

Staff Report 03

APPLICANT:

Louis Bonacich, Trustee of the Bonacich Family Trust dated July 4, 2011

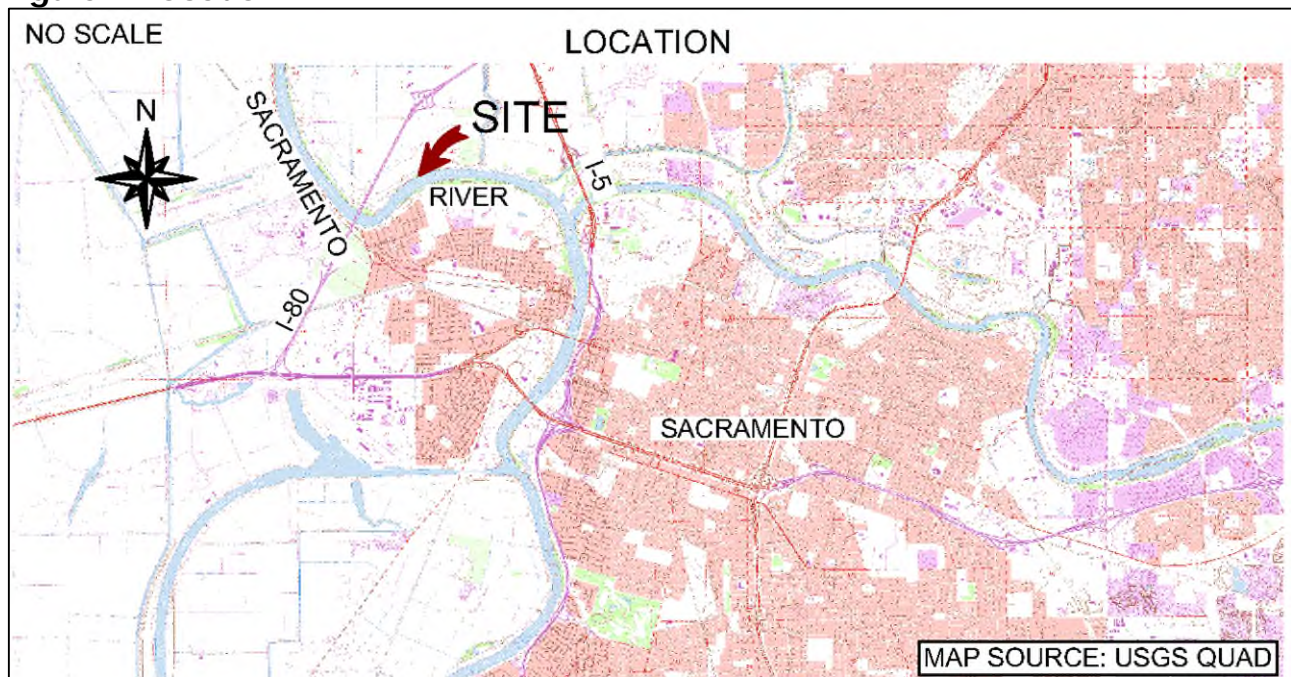
PROPOSED ACTION:

Termination of Lease Number 5188, a General Lease – Commercial Use, Termination of Lease Number 5382, a General Lease – Recreational Use, and Issuance of a General Lease – Commercial Use.

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Sacramento River, adjacent to 1951 and 1957 Garden Highway, near Sacramento, Sacramento County (as shown in Figure 1).

