAREST TOWN	ROAD OR HIGHWAY	
TOWNSHIP	RANGE	SECTION
NAME AND DESCRIBE FULLY THE SOURCE FROM WHICH WATER IS OBTAINED AND THE LOCATION AND TYPE OF DIVERSION.		

ON THE REVERSE SIDE, DRAW A MAP SHOWING ARRANGEMENT OF PONDS AND POINTS AT WHICH INLET AND OUTLET ARE SCREENED. IF YOU NEED MORE SPACE, ATTACH A SEPARATE SHEET.

**FOR SALTWATER AQUACULTURE FACILITIES** (Provide cultivation area location information and indicate whether state-leased or private.)

BAY OR AREA	LOT NUMBERS OR DESCRIPTION
Santa Barbara Channel	M-654-03

**FOR RENEWALS ONLY:**

IF YOU MARK B BELOW, PLEASE INCLUDE PAYMENT OF THE REQUIRED SURCHARGE FEE IN ADDITION TO THE REGISTRATION FEE.

I certify under penalty of perjury that my total gross sales of aquaculture products during 2015 were:  A. LESS THAN \$25,000     B. AT LEAST \$25,000

In the past year, have there been any changes to locations of premises, source of water, or screening of outlet or inlets of the ponds?  YES  NO

If you answered yes, describe the changes below:

I certify that I have read, understand, and agree to abide by, all conditions of this registration, the applicable provisions of the FGC, and the regulations promulgated thereto. I certify that I am not currently under any Fish and Wildlife license or permit revocation or suspension, and that there are no other legal or administrative proceedings pending that would disqualify me from obtaining this registration. I agree that if I make any false statement as to any fact required as a prerequisite to the issuance of this registration, the registration is void and will be surrendered where purchased, and I understand that I may be subject to prosecution pursuant to FGC Section 1054 or to other administrative actions pursuant to Section 746, Title 14, of the CCR.

SIGNATURE X	TITLE COO	DATE 8-2-16
----------------	--------------	----------------

**FOR DEPARTMENT OF FISH AND WILDLIFE USE ONLY**

FACILITY INSPECTED/APPROVED BY	DATE	REGION	LRB Routed TO: <input type="checkbox"/> FPB <input type="checkbox"/> MRD <input type="checkbox"/> REGION	ROUTED BY/DATE
REVIEWED BY/DATE	TRANSACTION#	LATE FEE <input type="checkbox"/> \$153.75	TRANSACTION#	ISSUED BY/DATE

**NEW APPLICATION MUST INCLUDE A COPY OF YOUR IDENTIFICATION WITH THIS APPLICATION**

PHARMERSEA LLC

1005

16-24/1220 4589  
7920704405

DATE 8-3-16

PAY TO THE ORDER OF California Dept. Fish & Wildlife \$ 827.50

Eight Hundred Twenty Seven 50/100 DOLLARS



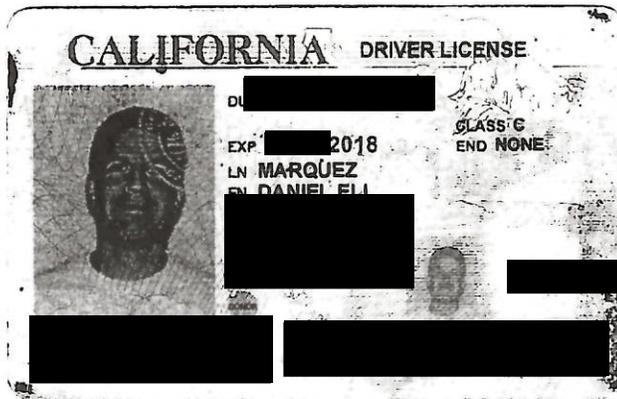
Wells Fargo Bank, N.A.  
California  
wellsfargo.com

FOR 2016 Aquaculture Registration  
Application

RECEIVED

AUG 11 2016

Fisheries Branch  
CA Dept. of Fish and Wildlife



PHARMERSEA LLC

1004

16-24/1220 4589  
7920704405

DATE 8-3-16

PAY TO THE ORDER OF California Dept. Fish & Wildlife \$ 500.-

Five Hundred + 00/100 DOLLARS



Wells Fargo Bank, N.A.  
California  
wellsfargo.com

FOR Lease Application

RECEIVED  
CALIFORNIA  
FISH AND GAME  
COMMISSION

2016 AUG -2 PM 2:59

## Memorandum

Date: July 27, 2016

To: Valerie Termini  
Executive Director  
Fish and Wildlife Commission

From: Charlton H. Bonham  
Director



Subject: **Agenda Item for the August 24-25, 2016, Fish and Game Commission Meeting Regarding Proposed Transfer of State Water Bottom Lease, M-654-03, Neushul Mariculture, Inc., Santa Barbara**

The Department of Fish and Wildlife (Department) is providing the following comments in regard to a request by Mrs. Devon Harger, Neushul Mariculture, Inc., for Fish and Game Commission (Commission) approval to transfer state water bottom lease M-654-03. The existing lease encompasses 25 acres of state water bottoms along the Santa Barbara coastline and was recently renewed by the Commission on October 7, 2015, for a period of 15 years.

The lease was created in 1980 with the expressed intent to cultivate marine algae for research purposes and has been used for this purpose by Neushul Mariculture, Inc. since its inception. Mrs. Harger is planning her retirement and in January, 2016, submitted written notification to the Commission requesting to transfer the title of lease M-654-03 to Mr. Daniel Marquez, Pharmasea, LLC. There are no proposed changes in the culture methods or species currently approved by the Commission for the lease.

Upon staff review, it was determined that the proposed project is subject to the "Class 1" or "Existing Facilities" categorical exemption pursuant to CEQA Guidelines section 15301 (Cal. Code Regs., tit. 14, § 15301). In general, the Class 1 exemption consists of the leasing of existing facilities, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. All provisions of the lease are identical to the original lease, with the only exception being a new lessee. This transfer does not increase, decrease, or change existing operations in any way or allow for any new activities by the new lessee.

The Department recommends approval of the request to transfer state water bottom lease M-654-03, Neushul Mariculture, Inc., to Mr. Daniel Marquez, Pharmasea, LLC.

If you have any questions regarding this item, please contact Dr. Craig Shuman, Regional Manager of the Department's Marine Region, at (805) 568-1246.

Attachments

Valerie Termini, Executive Director  
Fish and Game Commission  
July 27, 2016  
Page 2

ec: Department of Fish and Wildlife

Stafford Lehr, Deputy Director  
Wildlife and Fisheries Division  
[Stafford.Lehr@wildlife.ca.gov](mailto:Stafford.Lehr@wildlife.ca.gov)

Craig Shuman, D.Env., Regional Manager  
Marine Region (7)  
[Craig.Shuman@wildlife.ca.gov](mailto:Craig.Shuman@wildlife.ca.gov)

Kirsten Ramey, Senior Environmental  
Scientist Supervisor  
Marine Region (7)  
[Kirsten.Ramey@wildlife.ca.gov](mailto:Kirsten.Ramey@wildlife.ca.gov)

Randy Lovell, State Aquaculture  
Coordinator  
[Randy.Lovell@wildlife.ca.gov](mailto:Randy.Lovell@wildlife.ca.gov)