Meeting Date: 10/21/26
Lease Number: 1589
Staff: M. Sapunor

Staff Report 34

APPLICANT:

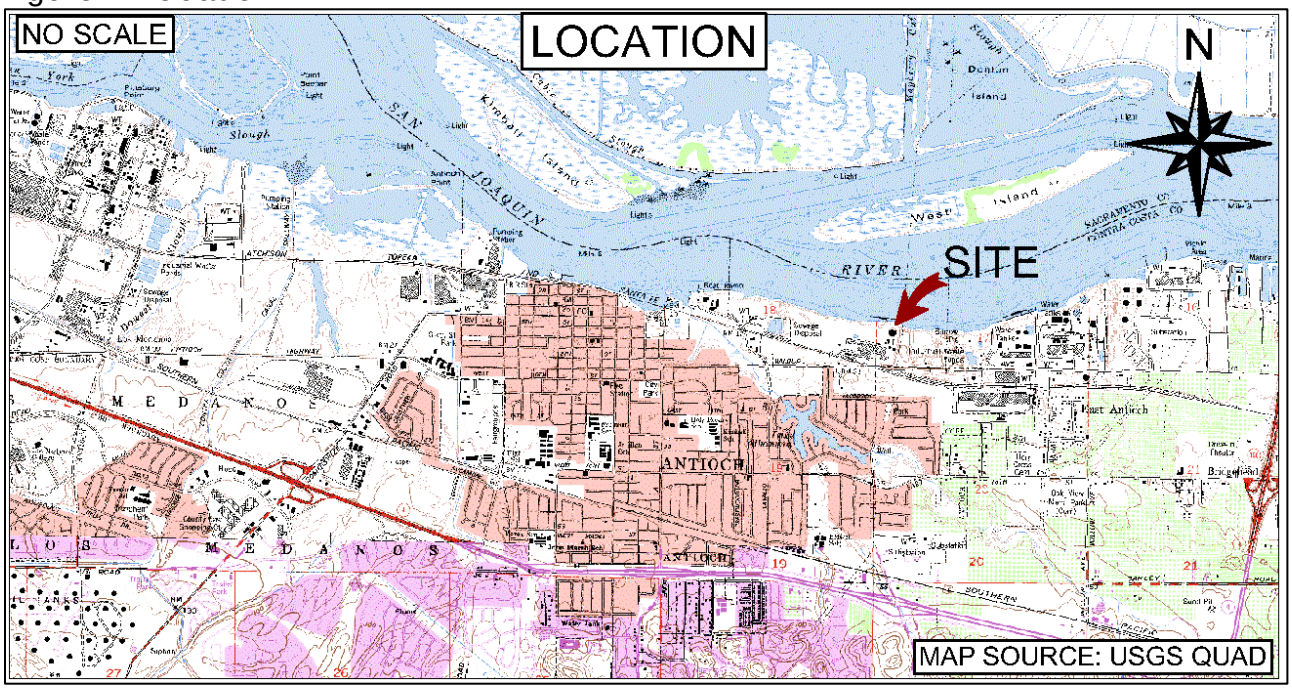
Georgia-Pacific Gypsum, LLC

PROPOSED ACTION:

Issuance of a General Lease – Industrial Use.

AREA, LAND TYPE, AND LOCATION:
Filled and unfilled sovereign land in the San Joaquin River, near 801 Minaker Drive, city of Antioch, Contra Costa County (as shown in Figure 1).