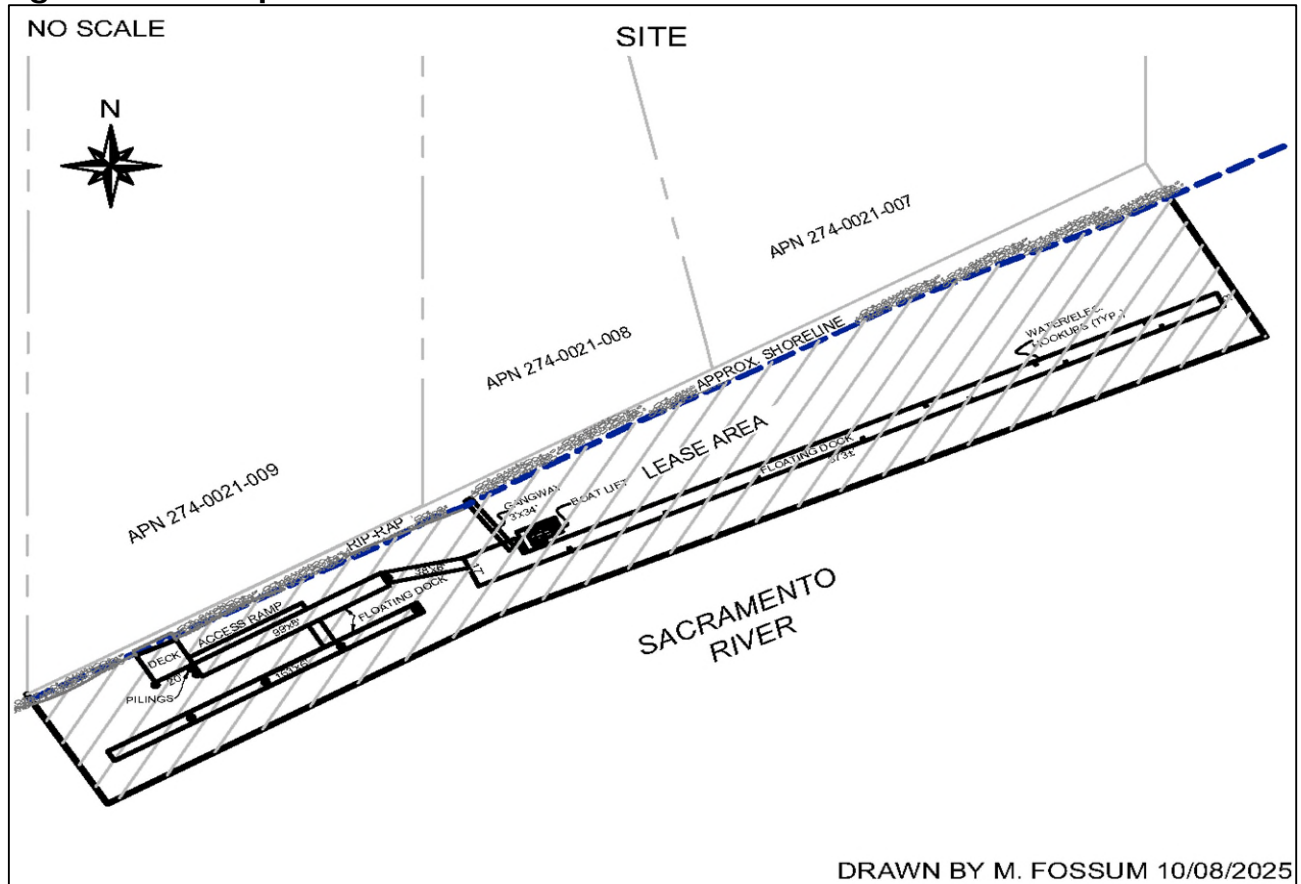
Figure 1. Location



AUTHORIZED USE:

Operation and use of an existing commercial marina, known as Juluka Landing, consisting of boat docks, appurtenant facilities, and bank protection; and construction of additional dock length (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 December 16, 2025.

CONSIDERATION:

\$3,520 per year, with an annual Consumer Price Index adjustment and the State reserving the right to fix a different rent periodically during the lease term, as provided for in the lease; and \$57 to compensate for the unauthorized occupation of state sovereign land for the period prior to December 16, 2025.

