

Staff Report 30

LESSEE:

Eco Services Operations Corp.

PROPOSED ACTION:

Revision of Rent

AREA, LAND TYPE, AND LOCATION:

31.04 acres (Parcel A), 3.6 acres (Parcel B), and 33.35 acres (Parcel C) more or less, of filled and unfilled sovereign land in Peyton Slough and Carquinez Strait, adjacent to 100 Mococo Road, Martinez, Contra Costa County.

AUTHORIZED USE:

Parcel A: Continued use and maintenance of existing industrial facilities on filled and unfilled sovereign land improved with a wastewater treatment facility with pipelines, pump houses, and appurtenant facilities, outfall pipeline, road, railroad spur, utilities, retention pond, fencing, sheet pile and rip rap bank protection, capped remediated soils in old Peyton Slough channel, and groundwater monitoring wells.

Parcel B: Continued use and maintenance of existing groundwater monitoring wells of filled sovereign land.

Parcel C: Continued use and maintenance of open wetland and marshland habitat, realigned Peyton Slough channel, and groundwater monitoring wells on filled and unfilled sovereign land.

TERM:

25 years, beginning April 20, 2017.

CONSIDERATION:

Parcel A: The lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent

under this lease for and recommends that rent be revised from \$95,088 to per year to \$79,290 per year, effective April 20, 2022.

Parcel B: The public health and safety; with the Commission reserving the right to set a monetary rent if the lessor finds such action to be in the State's best interest.

Parcel C: The public health and safety; with the Commission reserving the right to set a monetary rent if the lessor finds such action to be in the State's best interest.

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 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 April 20, 2017, the Commission approved issuance of a General Lease – Industrial and Protective Structure Use to Eco Services Operations Corp. (Eco Services) ([Item C33, April 20, 2017](#)). On October 18, 2018, the Commission approved an amendment of Lease 7660 to include an authorization for the installation use and maintenance of approximately 250 linear feet of shoreline protection; require the Lessee to monitor and report to the Commission all significant erosion events that would cause the Lessee to conduct non-routine maintenance or reorganization of the shoreline protection, as well as report the natural environmental conditions associated with or causing the significant erosion event ([Item C37, October 18, 2018](#)). On June 29, 2021, the Commission authorized the installation of an additional 60 linear feet of rip rap shoreline protection ([Item C25, June 29, 2021](#)).

The modification of rent is based on an appraisal of Parcel A conducted as of January 19, 2022, pursuant to the terms of the lease and the California Code of Regulations, title 2, section 2003. The lease provides for General Liability and Pollution Liability in an amount of no less than \$10,000,000 each, a surety bond held by the Commission in an amount of no less than \$1,000,000, and a separate lease performance guaranty executed by the Lessee's corporate parent guaranteeing the lessee's obligations under the lease.

3. This action is consistent with the "Meeting Evolving Public Trust Needs" Strategic Focus Area of the Commission's 2021-2025 Strategic Plan.

4. 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).

EXHIBITS:

