

Staff Report 50

LESSEE:

City of Avalon

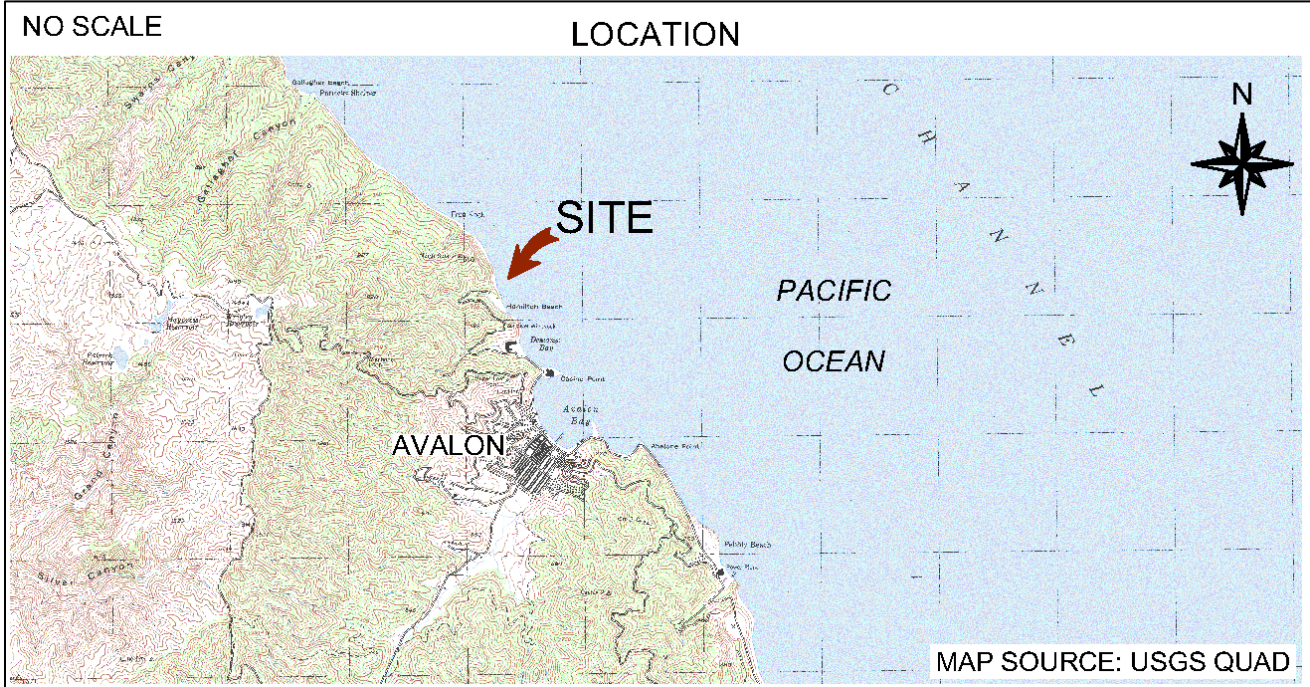
PROPOSED ACTION:

Revision of Rent.

AREA, LAND TYPE, AND LOCATION:

4.30 acres, more or less, of sovereign land in the Pacific Ocean, located in Hamilton Cove, near Avalon, Santa Catalina Island, Los Angeles County (as shown in Figure 1).