SPECIFIC LEASE PROVISIONS:

- Surety or other security instrument in the amount of \$100,000.
- The lease contains provisions requiring implementation of the Commission's "Best Management Practices for Marina Owners/Operators" and encouraging implementation of the Commission's "Best Management Practices for Berth Holders and Boaters," including additional Best Management Practices (BMPs) the Commission subsequently deems appropriate for either of the above categories.
- Lessee or its operators may issue, without Lessor's prior approval, individual berthing subleases in conjunction with normal commercial marina subleasing practices for terms of one year or less.
- Within 60 days of completing the construction of authorized improvements, Lessee will provide Lessor with photographs and a set of "as-built" plans that will show where the improvements have been placed. Lessor shall then replace Exhibit A, "Land Description," and Exhibit B, "Site and Location Map," to the Lease as necessary to accurately reflect the final location of the authorized improvements. Once approved by the Lessor's Executive Officer or designee and Lessee, the revised Exhibits shall replace the Exhibits incorporated in the Lease at the time of Lease execution. The replaced Exhibits shall be incorporated in the Lease as though fully set forth therein.
- Construction activities will be performed pursuant to the specific terms identified in the Lease, including that the Applicant obtain all necessary permits and authorizations prior to commencing work, including requirements pertaining to construction equipment, debris, and the provision to Lessor of specified documents related to the construction activities.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6216, 6301, 6501.1, and 6503; California Code of Regulations, title 2, sections 2000 and 2003.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

On June 21, 2018, the Commission authorized the issuance of Lease 5382, a General Lease – Recreational and Protective Structure Use, to Mohammad Reza

Zamiri and Azar Ghafouri Zamiri, for the use and maintenance of two existing boat docks, ramp, deck, nine pilings, and bank protection ([Item 54, June 21, 2018](#)). Lease 5382 expires November 29, 2027.

On May 24, 2012, the Commission authorized Lease 5188, a General Lease – Commercial Use, to Steven G. Kuhn and Carol A. Kuhn, Trustees of the Kuhn and Van Bruggen Declaration of Trust established February 19, 1998, for the use and maintenance of an existing commercial marina, commonly known as Juluka Landing, consisting of a boat dock and appurtenant facilities ([Item 9, May 24, 2012](#)). On April 29, 2020, the Commission authorized the assignment of Lease 5188 to Louis Bonacich, Trustee of the Bonacich Family Trust dated July 4, 2011 ([Item 34, April 29, 2020](#)). Lease 5188 expires June 30, 2027.

On October 11, 2024, ownership interest in the property upland of Lease 5382 was transferred from Mohammad Reza Zamiri and Azar Ghafouri Zamiri to the Bonacich Family Trust dated July 4, 2011.

The Applicant is now applying for the termination of Lease 5382, the termination of Lease 5188, and the issuance of a General Lease – Commercial Use to combine the improvements under both leases and authorize the combined commercial marina consisting of two boat docks, appurtenant facilities, and bank protection, and the construction of additional dock length to connect the existing facilities. Staff recommends accepting compensation for the unauthorized occupation of sovereign land in the amount of \$57 for the period prior to the start of the proposed lease. The lease provisions regarding indemnity will apply from October 11, 2024, the day ownership of the property upland of Lease 5382 was transferred, through December 15, 2025, the day before the beginning of the new lease, ensuring the State is protected.

The Applicant has received approval from the California Department of Fish and Wildlife and is currently seeking approval from the Central Valley Flood Protection Board for the construction of the additional dock length, which will be floated in and tied on to the already existing pilings.

The subject commercial marina directly promotes Public Trust uses. The marina facilities accommodate, promote, and foster the public's need for maritime services and the public's enjoyment of the State's waterways. Recreational boating is a water-dependent use that is generally consistent with the common law Public Trust Doctrine. The adjacent upland is developed as a commercial marina and parking area for recreational vehicles.

