

# Staff Report 25

**ASSIGNOR:**

---

Bradley H. Smith, Trustee of the Smith Family 2001 Trust, UTD August 13, 2001

**ASSIGNEE:**

---

Port Isleton Marina, LLC, a California limited liability company

**PROPOSED ACTION:**

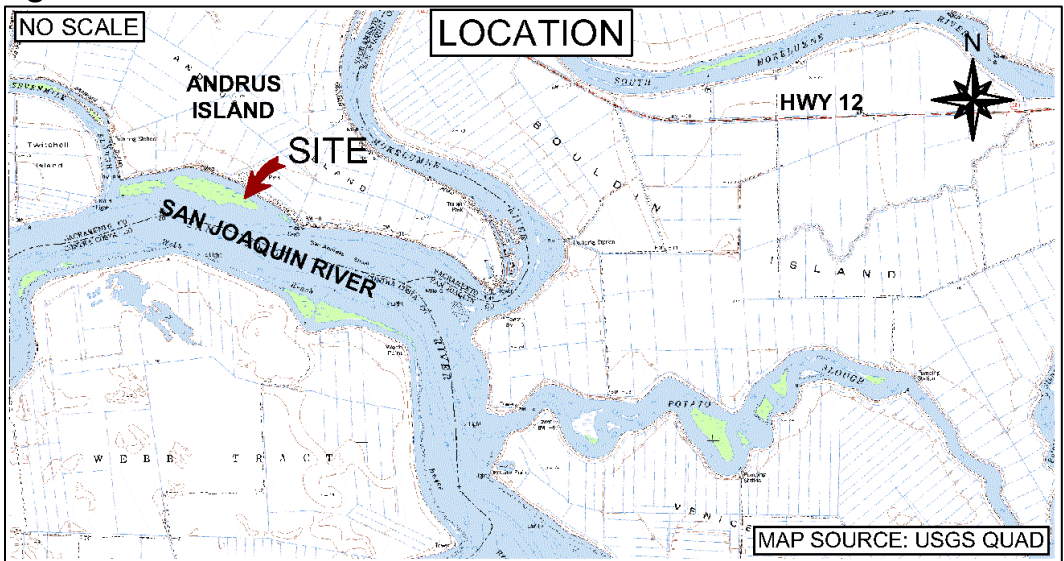
---

Assignment of a General Lease – Commercial Use.

**AREA, LAND TYPE, AND LOCATION:**

Sovereign land located in the San Joaquin River, adjacent to 822 West Brannan Island Road, on Andrus Island, near Isleton, Sacramento County (as shown in Figure 1, below).