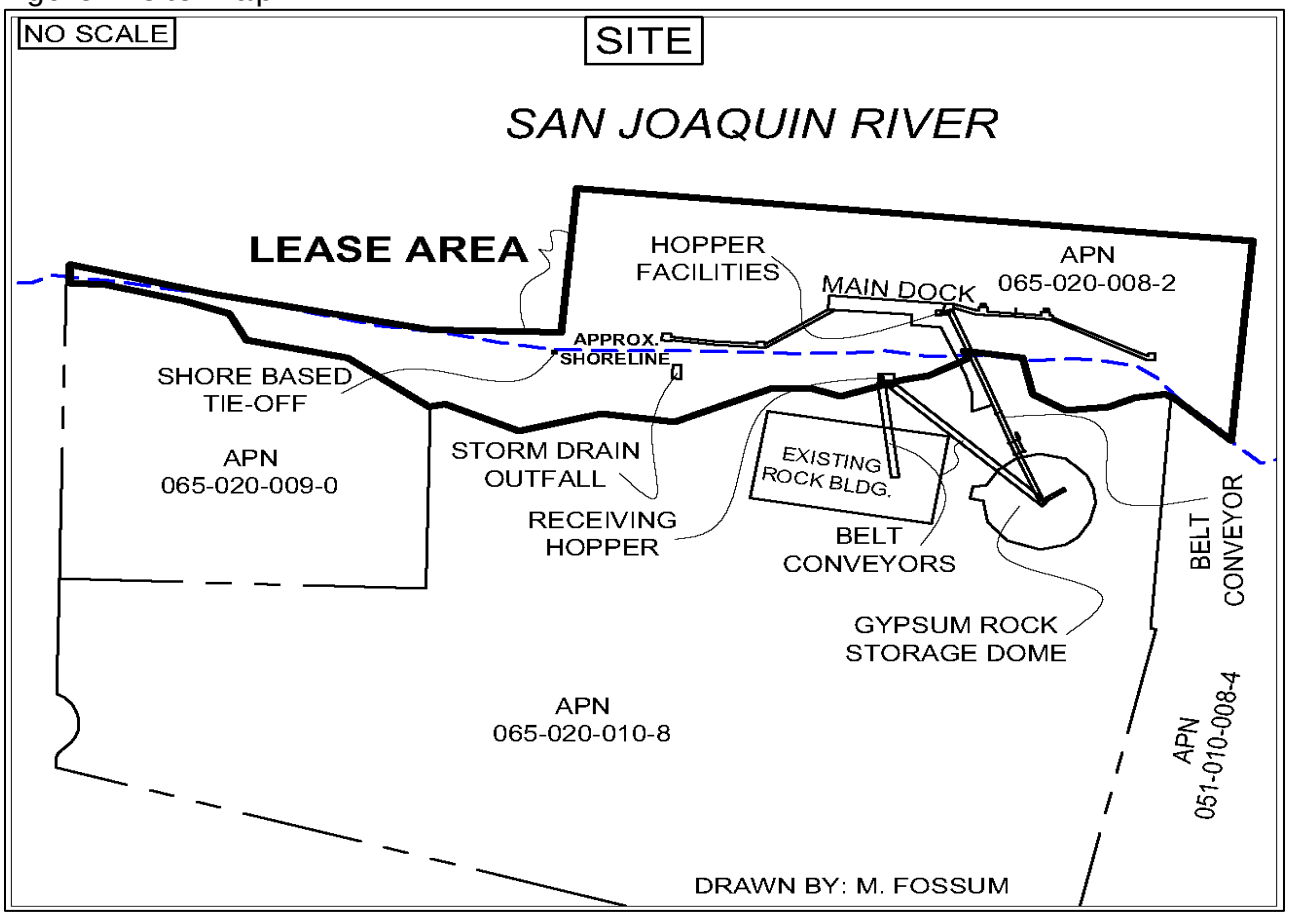
Figure 1. Location



AUTHORIZED USE:

Use and maintenance of an existing industrial facility on filled and unfilled sovereign land improved with an internal road, open stockpile area, elevated conveyor system, fencing, electrical service, a portion of a storm water discharge pipeline, concrete bulkhead, rock berm, an industrial wharf, and other appurtenant facilities (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:

10 years, beginning June 28, 2026.

CONSIDERATION:
$215,595 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 in the lease.

SPECIFIC LEASE PROVISIONS:
- Liability insurance in an amount no less than $5,000,000 per occurrence.
- Surety bond or other security in the amount of $13,000,000.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:
Public Resources Code sections 6005, 6216, 6301, 6321, 6321.2, 6501.1, 6503; California Code of Regulations, title 2, sections 2000 and 2003.

PUBLIC TRUST AND STATE'S BEST INTERESTS:
On June 28, 2016, the Commission authorized the issuance of a General Lease – Industrial Use for the use and maintenance of an industrial facility on filled and unfilled land improved with an internal road, open stockpile area, elevated conveyor system, fencing, electrical service, a portion of a storm water discharge pipeline, concrete bulkhead, rock berm, and other appurtenant facilities; and the repair and reinstallation of an industrial wharf to Georgia-Pacific Gypsum, LLC (Georgia Pacific) (Item 28).

That lease expired on June 27, 2026. Georgia Pacific is now applying for a General Lease – Industrial Use, for the use of an industrial facility on filled and unfilled sovereign land improved with an internal road, open stockpile area, elevated conveyor system, fencing, electrical service, a portion of a storm water discharge pipeline, concrete bulkhead, rock berm, an industrial wharf, and other appurtenant facilities.

The existing facilities are used by Georgia Pacific to facilitate the ship-borne delivery of gypsum rock product to their Antioch fiberboard manufacturing plant. The new lease will accommodate the continued operation of the wharf facility and the berthing and mooring of gypsum delivery vessels. Waterborne commerce and navigation are recognized Public Trust consistent uses.

The proposed lease does not alienate the State's fee simple interest or permanently impact public rights. The lease is limited to a 10-year term and does not grant the Lessee exclusive rights to the lease premises. Furthermore, the lease requires that the Lessee insure the lease premises and provide a bond or other surety for the faithful performance of the lease obligations in the amount of $1,000,000. Staff recommends a bond in the amount of $13,000,000 to provide for the restoration of the lease premises.

Upon termination of the lease, the lessee may be required to remove any improvements from State land and restore the lease premises to their original condition. The proposed lease requires the lessee to indemnify the State for any liability incurred as a result of the lessee's activities thereon.

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 facilities subject to the proposed lease, located on the San Joaquin 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-high" and "high" scenarios due to the vulnerability and exposure of the lease location and the continued global reliance on fossil fuels. The Port Chicago 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 Port Chicago

Year	Intermediate-High (feet)	High (feet)
2040	0.7	0.8
2050	1.0	1.3
2070	2.2	2.9
2100	4.8	6.5

Source: Table 4, 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 (Fifth National Climate Change Assessment: Southwest Region, 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. 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) 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 2) 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 above, staff believe the issuance of this lease will not substantially interfere with Public Trust needs and values at this location, at this time, and for the term of the proposed lease; consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

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. The Applicant also 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" Strategic Focus Area of the Commission's 2021-2025 Strategic Plan.
3. Staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 14, section 15301.

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

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, title 14, section 15301.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

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

AUTHORIZATION:

Authorize issuance of a General Lease – Industrial Use to the Applicant beginning June 28, 2026, for a term of 10 years, for the use of an industrial facility on filled and unfilled sovereign land improved with an internal road, open stockpile area, elevated conveyor system, fencing, electrical service, a portion of a storm water discharge pipeline, concrete bulkhead, rock berm, an industrial wharf, and other appurtenant facilities; annual rent in the amount of $215,595 with an annual Consumer Price Index adjustment; liability insurance in an amount no less than $5,000,000 per occurrence; Applicant may satisfy all or part of the insurance requirements through maintenance of a self-insurance program as outlined in the lease; bond or other security in in the amount of no less than $13,000,000.