

# Staff Report 49

## **APPLICANT/LESSEE/SUBLESSOR:**

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Riverside County Regional Park and Open Space District

## **CURRENT SUBLESSEE:**

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Reynolds Resorts – Blythe, LLC

## **PROPOSED SUBLESSEE:**

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Cove RV Resorts on the Colorado River, LLC

## **PROPOSED ACTION:**

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Amendment of a General Lease – Commercial Use, Endorsement of Sublease, and Revision of Rent

## **AREA, LAND TYPE, AND LOCATION**

Sovereign land in the historic bed of the Colorado River, adjacent to 500 Riviera Drive, Blythe, Riverside County.

## **AUTHORIZED USE:**

Operation, use, and maintenance of an existing recreational vehicle campground.

## **TERM:**

30 years, beginning July 1, 2014.

## **CONSIDERATION:**

This lease provides that the Commission may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease and recommends that rent be revised from \$7,357.19 per year to

\$10,555 per year, with an annual Consumer Price Index (CPI) adjustment, effective July 1, 2020.

**PROPOSED AMENDMENT:**

- Delete Section 2, Special Provisions, Paragraph 3, endorsing the sublease and naming the prior sublessee.
- Revise Section 2, Paragraphs 4 and 5 to state that the sublease amendments may require Commission approval, and to explicitly state that the Commission may revise rent upon any sublease amendment in addition to the 5-year rent review.
- Replace the existing endorsement of sublease for Reynolds Resorts – Blythe, LLC, with a new endorsement of sublease for Cove RV Resorts on the Colorado River, LLC, attached as Exhibit C.
- All other terms and conditions of the lease remain unchanged and in full force and effect.

**STAFF ANALYSIS AND RECOMMENDATION:**

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**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:**

On June 19, 2014, the Commission authorized Lease No. PRC 9128.1, a General Lease — Commercial Use, for an existing RV Park in the historic bed of the Colorado River, to Riverside County Regional Park and Open Space District (Lessee), for a term of 30 years, beginning July 1, 2014; and the endorsement of sublease for park operations between the Lessee and Reynolds Resorts – Blythe, LLC ([Item 65, June 19, 2014](#)). The lease will expire on June 30, 2044. The current lease authorizes, by endorsement, a sublease agreement between Reynolds Resorts – Blythe, LLC, and Lessee for the use, operation, and maintenance of an existing RV Park. On September 14, 2016, the sublease to Reynolds Resorts was assigned to Cove RV Resorts on the Colorado River, LLC (Sublessee). The Lessee is now applying for an amendment to the lease to replace the existing endorsement of sublease with a new endorsement of sublease identifying the proposed sublessee and to remove the reference to the current sublessee.

Staff reviewed the sublease and determined that the terms are consistent with the terms of the Lease, and that the activities proposed are consistent with Public Trust needs and values at this location and at this time. The Commission endorsed the sublease when approving the lease in June 2014. The sublease's terms and conditions have not changed.

Additionally, as part of the proposed amendment to the lease, the Lessee is required to provide staff with a copy of any subsequent sublease or amendment to a sublease for review and approval to ensure its terms are consistent with the terms of this lease. The Lessee is also required to provide records of all revenue generated through the use of sovereign land on each 4<sup>th</sup> anniversary, which will allow staff to ensure the State is appropriately compensated for the use of State land.

The proposed amendment and endorsement of a sublease do not alienate the State's fee simple interest or permanently impair public rights. The proposed amendment does not expand or increase the nature or intensity of use or expand Lessee's rights within the lease premises. The lease also requires the Lessee to indemnify the State for any liability incurred as a result of any activities within the lease premises. Upon the expiration or termination of the lease, the Lessee may be required to remove all improvements from State land. The proposed amendment and endorsement of a sublease will not result in a change in the use of, or impacts to, Public Trust resources; and is in the State's best interests.

## **OTHER PERTINENT INFORMATION:**

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1. Approval or denial of the proposed actions is a discretionary action by the Commission. Each time the Commission approves or rejects a use of sovereign land, it exercises legislatively delegated authority and responsibility as trustee of the State's Public Trust lands. An applicant has no right to a new lease or to renewal of any previous lease.
2. 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; Strategy 1.3 to protect, expand, and enhance appropriate public use and access to and along the State's inland and coastal waterways and Strategy 2.2 to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals. .
3. The revision of rent, amendment of lease, and endorsement of sublease are not projects as defined by the California Environmental Quality Act because they

are administrative actions 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:**

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A. Site and Location Map

## **RECOMMENDED ACTION:**

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It is recommended that the Commission:

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

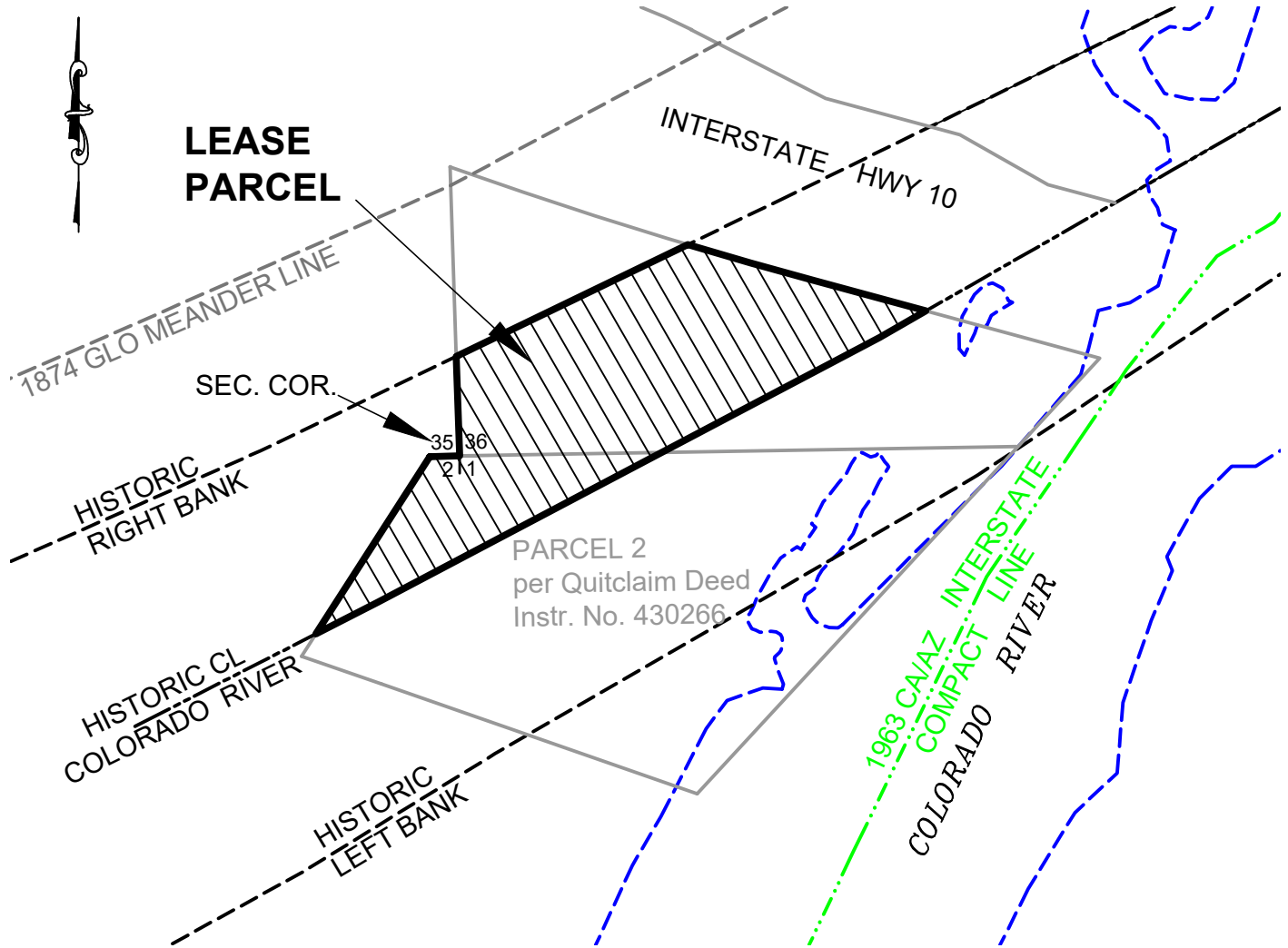
Find that the proposed amendment and endorsement of a sublease will not result in a change in the use of, or impacts to, Public Trust resources; and is in the State's best interests.

### **AUTHORIZATION:**

1. Approve the revision of rent for Lease No. PRC 9128 from \$7,357.19 per year to \$10,555 per year, with an annual Consumer Price Index adjustment, effective July 1, 2020.
2. Authorize the amendment of a General Lease – Commercial Use, Lease No. PRC 9128, to remove the reference to the current sublessee, Reynolds Resorts – Blythe, LLC; effective December 17, 2020; and
3. Authorize the endorsement of a sublease between Riverside County Regional Park and Open Space District and Cove RV Resorts on the Colorado River, LLC, effective December 17, 2020.

NO SCALE

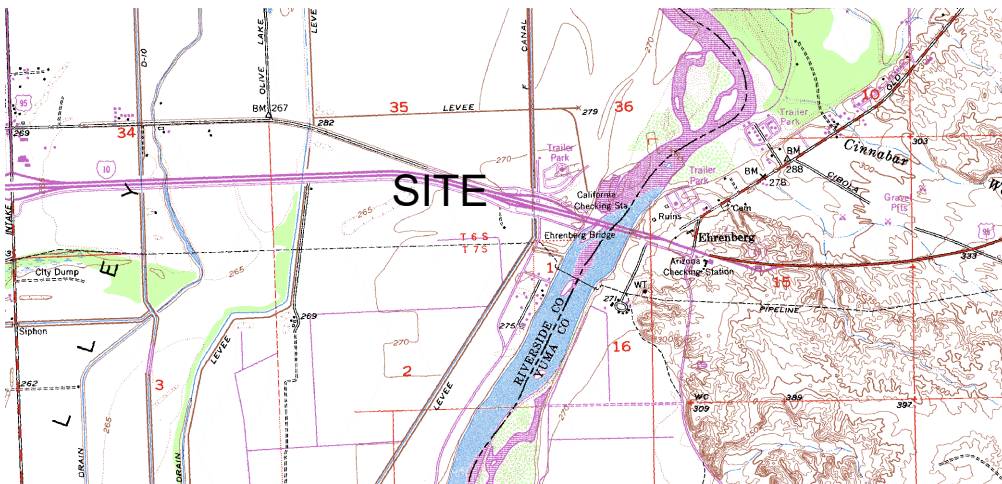
# SITE



PORTIONS OF SEC. 36, T6S, R23E, SEC., 1 & 2 T7S, R23E, SBM, CITY OF BLYTHE, COLORADO RIVER

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 9128  
RIVERSIDE COUNTY REGIONAL  
PARK & OPEN SPACE DISTRICT  
APNs 833-290-006 & 869-230-012  
GENERAL LEASE-  
COMMERCIAL USE  
RIVERSIDE COUNTY



TS 11/02/2020