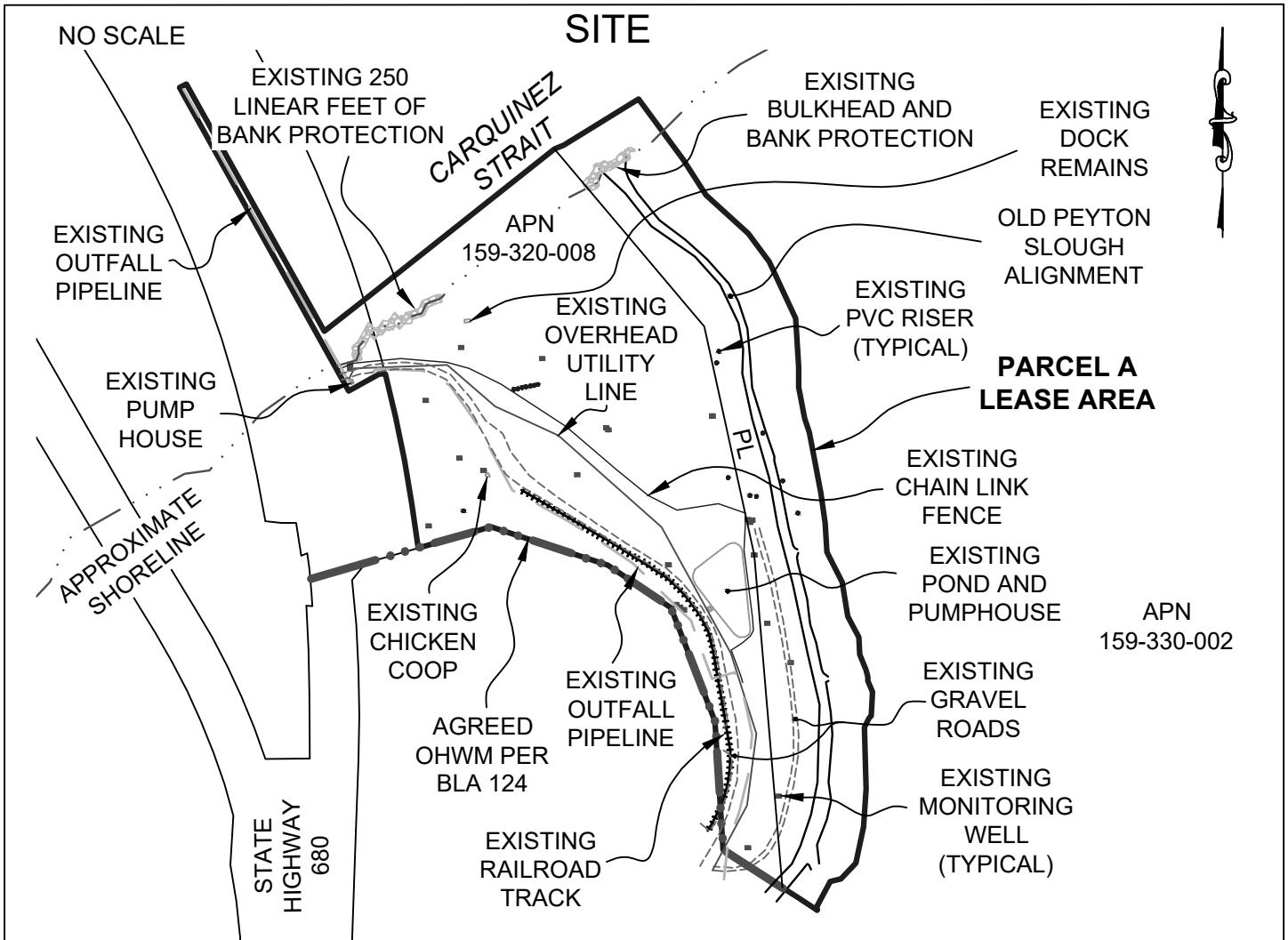
- A-1. Parcel A. Site and Location Map
- A-2. Parcel B. Site and Location Map
- A-3. Parcel C. Site and Location Map

RECOMMENDED ACTION:

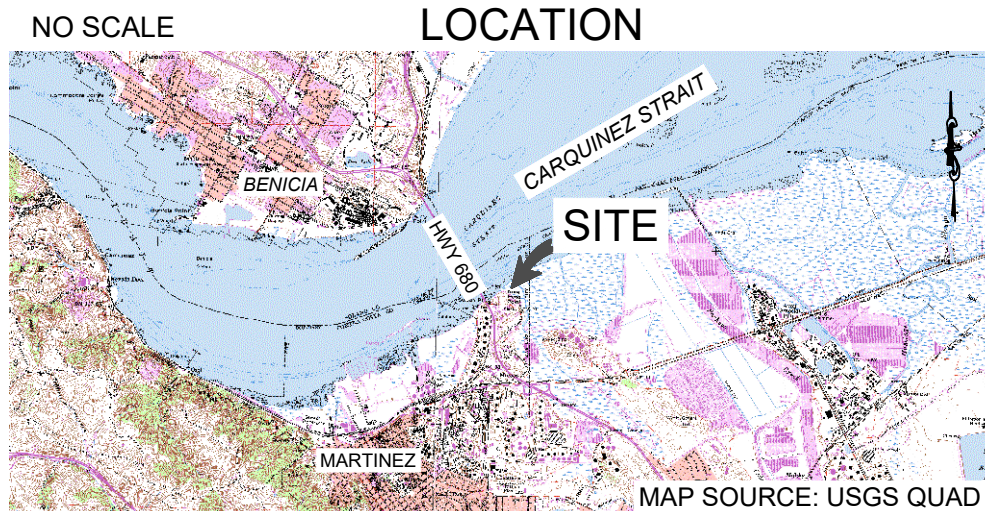
It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease PRC 7660 from \$95,088 per year to \$79,290 per year, effective April 20, 2022.



