

# Staff Report 45

**LESSEE:**

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Vollman-Clark Ranch, LLC

**PROPOSED ACTION:**

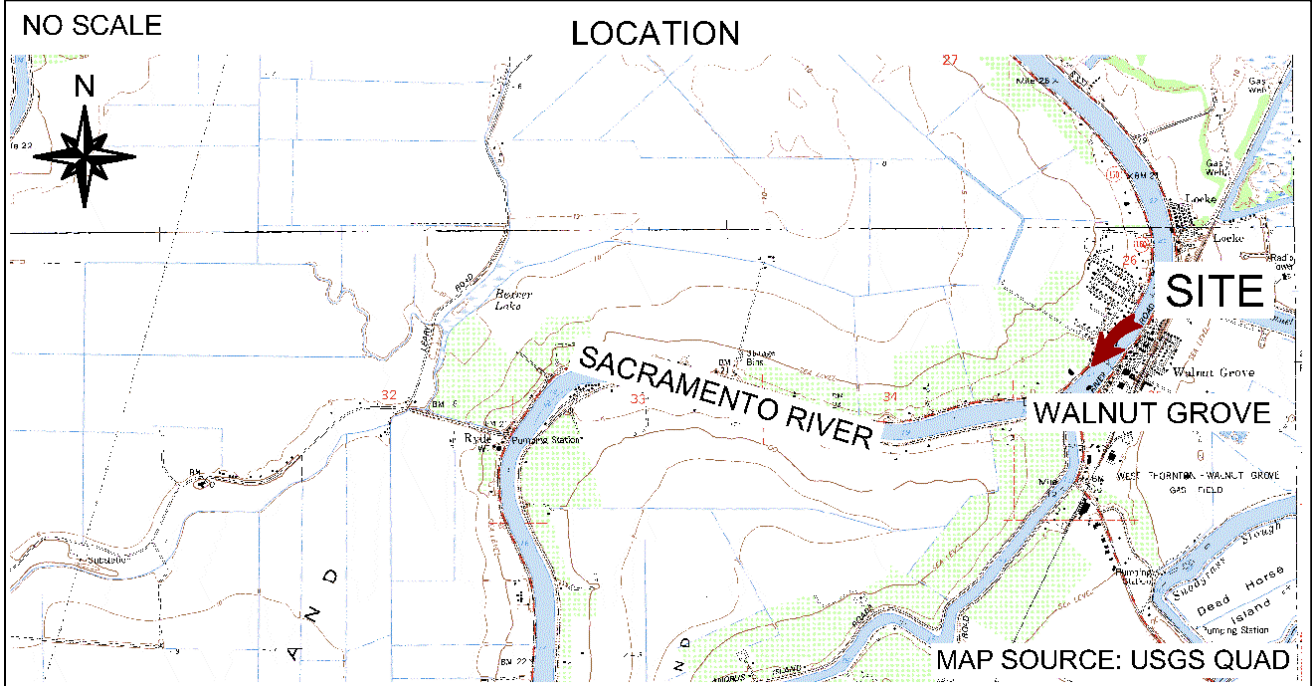
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Revision of Rent and Bond.

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

1.139 acres, more or less, of sovereign land in the Sacramento River, adjacent to 14180 River Road, Walnut Grove, Sacramento County (as shown in Figure 1).

