

Staff Report 36

LESSEE:

Port Sonoma Associates, Inc.

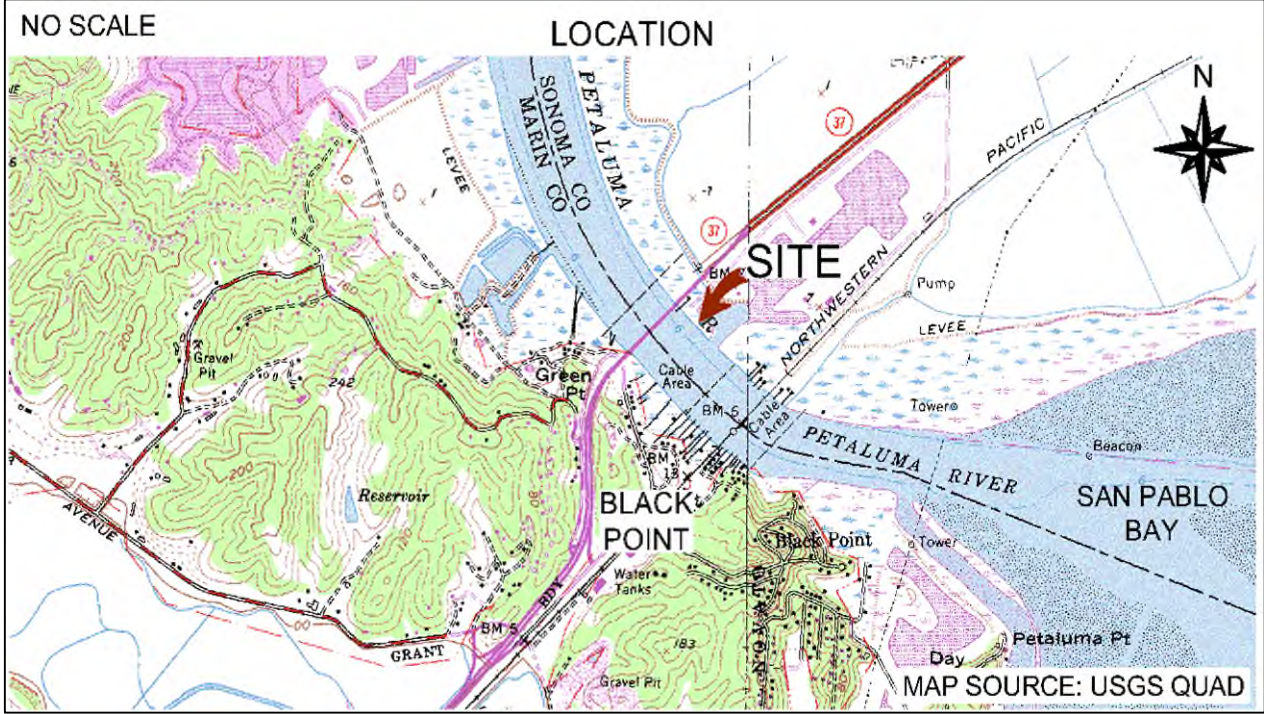
PROPOSED ACTION:

Revision of Rent and Surety Bond.

AREA, LAND TYPE, AND LOCATION:

1.55 acres, more or less, of sovereign land in the Petaluma River, near Black Point, Marin and Sonoma Counties (as shown in Figure 1).