LEASE PARCEL A - VICINITY OF 100 MOCOCO ROAD, MARTINEZ



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-1

PRC 7660

ECO SERVICES

OPERATIONS CORP

APNs 159-320-008 &

159-330-002

GENERAL LEASE -
INDUSTRIAL & PROTECTIVE
STRUCTURE USE
CONTRA COSTA COUNTY



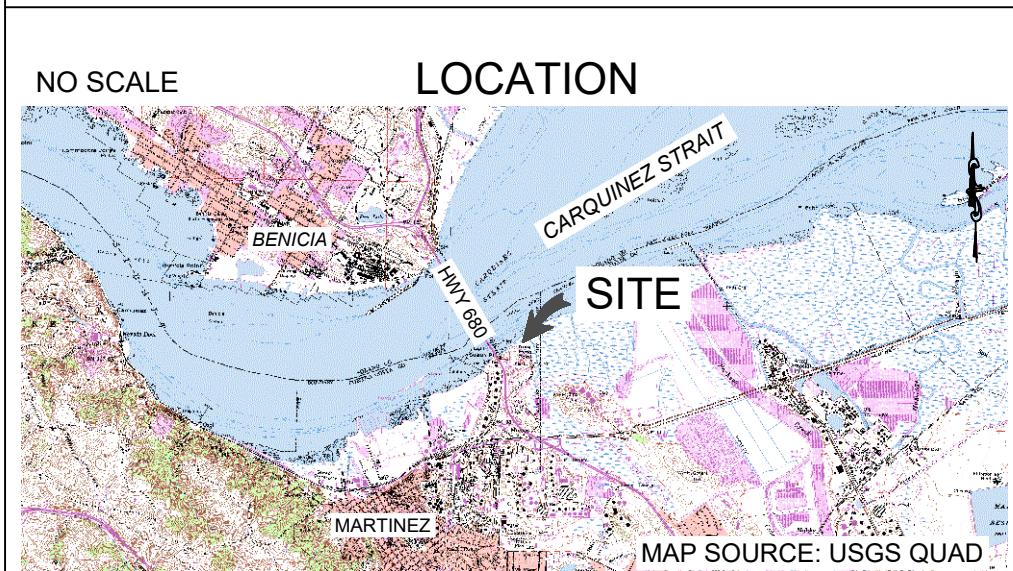
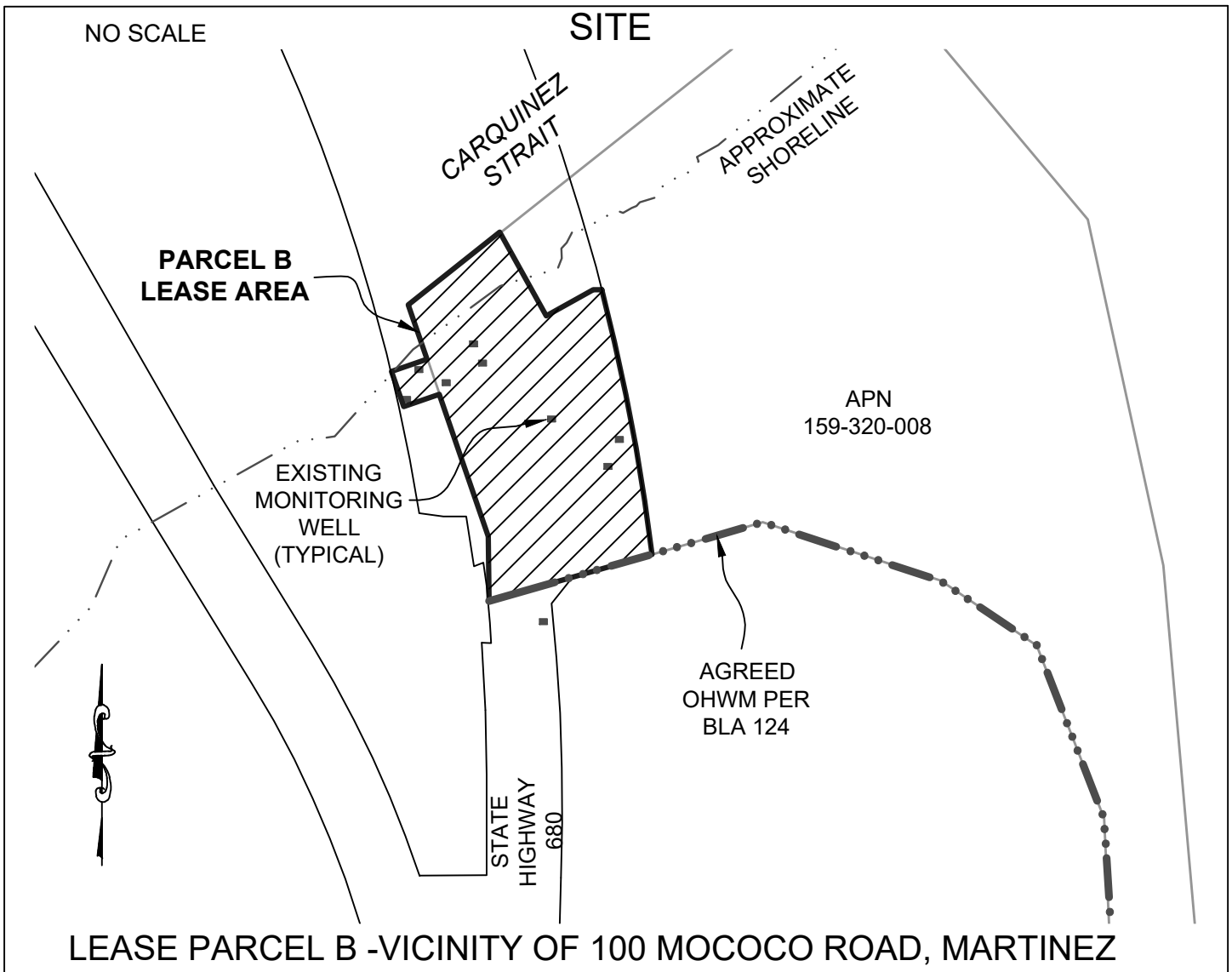
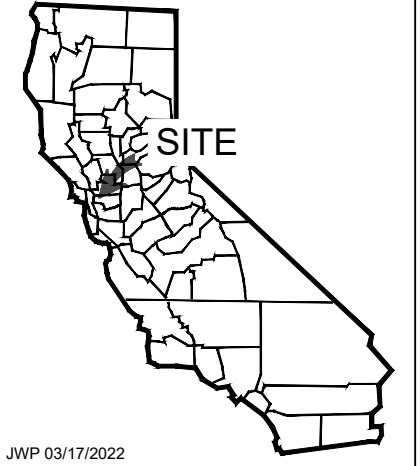


