

Staff Report 42

LESSEE:

Port Isleton Marina, LLC

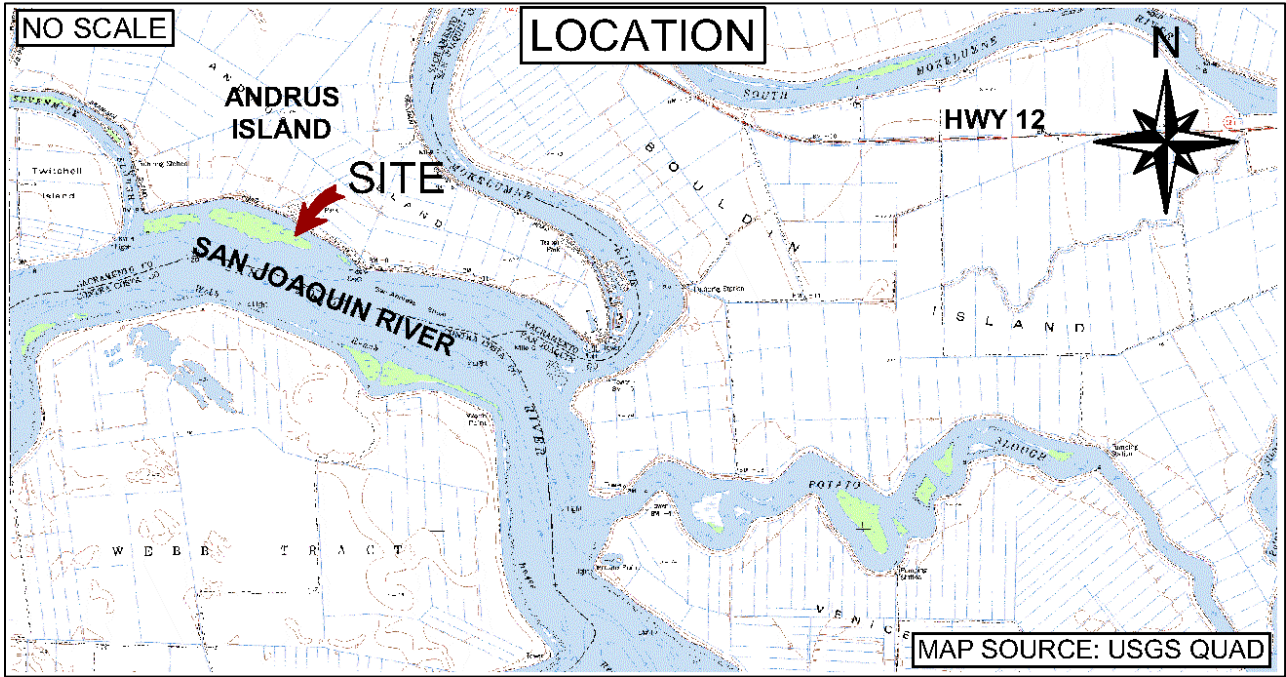
PROPOSED ACTION:

Revision of Rent and Bond.

AREA, LAND TYPE, AND LOCATION:

0.42 acre, more or less, of sovereign land in the San Joaquin River, adjacent to 822 West Brannan Island Road, on Andrus Island, near Isleton, Sacramento County (as shown in Figure 1).

