

MEMORANDUM

To: Brian Bugsch, Chief 
Land Management Division

Date: February 28, 2025

File: W 27279

From: Chaun Wong, Associate Property Appraiser
Land Management Division

**Subject: San Pablo Bay Category 1 Benchmark 2025
Contra Costa, Solano, Sonoma, Marin, and Napa Counties**

The San Pablo Bay Category 1 Benchmark is a newly proposed benchmark. It should be noted, the San Pablo Bay is currently a submarket area of the geographically larger Category 1 San Francisco Bay Area Benchmark which was last updated by staff of the California State Lands Commission (Commission) in 2022. Upon further investigation of the San Francisco Bay Area Benchmark and its various submarkets, staff believes that a more specific benchmark should apply to the San Pablo Bay, currently the lowest of the group. The San Pablo Bay Benchmark follows essentially the same methodology as used in the prior San Francisco Bay Area benchmark, except now it is more location specific to just the San Pablo Bay. Reference is made to the 2022 study for additional background material that may be needed for the reader to more fully understand what the benchmark is used for and how it is set.

The recommended benchmark is summarized in the following table.

Table 1. San Pablo Bay Benchmark Summary

Benchmark Date	Rental Rate (per sq. ft.)
2025	\$ 0.210

An appraisal is the act or process of developing an opinion of value that must be numerically expressed as a specific amount, as a range of numbers, or as a relationship to a previous value opinion or numerical benchmark. This report constitutes an appraisal as defined by the Uniform Standards of Professional Appraisal Practice (USPAP). Accordingly, this appraisal has been performed, and the report has been prepared in substantial compliance with USPAP. The compiled research, analyses, and conclusions presented in this appraisal represent a correlation of market rents into benchmark rental rates for private recreational facilities (e.g., docks and piers) located on San Pablo Bay. The benchmark is intended to be used by Commission staff for rent setting purposes.

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Benchmarks establish uniform rental rates in specific geographic regions with concentrations of similar facilities within the Commission's jurisdiction. (Cal. Code Regs., tit. 2, § 2003, subd. (a)(5).) For proposed leases involving certain types of improvements or uses in regions where benchmarks have been approved, staff will recommend annual rent based on the applicable benchmark and the lease area. Benchmark rental rates are based on an analysis of similar uses or substitute facilities in the local area. Generally, staff recommend updates to the benchmarks every 5 years. The use of benchmarks improves consistency and transparency throughout a geographic region, improves staff efficiency in setting and adjusting rent for large numbers of leases, and saves time and money for both the applicant and the State.

Introduction

Leases are issued by the California State Lands Commission for private recreational facilities – such as docks and piers – located on sovereign lands. These facilities offer a substitute for the essential functions of a commercial marina, such as a place for the docking and mooring of boats and the loading and unloading of passengers and equipment. In a market where there is significantly more demand than supply, these private structures afford the upland owners guaranteed access to mooring facilities that they may not otherwise be able to obtain from commercial marinas. In this manner, these privately-owned facilities represent a substitute for a commercial marina slip. Accordingly, the method of valuation used in estimating a fair rental value in this analysis is based on what an individual would pay for a similar substitute site in a commercial marina.

Since a Commission-leased site for a privately-owned pier or dock substitutes for the essential functions of a marina slip, a lessee of the state land should pay a similar amount for the leased site as the state would receive for leasing the land to a commercial marina.

Scope

The scope of the research included the following:

- Identifying marinas with boat slips in the San Pablo Bay.
- Surveying the number and type of moorings at marinas (berths / slips), occupancy rate, mooring sizes, and rates.

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- Compiling the survey results into averages for slip size and rate.
- Using the "Layout and Design Guidelines for Marina Berthing Facilities" publication (last updated July 2005) from the State Department of Boating and Waterways to determine the amount of submerged land area necessary to accommodate a given mooring size.
- Calculating the annual rental rate(s) using the above information and State valuation guidelines.

A total of nine marinas were investigated. Of the nine marinas, a total of eight marinas were surveyed on the attached Marina Survey spreadsheet. The marina excluded from the survey did not participate. The eight marinas used in this analysis rent slips on a monthly basis, which is considered closest to the long-term use of a private dock by a Commission lessee.

