

Staff Report 31

LESSEE:

Turner Cut Resort and Marina, Inc.

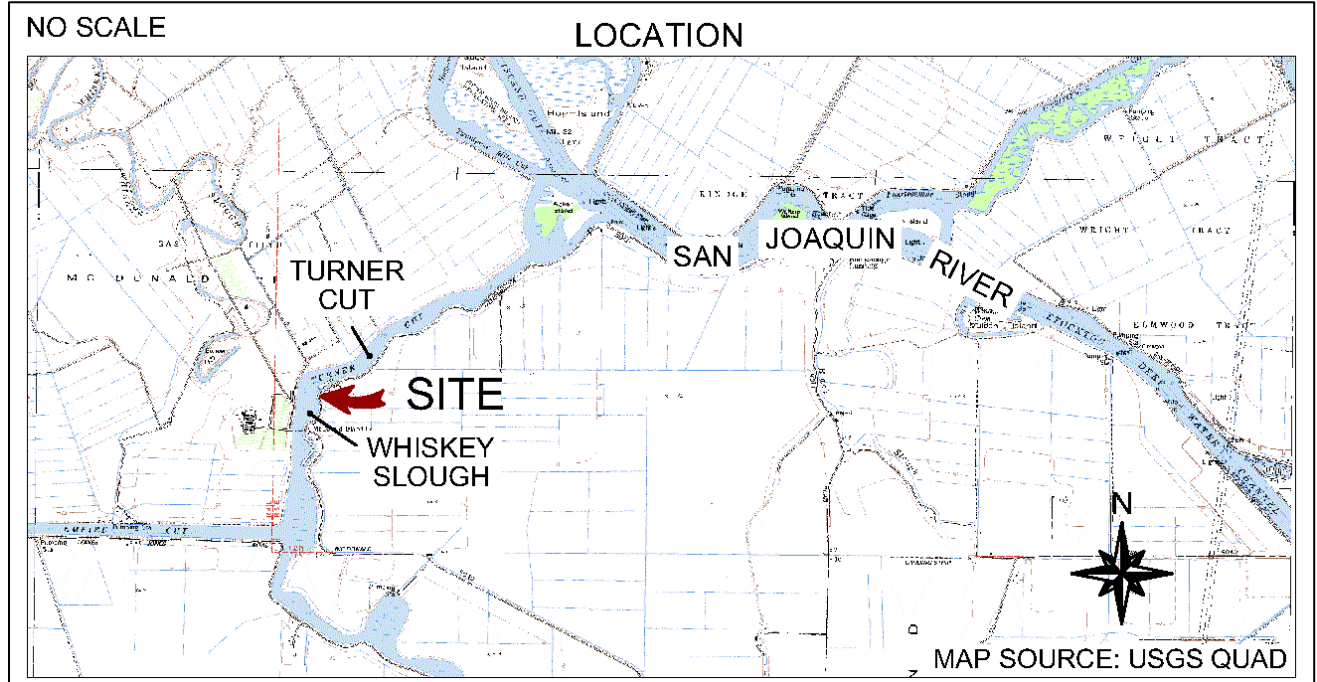
PROPOSED ACTION:

Revision of Rent and Bond.

AREA, LAND TYPE, AND LOCATION:

3.66 acres, more or less, of sovereign land in Whiskey Slough and Turner Cut, adjacent to 12864 Neugebauer Road, near Stockton, San Joaquin County (as shown in Figure 1).

Figure 1. Location



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 October 19, 2012, the Commission authorized a 20-year General Lease – Commercial Use ([October 19, 2012, Item 54](#)) for the operation, use and maintenance of an existing commercial marina, known as Turner Cut Marina, on 3.66 acres in Whiskey Slough and Turner Cut, adjacent to 12860 and 12864 Neugebauer Road, near Stockton, San Joaquin County. The authorized improvements consist of three covered docks with 103 berths, two uncovered docks, two floating boathouses, guest dock with two marine fuel dispensers, walkways, launch ramp, two nightly rental cabins, a swim area and three restrooms with showers. On February 28, 2020, the Commission authorized an assignment of lease from John C. and Kathleen A. McGuiness, Trustees, to the lessee ([February 28, 2020, Item 29](#)), effective June 30, 2020.
3. Under the terms of the current lease, the lessee holds a surety bond in the amount of \$25,000. This amount is subject to increases over the lease term and serves the purpose of being able to mitigate costs that might otherwise be shouldered by the state, including where the state must take restorative actions with the leased premises upon lease termination or lease premises abandonment. A bond adjustment is currently appropriate with an increase in rent and to keep the bond consistent with similar facilities. Staff recommends increasing the bond from \$25,000 to \$100,000 to minimize the gap between ability to pay and protecting the state's liability. The lease will expire on October 18, 2032.
4. This action is consistent with the "Address current and future risk liabilities" in the "Meeting Evolving Public Trust Needs" Strategic Focus Area of the Commission's 2021-25 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).

RECOMMENDED ACTION:

It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of base rent for Lease PRC 4080 from \$12,286.72 per year to \$13,557 per year and an increase in the surety bond from \$25,000 to \$100,000, effective October 19, 2023.