

Staff Report 41

LESSEE:

SHC Management, LLC

PROPOSED ACTION:

Revision of Rent, Insurance, and Surety Bond

AREA, LAND TYPE, AND LOCATION:

1.89 acre of sovereign land in the Sacramento River, adjacent to 13900 River Road, near Locke, Sacramento County.

AUTHORIZED USE:

Continued operation, use, and maintenance of a commercial marina, known as The Boathouse Marina, including 60 covered berths with electrical/water hookups, fueling dock, pump-out station, boat lift launching facilities, 47 dry dock storage spaces, boat repair shop, manager's office and quarters with restrooms, and other related marina operations.

TERM:

21 years, beginning January 1, 2013.

CONSIDERATION:

This lease provides that Lessor may modify the rent, insurance, and surety bond at the tenth, fifteenth, and twentieth anniversaries during the lease term. Staff has conducted a review of the rent under this lease and recommends that rent be revised from \$5,666.27 per year to \$13,831 per year; liability insurance revised from \$1,000,000 per occurrence and \$2,000,000 aggregate to \$2,000,000 per occurrence and revision of surety bond from \$8,000 to \$75,000, effective January 1, 2023.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the revisions to rent, insurance and surety bond are discretionary actions by the Commission. Each time the Commission approves or rejects revisions of rent, insurance and surety bond, it exercises legislatively delegated authority and responsibility as trustee of the State's Public Lands as authorized by law. The Lessee has no right to a new lease or to renewal of any previous lease.
2. On April 26, 2013, the Commission authorized a 21-year lease ([Item 39, April 26, 2013](#)) to George Heiner and an Endorsement of Sublease to Club 2000, Inc. for the operation of the marina, effective January 1, 2013. On June 22, 2017, the Commission authorized an assignment of lease ([Item 46, June, 22, 2017](#)) from the Estate of George Heiner to SHC Management, LLC and an amendment of the lease to replace the Land Description, the Site and Location Maps, and to include special provisions for climate change, including a requirement for structural assessments within 180 days of the tenth and twentieth anniversaries. Staff has provided notification to the Lessee on the requirement for the structural assessments due within 180 days of January 1, 2023.
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 revisions of rent, insurance, and surety bond are not projects 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).

EXHIBIT:

A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

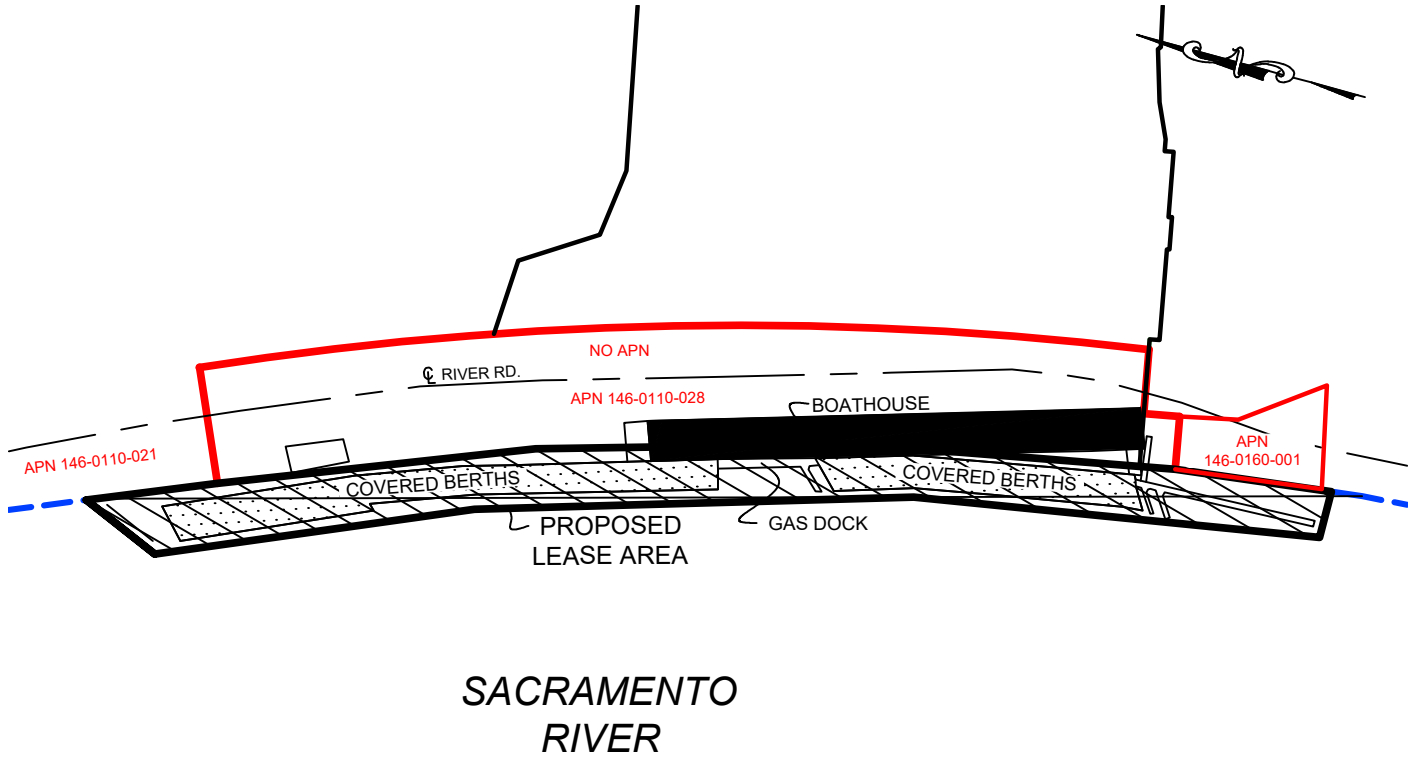
AUTHORIZATION:

Approve the revision of rent for Lease PRC 6836 from \$5,666.27 per year to \$13,831 per year, the revision of liability insurance from \$1,000,000 per occurrence and

\$2,000,000 aggregate to \$2,000,000 per occurrence and revision of surety bond from \$8,000 to \$75,000, effective January 1, 2023.

NO SCALE

SITE



Boathouse Marina - 13900 River Rd. Sacramento River, Locke

NO SCALE

LOCATION

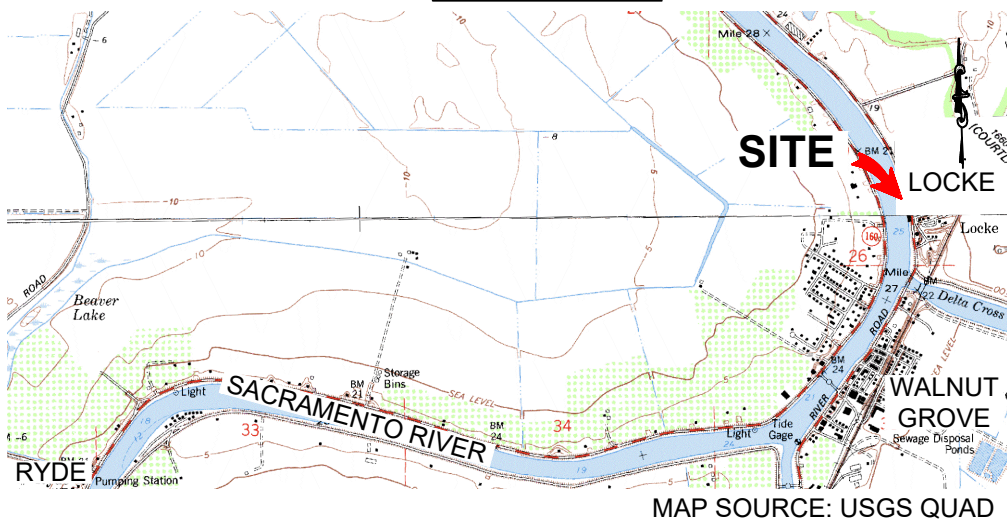


Exhibit A

PRC 6836
 SHC MANAGEMENT, LLC
 APN 146-0110-021,028,
 146-0160-001
 GENERAL LEASE -
 COMMERCIAL USE
 SACRAMENTO COUNTY



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.