Exhibit A-2
 PRC 7660
 ECO SERVICES
 OPERATIONS CORP
 APN 159-320-008
 GENERAL LEASE -
 INDUSTRIAL & PROTECTIVE
 STRUCTURE USE
 CONTRA COSTA COUNTY



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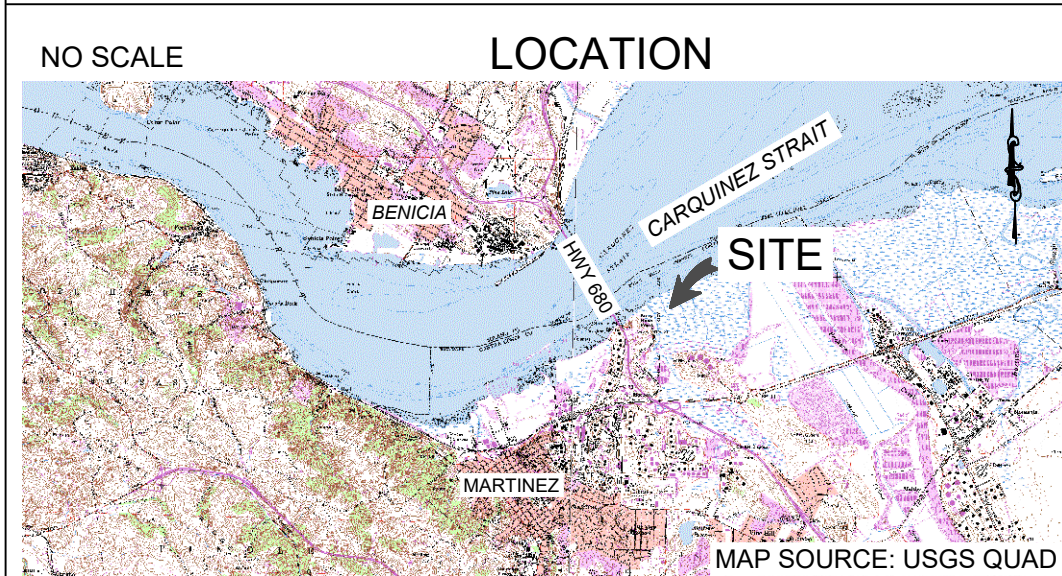
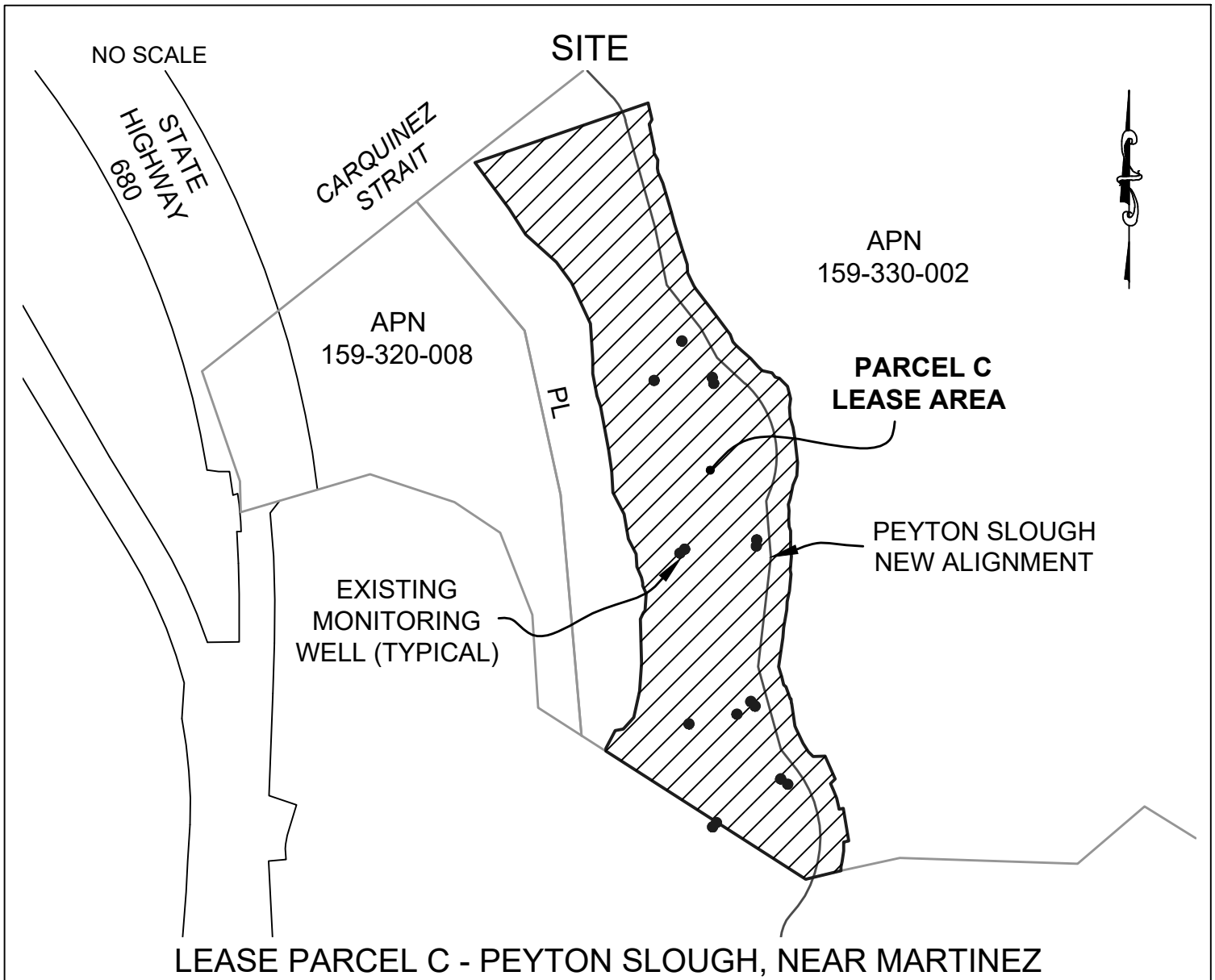


Exhibit A-3
 PRC 7660
 ECO SERVICES
 OPERATIONS CORP
 APN 159-330-002
 GENERAL LEASE -
 INDUSTRIAL & PROTECTIVE
 STRUCTURE USE
 CONTRA COSTA COUNTY



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