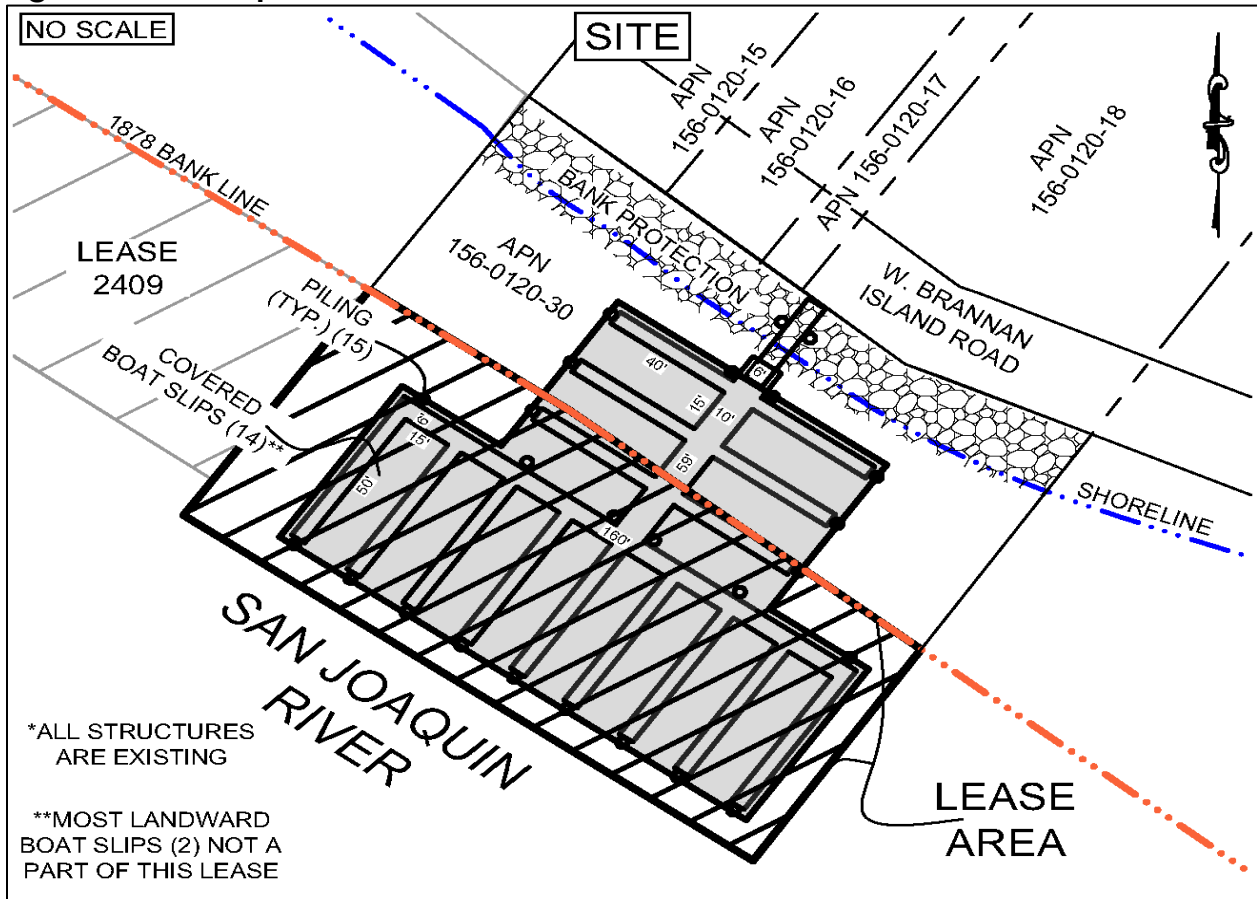
**Figure 1. Location**



**AUTHORIZED USE:**

Continued use, maintenance, and operation of an existing commercial marina, known as Easy C's Boat Sales and Marina, consisting of 12 covered berths and pilings (as shown in Figure 2, below).

**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 July 19, 2016.

**CONSIDERATION:**

\$902 per year, with an annual Consumer Price Index adjustment; and the State reserving the right to fix a different rent periodically during the lease term, as provided for in the lease.

**SPECIFIC LEASE PROVISIONS:**

- Liability insurance in an amount no less than \$2,000,000 per occurrence.

**STAFF ANALYSIS AND RECOMMENDATION:**

---

**AUTHORITY:**

Public Resources Code sections 6005, 6216, 6301, 6501.1, and 6503; California Code of Regulations, title 2, sections 2000 and 2003.

**PUBLIC TRUST AND STATE'S BEST INTERESTS:**

On April 20, 2017, the Commission authorized a 20-year General Lease – Commercial Use to Bradley H. Smith, Trustee of the Smith Family 2001 Trust, UTD August 13, 2001, for the continued use, maintenance, and operation of an existing commercial marina, known as Easy C's Boat Sales and Marina ([Item 27, April 20, 2017](#)). The subject improvements are in the San Joaquin River (River), adjacent to 822 West Brannan Island Road, on Andrus Island, near Isleton, in Sacramento County. The improvements consist of 12 covered berths and pilings on sovereign land in the River. On November 23, 2021, the upland and marina were transferred to Port Isleton Marina, LLC, a California limited liability company. The Assignor and Assignee are applying for an Assignment of Lease Number 7699, a General Lease – Commercial Use. The current Lessee supports the assignment of lease to the new owner.

Staff recommends an assignment of lease to reflect the change in ownership from Assignor to Assignee. The effective date of the assignment would be November 23, 2021, to coincide with the Assignee's purchase of the upland property. The Assignee is qualified to hold the lease. The lease is in good standing, and staff has not discovered any information that would provide a basis for withholding consent for the assignment. Staff believes that assigning the lease is in the State's best interest to ensure that a capable lessee is committed to managing the improvements and fulfilling the lease obligations. The proposed assignment does not alienate the State's fee simple interest or permanently impair public rights.

Under the terms of the current lease, the lessee is required to maintain liability insurance and a surety bond in the amount of \$20,000. These amounts are subject to increase over the lease term and serve to mitigate costs that might otherwise be shouldered by the State, including when the State must take restorative actions on the leased premises upon lease termination or abandonment of the lease premises.