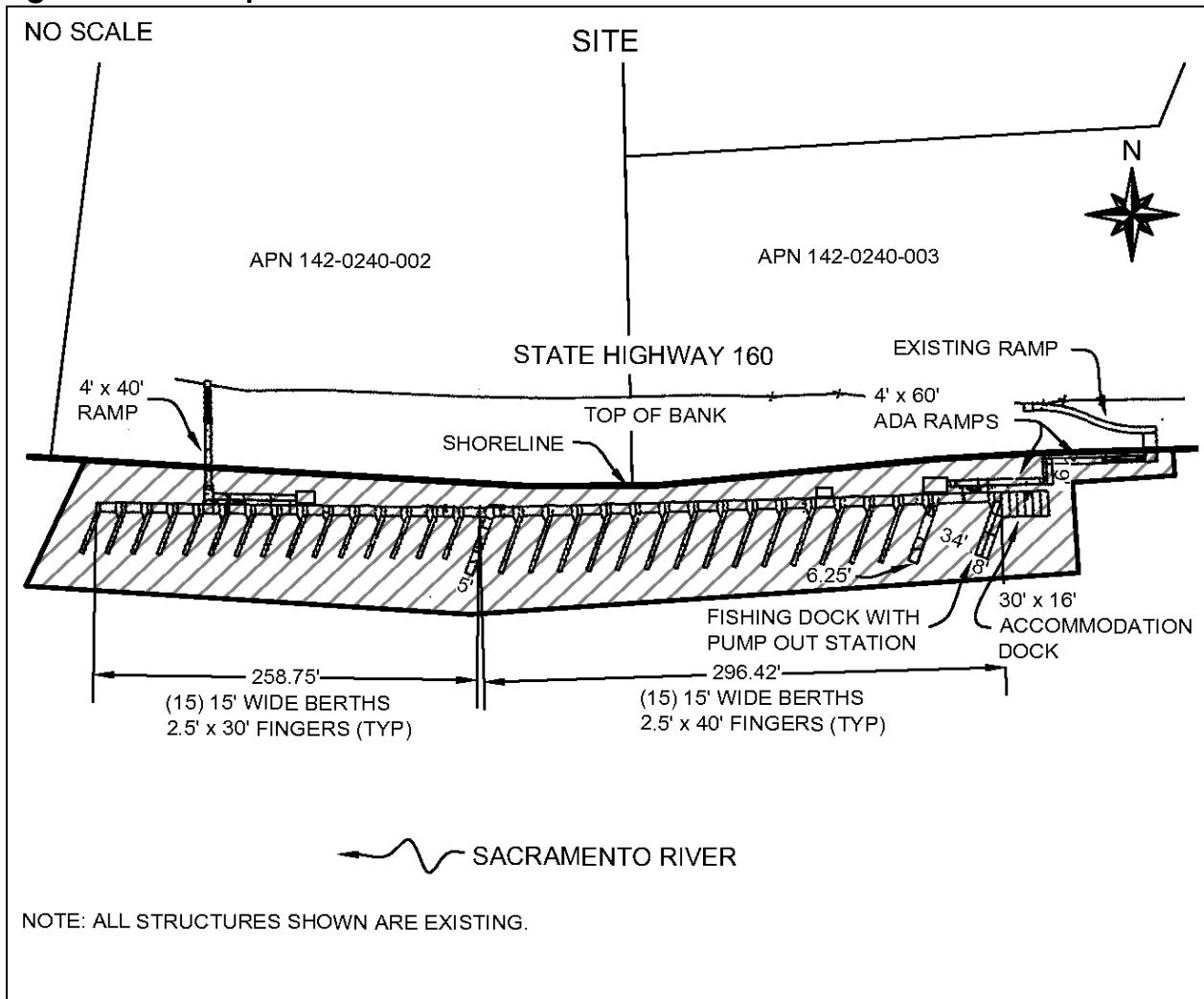
**Figure 1. Location**



**AUTHORIZED USE:**

Continued use and maintenance of a commercial marina, known as Dagmar's Landing, with improvements including: 130 covered berths; 27 pilings; two ramps; one sewage pump out; one public fishing dock; and one accommodation dock (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:**

26 years, beginning June 1, 2009.

**CONSIDERATION:**

The lease provides that Lessor may modify the rent every five years from the start date of the lease and may require an increase in the amount of the bond periodically during the lease term. Pursuant to this provision, staff conducted a review of the rent and bond under this lease and recommends that the base rent be revised from \$4,251 per year to \$4,487 per year and the bond increased from \$20,000 to \$35,000, effective June 1, 2024.

**OTHER PERTINENT INFORMATION:**

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1. Approval or denial of the revision of rent and bond is a discretionary action by the Commission. Each time the Commission approves or rejects a revision of rent and bonds, 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 1, 2009, the Commission authorized a 26-year General Lease – Commercial Use ([Item 27, June 1, 2009](#)) and an Assignment of Lease and an Agreement and Consent to Encumbrance of Lease to Wallace G. Clark and Carolyn Sue Clark, Trustees of the Wallace G. Clark and Carolyn Sue Clark Trust Dated February 18, 1997, Wallace Bradley Clark, Brian Marchini Clark, Dennis Edward Vollman and Ginger Lee Vollman as Trustees of the Dennis E. Vollman and Ginger L. Vollman 2006 Revocable Trust, Joanne Vollman, James B. Morey and Patricia J. Morey, and Marilyn A. Vollman, Trustee of the Mav Revocable Trust Dated July 8, 1997. On June 23, 2011, the Commission approved an Assignment of Lease from the lessees to Vollman-Clark Ranch, LLC and a new Agreement and Consent to Encumbrance of Lease ([Item 41, June 23, 2011](#)). On April 20, 2017, the Commission approved a continuation of rent, effective June 1, 2017 ([Executive Officer's Report, April 20, 2017](#)), and on April 5, 2019, the Commission approved a continuation of rent, effective June 1, 2019 ([Executive Officer's Report, April 5, 2019](#)).
3. Under the terms of the current lease, the lessee holds a surety bond in the amount of \$20,000. 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 appropriate where the rent is increased and to keep it consistent with estimated removal costs for similar facilities. Staff

recommends increasing the bond from \$20,000 to \$35,000 to minimize the gap between ability to pay and protecting the state's liability. The lease will expire on May 31, 2035.

4. This action is consistent with the "Address the 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 rent and 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:**

Approve the revision of rent for Lease PRC 7620 from \$4,251 per year to \$4,487 per year, and an increase in the bond from \$20,000 to \$35,000, effective June 1, 2024.