The bank protection protects the upland property and maintains the integrity of the river, which will help protect the Public Trust resources for recreational and navigational use by the public. The facilities are located directly adjacent to the upland property and occupy a relatively small area of the river.

The proposed lease includes certain provisions and best management practices intended to protect the public use of the proposed lease area, including a limited lease term of 15 years. The facilities have existed at this location for many years; they do not significantly alter the land, they do not permanently alienate the State's fee simple interest in the underlying land, and they do not permanently impair public rights. Upon termination of the lease, the lessee may be required to remove any improvements and restore the lease premises to their original condition. Furthermore, the lease requires that the lessee insure the lease premises and provide a bond or other form of financial security for the faithful performance of the lease obligations. The proposed agreement would require the lessee to provide surety in the amount of \$100,000. The lease also requires the payment of annual rent to compensate the people of the State for the occupation of the public land involved.

CLIMATE CHANGE:

INTRODUCTION:

The climate crisis and rising sea levels are impacting California's coastal and inland waterways now. Likely impacts to the lease premises include, but are not limited to, sea level rise, saltwater intrusion, prolonged drought, extreme heat, and changes to the intensity and timing of precipitation events. These impacts can exacerbate natural hydrological processes such as erosion, scour, and sedimentation. These impacts may affect the existing commercial marina subject to the proposed lease, located on the Sacramento River.

DATA & PROJECTIONS:

Water levels in tidally-influenced rivers will rise as sea levels rise. The California Ocean Protection Council updated the [State of California Sea Level Rise Guidance](#) in 2024 to provide a synthesis of the best available science on sea level rise projections and rates for multiple emissions scenarios. Commission staff evaluated the "intermediate" scenarios due to the lower vulnerability and exposure of the lease location and the adaptability of the existing facilities. The San Francisco tide

gauge was used for the projected sea level rise scenario for the region, as listed in Table 1.

Table 1. Projected Sea Level Rise for San Francisco

Year	Intermediate (feet)	High (feet)
2040	0.6	0.8
2050	0.8	1.3
2070	1.4	2.9
2100	3.1	6.5

Source: Table 6, State of California Sea Level Rise Guidance: 2024 Update

Note: Projections are with respect to a 2000 baseline.

In addition to rising seas, warmer temperatures have led California and the Southwest region to experience a megadrought from 2000 to 2022, measured as the driest 22 years in the past 1200 years, and more megadroughts are projected through the end of the century (U.S. Global Change Research Program, Ch. 28. Southwest. In: [Fifth National Climate Assessment](#). 2023.). Hotter and drier conditions have led to declines in snowpack volumes, higher-elevation snow lines, earlier snowmelt, and reduced overall runoff. Streamflow and river volumes are lower and will be drawn down farther as temperatures continue to rise and demand for water increases. Despite the region's increasing aridity, flooding from extreme precipitation events is projected to increase, attributed to earlier snowmelt, sea level rise, and more intense and frequent atmospheric rivers. Minor and moderate flooding (flooding events defined as disruptive to damaging), attributed to higher water levels, is expected to increase five to ten orders of magnitude by 2100, according to [NOAA's 2022 Sea Level Rise Technical Report](#).

ANALYSIS:

The lease premises are likely to experience more extreme conditions over the lease term than in the past, due to climate change. Changes to the timing and amount of runoff from the higher elevations of the watershed, stronger storm surge, and rising water levels will result in higher flood risks. Bank stability may be compromised due to increased channel erosion and undercutting from more intense precipitation and floods. Structures on the lease premises may be exposed to saltier water and corrode faster than before. Conversely, drought could lower water levels for longer portions of the year and expose structures that were historically designed to be submerged to more air, wind, and heat. They could cease to function as intended, as water-related, water-dependent infrastructure (e.g., fixed docks could become disconnected from the water). Floating structures may be

more adaptable to changing water levels than those that are fixed, but all structures may be at increased risk for damage from exposure to extreme heat and floods.