The surety bond will be reviewed at the time the Commission considers a new lease. The lease terms and conditions include indemnification and protection of the State's interest.

The lease premises are improved and used for water-dependent activities such as boating and fishing. These activities are consistent with Public Trust use. Approval of this lease assignment will not result in a change in the use of, or impacts to, Public Trust resources at this location, at this time, and for the remaining term of the lease. For these reasons, staff recommends finding the proposed actions are in the best interests of the State.

**CLIMATE CHANGE:**

Climate change impacts, including sea level rise, more frequent and intense storm events, and increased flooding and erosion affect both open coastal areas and inland waterways in California. The subject facilities are located on the San Joaquin River, in a tidally influenced site vulnerable to flooding at current sea levels and at a higher risk of flood exposure given projected scenarios of sea level rise.

The California Ocean Protection Council updated the *State of California Sea-Level Rise Guidance* in 2018 to provide a synthesis of the best available science on sea level rise projections and rates. Commission staff evaluated the “high emissions,” “medium-high risk aversion” scenario to apply a conservative approach based on both current emission trajectories and the lease location and structures. The San Francisco tide gauge was used for the projected sea level rise scenario for the region as listed in Table 1.

**Table 1. Projected Sea Level Rise for San Francisco**

Year	Projection (feet)
2030	0.8
2040	1.3
2050	1.9
2100	6.9

Source: Table 13, [State of California Sea-Level Rise Guidance: 2018 Update](#)

Note: Projections are with respect to a 1991 to 2009 baseline.

This effect could increase the San Joaquin River's inundation levels within the lease area over the term of the lease. In addition, as stated in [Safeguarding California Plan: 2018 Update](#) (California Natural Resources Agency 2018), climate change is projected to increase the frequency and severity of natural disasters related to flooding and storms (especially when coupled with sea level rise). In rivers and

tidally influenced waterways, more frequent and powerful storms can result in increased flooding conditions and damage from storm-created debris as well as decreased bank stability and structure. Conversely, climate-change induced droughts could decrease river levels and flow for extended periods of time. Climate change and sea level rise will further influence riverine areas by changing erosion and sedimentation rates. Flooding and storm flow, as well as runoff, will likely increase scour and decrease bank stability at a faster rate.

The combination of these projected conditions could increase the likelihood of damage and affect access to structures within the lease premises during the term of the lease. For example, the potential for more frequent and stronger storm events may expose the lease area structures to higher flood risks and cause facilities to be damaged or dislodged, presenting hazards to public safety as well as dangers for navigation within the channel. Lowered water levels could also reduce navigability of the channel, thereby increasing hazards and impacting the function and utility of the lease area structures.

The lease is a 20-year General Lease – Recreational Use that began on July 19, 2016, and may be subject to the climate change effects of the projected sea level rise scenario provided above. Regular maintenance, as referenced in the lease, may reduce the likelihood of severe structural degradation or dislodgement. Further climate change impact analyses on the leased facilities would be assessed if a new lease is considered in 2036, and would be based on projected climate change and sea level rise scenarios at that time.

### **CONCLUSION:**

For all the reasons above, Commission staff believes the approval of this lease assignment will not result in a change in the use of, or impacts to, Public Trust resources at this location, at this time, and for the remaining term of the lease; and is in the best interests of the State.

### **OTHER PERTINENT INFORMATION:**

---

1. Approval or denial of the application for assignment of lease is a discretionary action by the Commission. Each time the Commission approves or rejects a use of sovereign land, it exercises legislatively delegated authority and responsibility as a trustee of the State's Public Trust lands authorized by law. The Lessee has no right to a new lease or to renewal of any previous lease.

2. This action is consistent with addressing the challenges and opportunities described in the Commission's 2021-25 Strategic Plan.
3. Assignment of lease 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:

### **PUBLIC TRUST AND STATE'S BEST INTERESTS:**

Find that the proposed assignment of lease will not substantially impair the public rights to navigation and fishing or substantially interfere with Public Trust needs and values at this location, at this time, and for the remaining term of the lease; is consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

### **AUTHORIZATION:**

Authorize assignment of Lease PRC 7699, a General Lease – Commercial Use, from Bradley H. Smith, Trustee of the Smith Family 2001 Trust, UTD August 13, 2001 to Port Isleton Marina, LLC, a California limited liability company effective November 23, 2021, to coincide with the Applicant's acquisition of the upland property.