

Staff Report 51

LESSEE:

Santa Catalina Island Company

PROPOSED ACTION:

Revision of Rent

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Pacific Ocean, Pebbly Beach, Santa Catalina Island, Los Angeles County.

AUTHORIZED USE:

Continued use and maintenance of a dock, concrete freight barge ramp and barge/tug landing.

TERM:

20 years, beginning June 29, 2015.

CONSIDERATION:

This lease provides that Lessor may modify the base 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 base rent be revised from \$10,222.82 per year to \$9,133 per year, adjusted annually by the Consumer Price Index, effective June 29, 2023.

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

2. On June 29, 2015, the Commission authorized a General Lease – Commercial Use to the Santa Catalina Island Company ([Item 98, June 29, 2015](#)) and Endorsement of a Sublease from the Santa Catalina Island Company to Avalon Freight Services, LLC for a period of 20 years beginning April 1, 2016, effective June 29, 2015. The lease will expire on June 28, 2035.
3. A recently completed appraisal of the land value for the leased land highlighted a lower land value than previously appraised, which resulted in a reduced fair rental rate. Staff, in completing its due diligence, believe that the land value approach provides the best representation of the fair market rental rate for the property and is given the most weight in the rental analysis. Consequently, the rent is being modified to reflect the appraised land value.
4. This action is consistent with the “Meeting Evolving Public Trust Needs” Strategic Focus Area of the Commission’s 2021-2025 Strategic Plan.
5. 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:

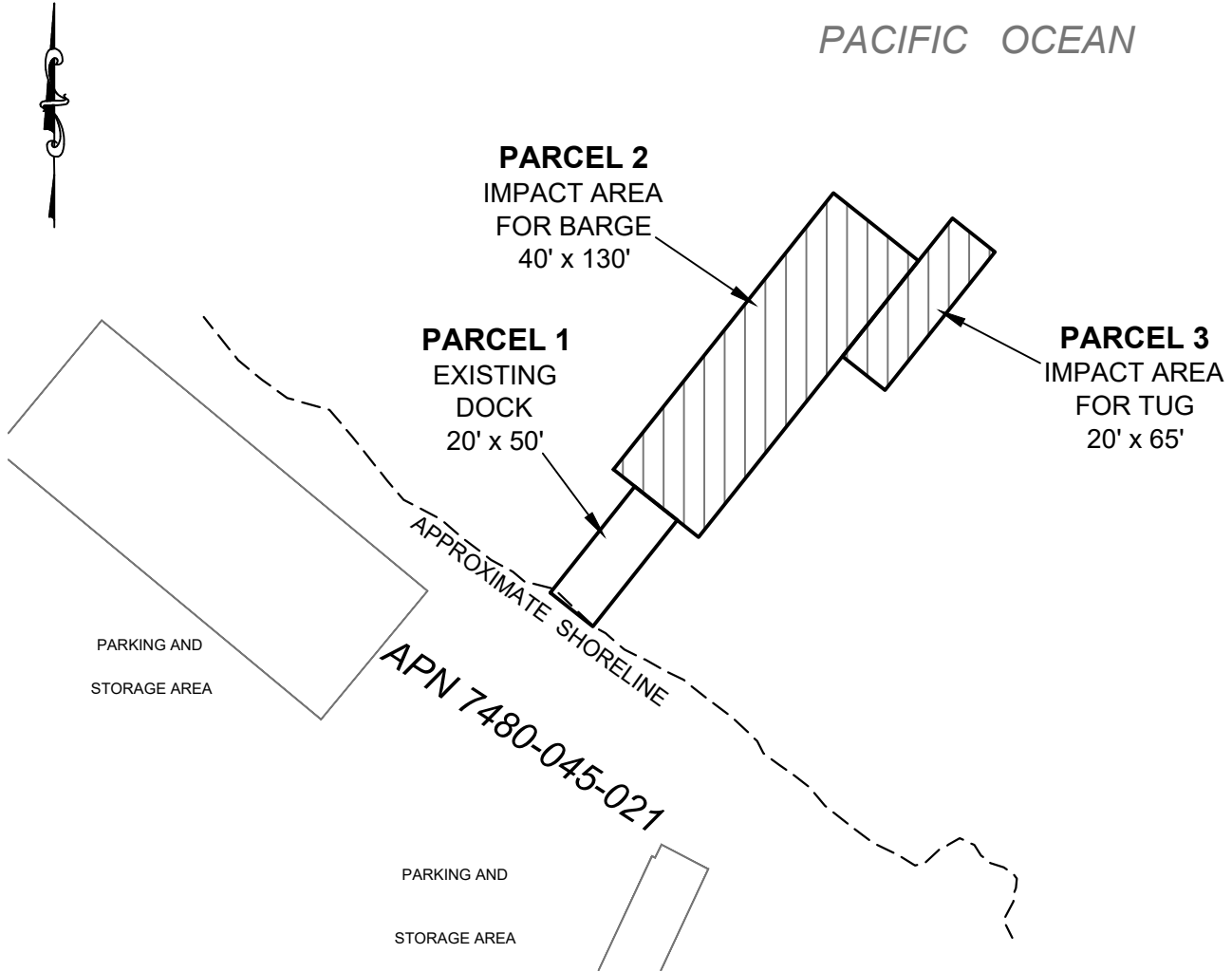
AUTHORIZATION:

Approve the revision of the base rent for Lease PRC 7378 from \$10,222.82 per year to \$9,133 per year, effective June 29, 2023.

NO SCALE

SITE

PACIFIC OCEAN



NEAR PEBBLY BEACH, SANTA CATALINA ISLAND

NO SCALE

LOCATION



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 7378
 SANTA CATALINA ISLAND
 COMPANY
 APN 7480-045-021
 GENERAL LEASE-
 COMMERCIAL USE
 LOS ANGELES COUNTY



TS 10/19/2022