

# Staff Report 46

**LESSEE:**

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Riverside, Ltd.

**PROPOSED ACTION:**

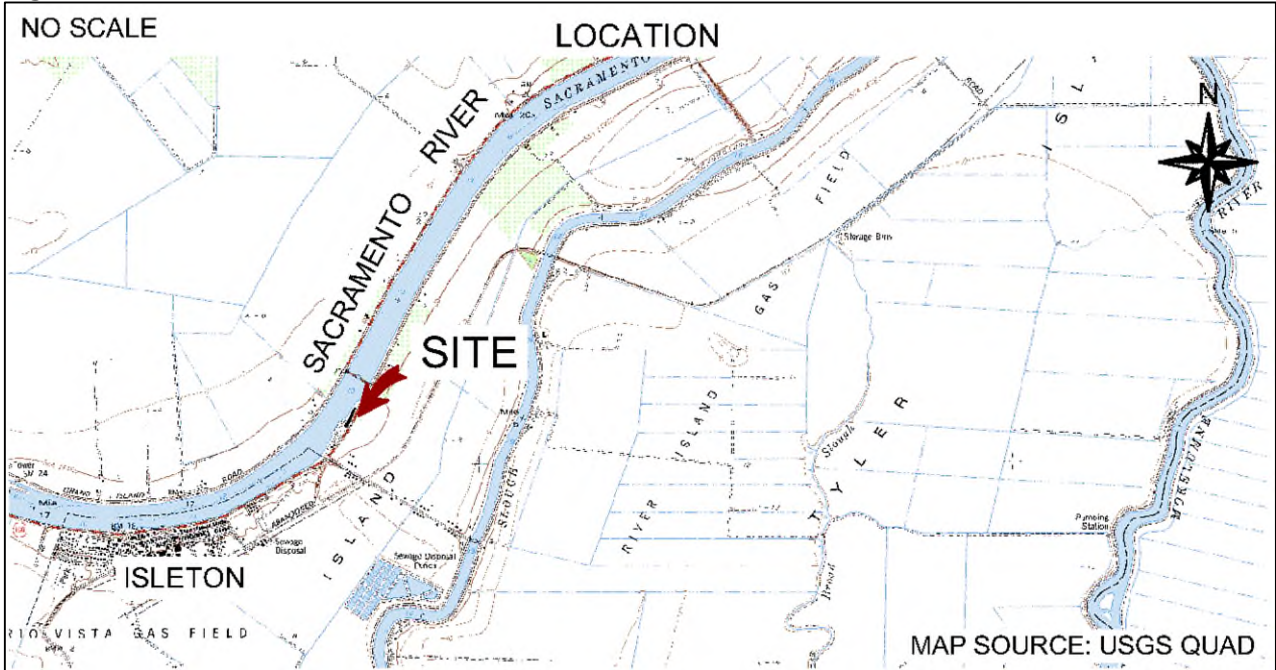
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Continuation of Rent and Revision of Bond.

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

0.554 acres, more or less, of sovereign land in the Sacramento River, located adjacent to 14712 State Highway 160, near Isleton, Sacramento County (as shown in Figure 1).