Methodology

In order to determine the benchmark rent for a leased area (pier, dock, etc.), it is necessary to determine the income that can typically be generated by a commercial marina; the area occupied by the average or typical marina slip in a well-designed marina; and the rent for that average or typical sized boat. An annual rate of return is then applied to the product of the above.

The Commission typically charges 5 percent of gross income for boat berthing for sites leased to commercial marina operators.

Berth / Slip Rent

The San Pablo Bay is a tidal estuary that forms the northern extension of the San Francisco Bay in the East Bay and North Bay regions of the San Francisco Bay Area in northern California. The bay is shared between Contra Costa County on the southern and eastern shore, and Solano, Sonoma and Marin Counties on the northern and western shores. It should be noted that Napa County also connects to the San Pablo Bay, but indirectly, through the waterways of the Napa Slough and Sonoma Creek, the Napa-Sonoma Marshes, and the Napa River which flows into the Carquinez Strait via the Mare Island Strait near its entrance into the bay.

Within these identified boundaries, the survey found that the average berth size was approximately 35 linear feet.

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The responding marinas reported a total of 1,740 slips, or an average of 218 slips per marina. The average occupancy was reported at 65.70 percent.

Berthing rates are reported on a per linear foot basis. The berthing rate averages, based on data collected, ranged from \$6.51 to \$13.50 per linear foot and had an overall average rent of \$10.27 per linear foot.

The benchmark rental rate for berths is calculated by multiplying the average berth length by the overall average monthly rental rate. This product is then multiplied by 12 months to arrive at the gross annual income. The gross annual income is multiplied by 5 percent to get the income attributable to the submerged land. The income attributable to the submerged land is then divided by the amount of submerged land needed to accommodate the average berth length within a marina.

The submerged land area needed to accommodate an average berth is found in a publication entitled "Layout and Design Guidelines for Small Craft and Berthing Facilities" by the California Department of Boating and Waterways last updated in 2005. The publication can be requested from the Department of Boating and Waterways through their website at <https://dbw.parks.ca.gov/pages/28702/files/Guide05.pdf>. This publication provides formulas and tables for calculating the submerged land area needed to accommodate various sizes and layouts of berths in marinas. Among other variables, the formulas take into account the berth length, berth layout (single vs. double), and the type of vessel (powerboat vs. sailboat). The submerged land area used in this benchmark analysis is based on a double berth layout (on the premise that it represents the typical marina berth layout in the area and is the most economically efficient for the marina operator) and represents an average of the powerboat and sailboat areas.

From the tables in the publication, a submerged area of 1,049 square feet is shown as being necessary to accommodate the 35-foot average slip length indicated by the survey for San Pablo Bay. Taking all of the aforementioned into account, the current benchmark rental rate for San Pablo Bay is calculated as follows:

- Average berth rate: \$10.27
- Average boat length: 35 linear feet
- Submerged land area necessary to accommodate a 35-foot boat slip: 1,049 sq. ft.

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- Percent of income attributable to the submerged land: 5 percent

Benchmark Rental Rate = \$0.210 per sq. ft.

The indicated benchmark rental rate for San Pablo Bay is \$0.210 per square foot.

Table 2. Marina Survey – San Pablo Bay

Number	Name	Total Slips	Occupancy Rate	Occupied Slips	Average Length	Average Rate
1	Benicia Marina	269	N/A	N/A	36	\$13.35
2	Glen Cove Marina	194	75%	146	34	\$10.83
3	Lowrie Yacht Harbor	95	90%	86	39	\$9.00
4	Martinez Marina	278	48%	133	34	\$6.51
5	Napa Valley Marina	163	85%	139	35	\$10.03
6	Petaluma Marina	163	36%	59	31	\$8.58
7	San Rafael Yacht Harbor	160	N/A	N/A	37	\$13.50
8	Vallejo Municipal Marina	418	60%	251	37	\$10.32
	Averages		65.7%		35	\$10.27