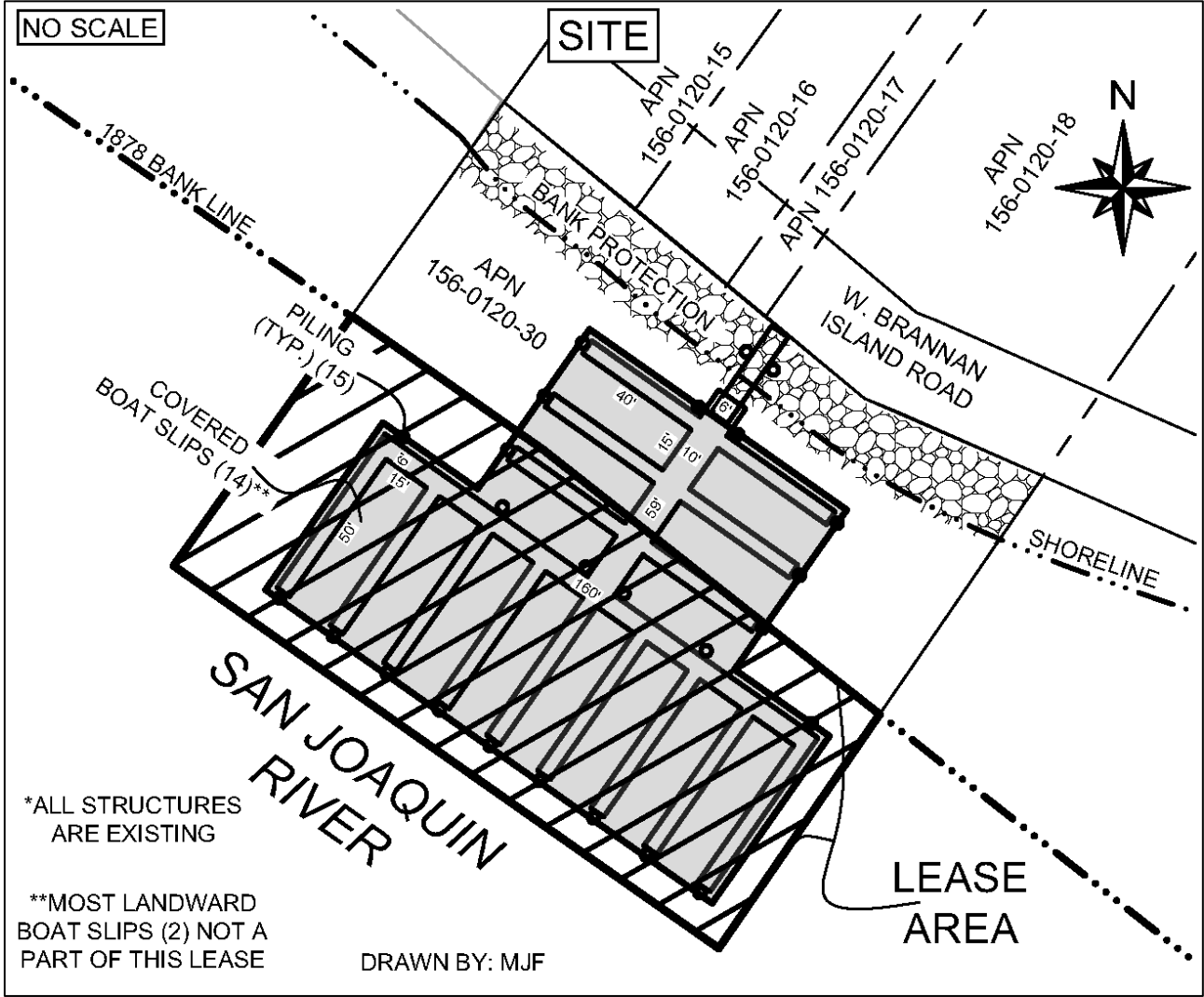
Figure 1. Location



AUTHORIZED USE:

Continued use and maintenance of a commercial marina (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 July 19, 2016.

CONSIDERATION:

The lease provides that Lessor may modify the rent and bond periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent

and bond under this lease and recommends that the rent be revised from \$1,233.43 to \$1,876 per year, adjusted annually by the CPI, and the bond increased from \$20,000 to \$30,000, effective July 19, 2026.

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 20, 2017, the Commission authorized a 20-year General Lease – Commercial Use ([Item 27](#)) for the operation, use, and maintenance of an existing commercial marina, known as Easy C's Boat Sales and Marina, on 0.42 acres, more or less, of sovereign land in the San Joaquin River, adjacent to 822 West Brannan Island Road, on Andrus Island, near Isleton, Sacramento County. The authorized improvements consist of 12 covered berths and pilings. On April 4, 2024, the Commission authorized an Assignment of Lease ([Item 25](#)) from Bradley H. Smith, Trustee of the Smith Family 2001 Trust, UTD August 13, 2001, to Port Isleton Marina, LLC, effective November 23, 2021, to coincide with the Assignee's acquisition of the upland property. The lease provides for a ten-year rent review. The lease expires July 18, 2036.
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 \$20,000. Staff recommend increasing the security to \$30,000 to account for inflation and the increased need for security to cover the potential costs of restoration and compliance with lease provisions, 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 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 7699 from \$1,233.43 to \$1,876 per year, adjusted annually by the CPI, and an increase in the bond from \$20,000 to \$30,000, effective July 19, 2026.