

# Staff Report 15

**LESSEE:**

Sum M. Seto Properties, LLC and Jenny P. Seto Properties, LLC

**PROPOSED ACTION:**

Continuation of Rent and Revision of Bond.

### AREA, LAND TYPE, AND LOCATION:

0.396 acres, more or less, of sovereign land in the Albion River, adjacent to Assessor's Parcel Number 123-170-01, near Albion, Mendocino County (as shown in Figure 1).

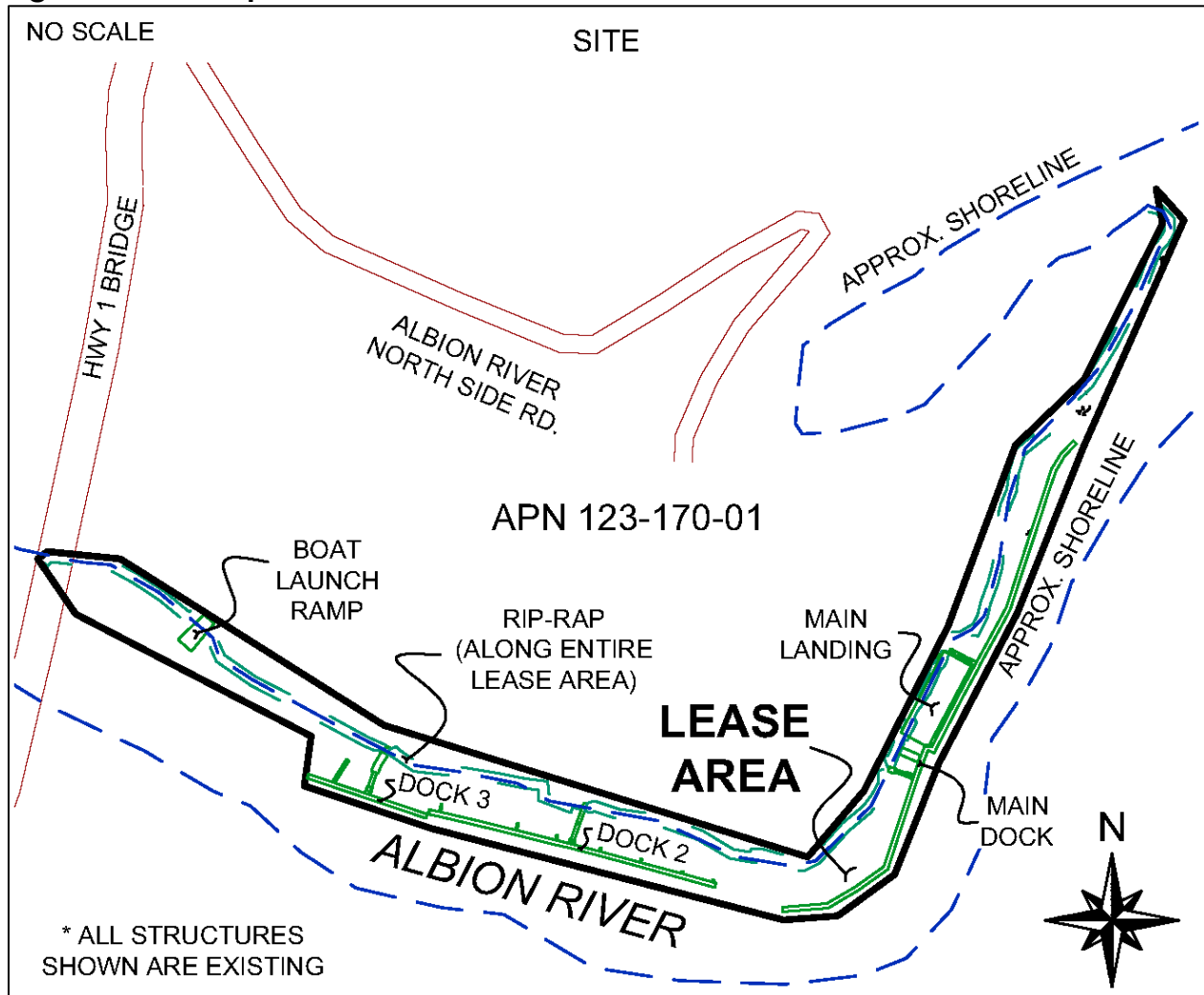
### Figure 1. Location



**AUTHORIZED USE:**

Continued use and maintenance of a commercial marina (as shown in Figure 2).

**Figure 2. Site Map**



NOTE: This depiction of the lease premises is based on unverified information provided by the Applicant or other parties and is not a waiver or limitation of any State interest in the subject or any other property.

**TERM:**

20 years, beginning December 29, 2013.

**CONSIDERATION:**

The lease provides that Lessor may modify the rent and bond periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent and bond under this lease and recommends a continuation of rent in the amount

of \$6,562.74 and the bond revised from \$10,000 to \$100,000, effective December 29, 2023.

## OTHER PERTINENT INFORMATION:

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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 October 14, 2014, the Commission authorized a 20-year General Lease – Commercial Use ([October 14, 2014, Item 57](#)) to the lessees for the operation, use, and maintenance of an existing commercial marina, known as Albion River Campground and Marina consisting of a boat launch ramp, two landings, three floating docks with pilings, and two water intake pipelines. On February 20, 2015, the Commission authorized a correction to the October 14, 2014, action to correct the effective date of the lease from December 30, 2013 to December 29, 2033 ([February 20, 2015, Item 28](#)). The lease will expire on December 28, 2033.
3. Under the terms of the current lease, the lessee holds a surety bond in the amount of \$10,000. 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. An adjustment of the bond is appropriate to keep it consistent with estimated removal costs for similar facilities. Staff recommends increasing the bond from \$10,000 to \$100,000 to minimize the state's potential liability. Lessor and Lessee agree to annual deposits of \$10,000 into a Certificate of Deposit account beginning on December 29, 2023, and continuing until the account reaches \$100,000.
4. This action is consistent with the "Address current and future risk and liabilities" in the "Meeting Evolving Public Trust Needs" Strategic Focus Area of the Commission's 2021-25 Strategic Plan.
5. Approving the revision of bond 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:**

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It is recommended that the Commission:

### **AUTHORIZATION:**

1. Authorize the Executive Officer, or designee, Approve the continuation of rent for Lease PRC 2164 in the amount of \$6,562.74 per year and increase the surety bond from \$10,000 to \$100,000, effective December 29, 2023.
2. Authorize the Executive Officer, or designee, to approve the annual deposits into the Certificate of Deposit account, beginning on December 29, 2023.