RECOMMENDATIONS:

To reduce the likelihood of adverse impacts to the lease premises and improvements, the lessee should consider the following adaptation strategies to improve resiliency to climate change: 1) reduce erosion along the riverbank by enhancing the bank protection structure(s) by planting or restoring native vegetation (shrubs, trees); 2) inspect fixed structures frequently and monitor for degradation, replacing damaged parts when necessary and elevating or relocating structures when exposure to flooding compromises structural function and integrity; and 3) monitor floating structures for corrosion and degradation, especially joints, brackets, hinges, and piling hoops, and replace as necessary. Any future construction or activities on State land would require a separate authorization from the Commission. For more information regarding nature-based strategies, please refer to the [2023 Shoreline Adaptation and the Public Trust](#) report.

Regular maintenance, as referenced in the lease, may reduce the likelihood of severe structural degradation or dislodgement. Pursuant to the proposed lease, the Applicant acknowledges that the lease premises and adjacent upland are located in an area that may be subject to the effects of climate change, including sea level rise.

CONCLUSION:

For all the reasons stated above, staff believes that issuance of the proposed lease will not substantially impair the public rights to navigation and fishing or substantially interfere with the Public Trust needs and values at this location, at this time, and for the term of the proposed lease; and is consistent with the Public Trust Doctrine.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the application is a discretionary action by the Commission. Each time the Commission approves or rejects a use of sovereign land, it exercises legislatively delegated authority and responsibility as trustee of the State's Public Trust lands as authorized by law. If the Commission denies the application, the Applicant must remove the improvements and restore the

property to its original condition. The lessee has no right to a new lease or to renewal of any previous lease.

2. This action is consistent with the “Meeting Evolving Public Trust Needs, and “Leading Climate Activism” Strategic Focus Area of the [Commission's 2021-2025 Strategic Plan](#).
3. Termination of the leases is not a project as defined by the California Environmental Quality Act (CEQA) 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).

4. **Existing Structures:** Staff recommends that the Commission find that issuance of the lease is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

Additional Dock: Staff recommends that the Commission find that issuance of the lease is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 3, New Construction of Small Structures; California Code of Regulations, title 2, section 2905, subdivision (c)(1).

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15061 and California Code of Regulations, title 2, section 2905.

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that issuance of the lease is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project through the combination of the following exemptions: Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2), and Class 3, New Construction of Small Structures; California Code of Regulations, title 2, section 2905, subdivision (c)(1).

PUBLIC TRUST AND STATE’S BEST INTERESTS:

Find that the proposed lease will not substantially impair the public rights to navigation and fishing or substantially interfere with the Public Trust needs and values at this location, at this time, and for the term of the lease; is consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

AUTHORIZATION:

1. Authorize termination of Lease 5188, a General Lease – Commercial Use, issued to Louis Bonacich, Trustee of the Bonacich Family Trust dated July 4, 2011, effective December 15, 2025.
2. Authorize termination of Lease 5382, a General Lease – Recreational and Protective Structure Use, issued to Mohammad Reza Zamiri and Azar Ghafouri Zamiri, effective October 11, 2024.
3. Authorize issuance of a General Lease – Commercial Use to the Applicant beginning December 16, 2025, for a term of 15 years, for the operation and use of an existing commercial marina, known as Juluka Landing, consisting of boat docks, appurtenant facilities, and bank protection, and construction of additional dock length; annual rent in the amount of \$3,520, with an annual Consumer Price Index adjustment, and the State reserving the right to fix a different rent periodically during the lease term, as provided for in the lease; liability insurance in an amount no less than \$3,000,000 per occurrence; and a bond or other security instrument in the amount of \$100,000.
4. Authorize acceptance of compensation from the Applicant in the amount of \$57 for unauthorized occupation of State land for the period prior to December 16, 2025.