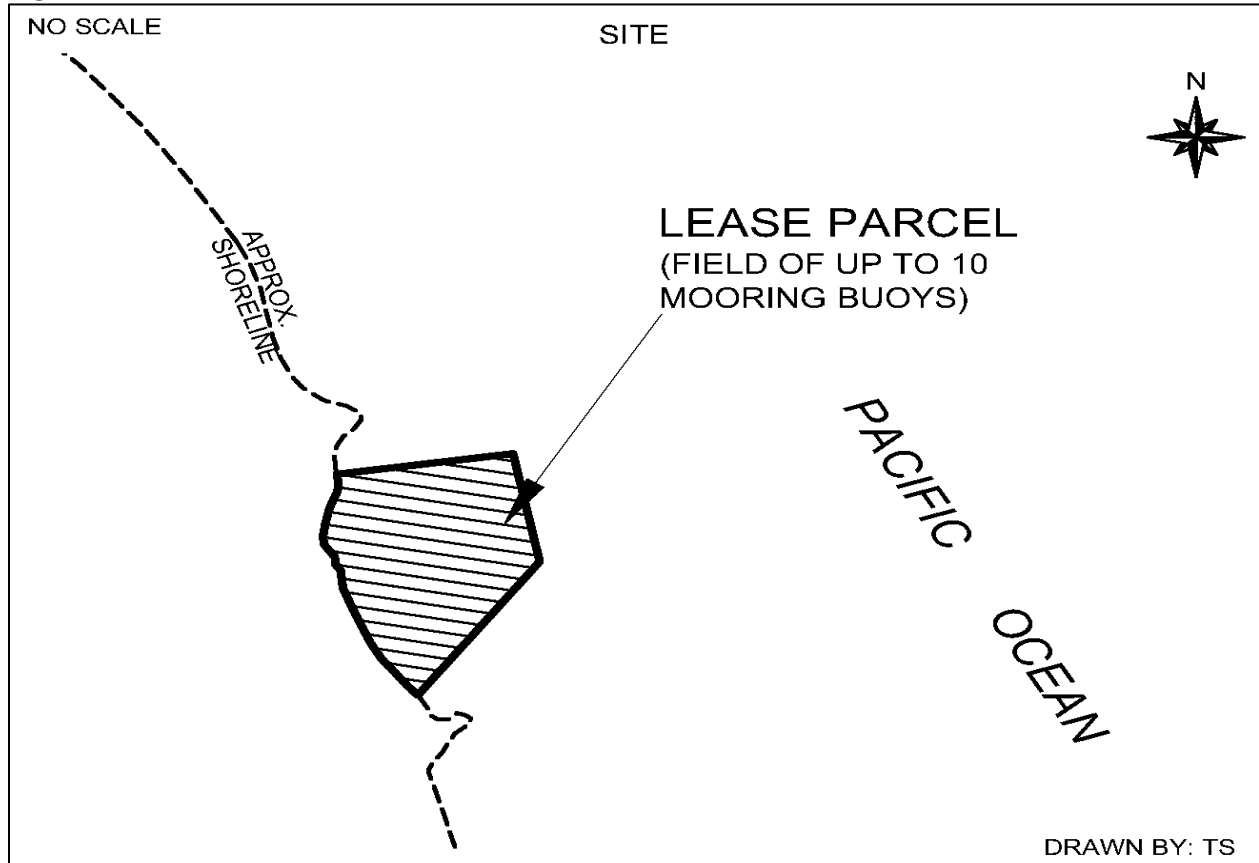
Figure 1. Location



AUTHORIZED USE:

Continued use and maintenance of 10 commercial moorings (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:

15 years, beginning July 1, 2014.

CONSIDERATION:

The lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff conducted a review of the rent under this lease and recommends that the base rent be revised from \$5,650 per year to \$9,634 per year, against 25 percent of gross income derived from the leased moorings, effective July 1, 2024.

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 Trust lands as authorized by law. The Lessee has no right to a new lease or to renewal of any previous lease.
2. On June 19, 2014, the Commission authorized a 15-year General Lease – Commercial Use ([Item 67, June 19, 2014](#)) to the City of Avalon. On December 18, 2015, the Commission authorized a rescission of the June 19, 2014, approval of lease ([Item 92, December 18, 2015](#)) and authorized issuance of a new lease. The prior lease had not been executed and the parties agreed to remove the bond provision in a new lease. On June 28, 2019, the Commission authorized a revision in the annual base rent from \$4,850 to \$5,650, effective July 1, 2019 ([Item 59, June 28, 2019](#)). The lease will expire on June 30, 2029.
3. 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.
4. 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 Resource 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 rent for Lease PRC 6696 from \$5,650 per year to \$9,634 per year, effective July 1, 2024.