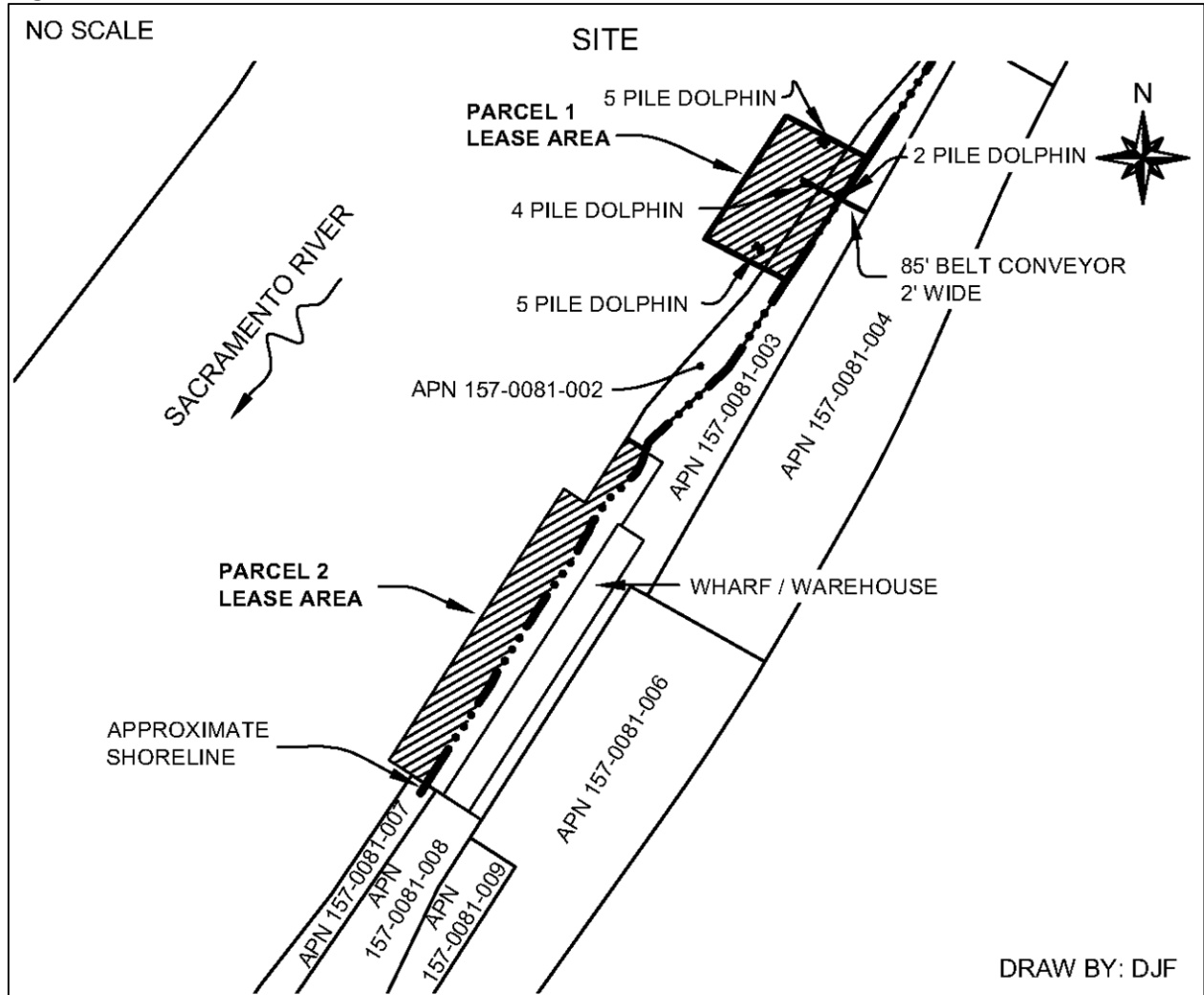
**Figure 1. Location**



**AUTHORIZED USE:**

Continued use and maintenance of one two-pile dolphin, two five-pile dolphins, one four-pile dolphin, a belt conveyor and wharf (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:**

20 years, beginning November 20, 2010.

**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 continued at \$8,780 per year, adjusted annually by the Consumer Price Index (CPI), and the bond increased from \$50,000 to \$100,000, effective November 20, 2025.

**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 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 December 5, 2012, the Commission authorized a 20-year General Lease – Industrial Use to Riverside LTD., a Limited Partnership ([Item 16, December 5, 2012](#)) for 0.554 acres, more or less, of sovereign lands in the Sacramento River, adjacent to 14712 State Highway 160, near Isleton, Sacramento County for one two-pile dolphin, two five-pile dolphins, one four-pile dolphin, a belt conveyor and wharf. On October 22, 2020, the Commission authorized a revision of rent ([Item 29, October 22, 2020](#)) from \$2,971 to \$7,058 per year, effective November 20, 2020.
3. The Commission requires a bond or security instrument to protect the interest of the state as it relates to rent payments and lease provision compliance, especially the requirement to restore the leased premises upon lease termination. The lease currently requires a bond or security instrument in the amount of \$50,000. Staff attempted to obtain an estimate of cost for removal but were unsuccessful. Staff recommend increasing the surety bond to \$100,000 to account for inflation and the increased need for security to adequately cover the potential costs of restoration and compliance with lease provisions. This is consistent with the approach taken for other similar leases.
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 continuation of rent and revision of 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:**

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It is recommended that the Commission:

### **AUTHORIZATION:**

Approve the continuation of rent for Lease PRC 562 at \$8,780 per year, adjusted annually by CPI, and an increase in the bond from \$50,000 to \$100,000, effective November 20, 2025.