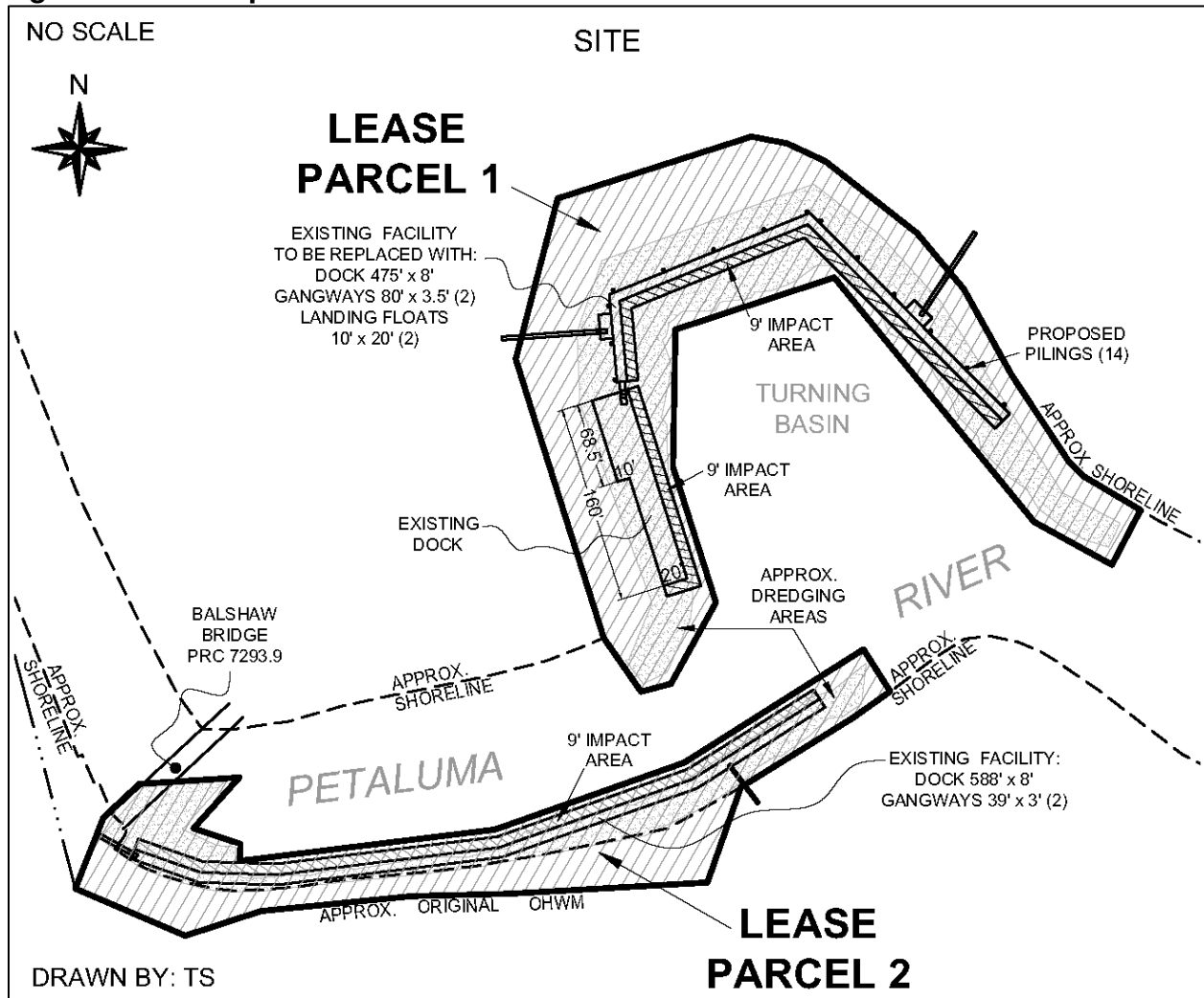


AUTHORIZED USE:

Continued use, maintenance, and operation of three boat docks, appurtenant facilities, and a floathouse (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 August 9, 2016.

CONSIDERATION:

The lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, the staff has conducted a review of the rent under this lease and recommends that the rent be revised from \$6,145 to \$3,894 per year, adjusted annually by the CPI, effective August 9, 2026.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the revision of rent is a discretionary action by the Commission. Each time the Commission approves or rejects a revision of rent, 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 August 9, 2016, the Commission authorized a 20-year General Lease – Public Agency Use ([Item 1](#)) to the City of Petaluma for continued use, maintenance, and operation of two existing boat docks and three gangways previously authorized by the Commission; an existing platform, ramp, gangway, and utility conduits to accommodate electric and water lines not previously authorized by the Commission; and extension of one existing boat dock, installation of eight pilings, and construction of a floathouse and Endorsement of a Sublease to Petaluma Small Craft Center for the operation, use, and maintenance of a proposed dock extension and floathouse for small non-motorized watercraft rentals, located in the Petaluma River Turning Basin, adjacent to Assessor's Parcel Numbers 007-142-018, 007-142-026, 008-054-005, and 008-067-005, Petaluma, Sonoma County. On August 17, 2023, the Commission authorized an Amendment of Lease ([Item 4](#)) for reconstruction of an existing dock, reconfiguration of two gangways to comply with ADA standards, installation of new concrete floats, restoration of bank and vegetation, and periodic maintenance dredging. This lease is subject to a 10-year rent review per Section 2, paragraph 2. The lease expires August 8, 2036.
3. The boat docks and appurtenant facilities are provided and maintained by the Lessee for public use and benefit at no cost to the State. Staff recommends that those improvements not be subject to rent. Current rent was based on projected revenues for the floathouse business operations prior to starting operations; rent was increased annually by the Consumer Price Index (CPI) over the past 10 years. The floathouse business did not start operations until October 2022, so the current rent far outstripped the actual revenues. The proposed rent

is based on an average of the first three years of actual revenues and is a more accurate representation of the fair market rent.

4. This action is consistent with the “efficient and effective management of the revenue generation portfolio” 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 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 from \$6,145 to \$3,894 per year, adjusted annually by the CPI, effective August 9, 2026.