Meeting Date: 12/09/22 Lease Number: PRC 7030 Staff: V. Caldwell

Staff Report 50

LESSEE:

Santa Catalina Island Company

PROPOSED ACTION:

Revision of Rent

AREA, LAND TYPE, AND LOCATION:

30 acres of filled and unfilled sovereign land in the Pacific Ocean, Jewfish Point and Empire Landing, Santa Catalina Island, Los Angeles County.

AUTHORIZED USE:

Continued use and maintenance of a rock protective structure and loading facilities in support of rock quarry operations, including mooring of barges.

TERM:

49 years, beginning January 1, 1987.

CONSIDERATION:

This 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 and recommends that the annual rent be revised from \$11,173 per year to \$13,410 per year, effective January 1, 2023.

OTHER PERTINENT INFORMATION:

 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. The Lessee has no right to a new lease or to renewal of any previous lease.

- 2. On December 23, 1986, the Commission authorized a General Lease Industrial Use to the lessee (Item 35, December 23, 1986), effective January 1, 1987. Between March 1989 (Item 10, March 23, 1989) and June 1992 (Item 24, June 30, 1992), the Commission took two actions, first authorizing a sublease to L.G. Everlist, Inc., c/o Connolly-Pacific for quarrying operations and authorizing corrections to descriptions and exhibits of Boundary Line Agreement SLL 130 and Lease 7030. On August 21, 1996, (Item 16, August 21, 1996) the Commission authorized a revision of rent from \$10,710-\$14,644 per year, effective January 1, 1997. On September 17, 2001, (Item 26, September 17, 2001) the Commission authorized a revision of rent from \$14,644 to \$16,214 per year, effective January 1, 2002. On June 18, 2002, (Item 10, June 18, 2002) the Commission authorized an amendment of lease to amend the land area at Jewfish Point to exclude the well site location from the lease. On December 18, 2015, (Item 99, December 18, 2015) the Commission authorized a revision of rent from \$16,214 to \$21,762 per year, effective January 1, 2016. This rent review was based on the application of the CPI to the prior rent. On October 19, 2017, the Commission authorized (Item 63, October 19, 2017) a revision in rent from \$21,762 to \$11,173, effective January 1, 2018. The lease will expire on December 31, 2035.
- 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).

EXHIBIT:

A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of the annual rent for Lease PRC 7030 from \$11,173 to \$13,410, effective January 1, 2023.