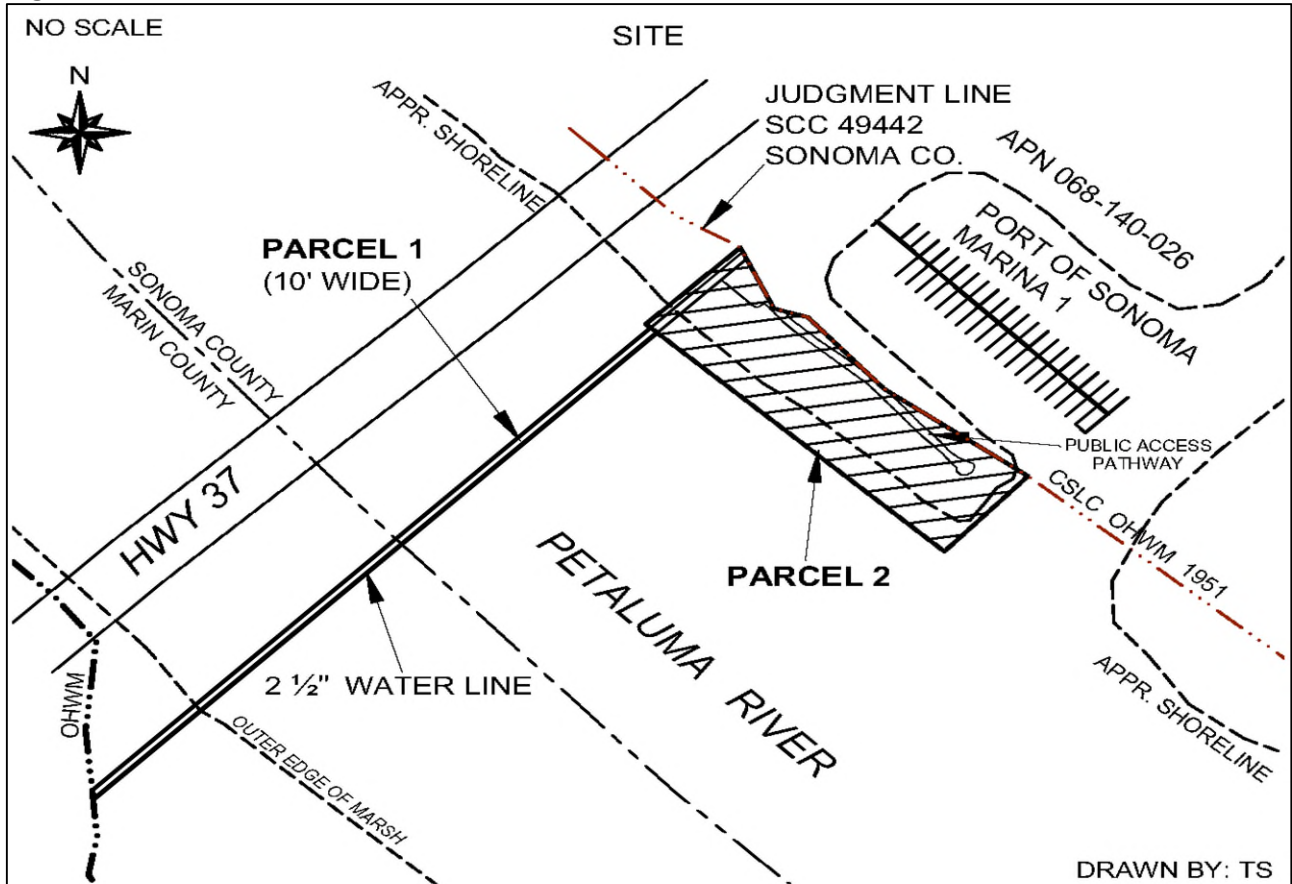
Figure 1. Location



AUTHORIZED USE:

Continued use and maintenance of a potable water pipeline and fill with a public access walkway (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:

49 years, beginning April 1, 1979.

CONSIDERATION:

The lease provides that Lessor may modify the rent and bond periodically during the lease term. Pursuant to this provision, the staff has conducted a review of the rent and bond under this lease and recommends that the rent be revised from \$6,276 per year to \$7,988 per year, and an increase in the bond from \$5,000 to \$170,000, effective April 1, 2025.

OTHER PERTINENT INFORMATION:

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 bond, 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 April 26, 1979, the Commission authorized a 49-year General Lease – Right-of-Way Use to Shellmaker, Inc for the construction and maintenance of a potable water pipeline crossing the Petaluma River from the North Marin County Water District to the Port Sonoma marina property ([April 26, 1979, Item 06](#)), near Black Point, Marin and Sonoma counties. Over the past 40+ years, the Commission has authorized multiple assignments, amendments, and revisions in rent. Between 1984 and 1989, the Commission authorized three assignments, a rent review, and an amendment of lease authorizing existing fill, used as a protective structure, with a public access walkway on top of the fill as required by the San Francisco Bay Conservation and Development Commission ([April 26, 1989, Item 19](#)). Between 1990 and 1999, the Commission authorized two revisions of rent and two assignments of the lease, and on February 8, 2000, the Commission authorized an assignment of lease from Desert Aggregates, Inc. to Port Sonoma Associates, LLC and an amendment revising the bond from \$1,000 to \$5,000 and liability insurance from \$300,000 to \$1,000,000 ([February 8, 2000, Item 34](#)). Between 2004 and 2019, the Commission authorized three revisions of rent from \$3,107 to \$6,276 per year ([December 6, 2019, Item 19](#)). The lease will expire on March 31, 2028.
3. Under the terms of the current lease, the lessee holds a surety bond in the amount of \$5,000. 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 actions to restore the lease premises. A bond adjustment is appropriate where there is a rent increase. Staff recommends increasing the bond from \$5,000 to \$170,000.
4. This action is consistent with the “efficient and effective management of the revenue generation portfolio” and “addresses current and future risk and liabilities” elements 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, sections 15060, subdivision (c)(3), and 15378, subdivision (b)(5).

RECOMMENDED ACTION:

It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease PRC 5650 from \$6,276 per year to \$7,988 per year and increase the bond from \$5,000 to \$170,000, effective April 1, 2025.