

**CALENDAR ITEM
C51**

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PRC 8173.1

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ASSIGNMENT AND AMENDMENT OF LEASE AND REVISION OF RENT

LESSEE/ASSIGNOR:

Jeffrey A. Hart and Toni T. Hart

APPLICANT/ASSIGNEE:

Legacy Investments, a California General Partnership

AREA, LAND TYPE, AND LOCATION:

Sovereign land in Steamboat Slough, adjacent to 13737 Grand Island Road, near Walnut Grove, Sacramento County.

AUTHORIZED USE:

Continued use and maintenance of an existing boat dock, gangway and appurtenant facilities.

LEASE TERM:

10 years, beginning May 24, 2012.

CONSIDERATION:

This lease provides that the Commission may modify the rent periodically during the lease term. Pursuant to this provision, staff conducted a review of the rent under this lease, and recommends rent be revised from \$367 to \$472 per year, effective May 24, 2017.

PROPOSED AMENDMENT:

Amend the lease to replace the existing Exhibit A, Land Description, and Exhibit B, Site and Location Map, with the attached Exhibit A, Land Description, and Exhibit B, Site and Location Map (for reference purposes only). All other terms and conditions of the lease shall remain in effect without amendment.

SPECIFIC LEASE PROVISIONS:

Liability insurance in an amount no less than \$1,000,000 per occurrence.

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STAFF ANALYSIS AND RECOMMENDATION:

Authority:

Public Resources Code sections 6005, 6216, 6301, 6501.1, and 6503.5; California Code of Regulations, title 2, section 2000, subdivision (b).

Public Trust and the State's Best Interests Analysis:

On May 24, 2012, the Commission authorized a General Lease – Recreational Use to Jeffrey A. Hart and Toni T. Hart ([Calendar Item C20, May 24, 2012](#)). That lease will expire on May 23, 2022. On January 5, 2017, interest in the upland parcel was deeded to Legacy Investments. The Applicant is now requesting an assignment of the lease.

Staff conducted the rent review called for in the lease and recommends the rent be revised from \$367 to \$472 per year, effective May 24, 2017, based on the updated 2015 Sacramento River Benchmark and reduced impact area. Staff also recommends Exhibits A and B of the lease be amended to reflect the new reduced lease (impact) area.

The recommended action will not substantially interfere with the Public Trust needs at this time and at this location. The assignment, amendment, and revision of rent will not change the use of the lease premises. For these reasons, staff recommends finding the proposed action is in the best interests of the state at this time.

Climate Change:

Climate change impacts, including sea-level rise, more frequent and intense storm events, and increased flooding and erosion, affect both open coastal areas and inland waterways in California. The lease area is located in Steamboat Slough, which is a tidally-influenced site vulnerable to flooding at current sea levels. The improvements in this lease area include a boat dock, gangway and appurtenant facilities.

This area will also be at a higher risk of flood exposure given future projection scenarios of sea-level rise: the region could see up to 1 foot of sea-level rise (from year 2000 levels) by 2030, 2 feet by 2050, and possibly more than 5 feet by 2100 (National Research Council 2012). This effect could increase the Sacramento River's inundation levels within the lease area. In addition, as stated in *Safeguarding California* (California Natural Resources Agency 2014), climate change is projected to increase the frequency and severity of natural disasters related to flooding and storms (especially when coupled with sea-level rise).

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Climate change could have a number of impacts in the region. The amount and timing of snowmelt runoff will likely change such that runoff pulses are earlier in the season and stronger precipitation events will occur over a shorter period of time. This is because warming temperatures will result in more water falling as rain rather than snow, earlier spring snowmelt, and less snowpack overall. In tidally-influenced waterways, more frequent and powerful storms can result in increased flooding conditions and damage from storm-created debris. Conversely, prolonged droughts could dramatically reduce river flow and water levels, leading to loss of public access and navigability. Climate change and sea-level rise will further influence coastal and riverine areas by changing erosion and sedimentation rates. In rivers and tidally-influenced waterways, flooding and storm flow, as well as runoff, will likely increase scour and decreasing bank stability at a faster rate.

The lease is a 10-year General Lease – Recreational Use that began on May 24, 2012, and may be subject to the climate change effects of the projected scenario of 1 foot of sea-level rise (from year 2000 levels) by 2030 provided above. Regular maintenance and implementing best management practices, as required by the terms of the lease, will help reduce the likelihood of severe structural degradation, dislodgement, or hazards from the electrical conduits. Further climate change impact analyses on the leased facilities will be assessed at the time the lease is up for renewal in 2022 and would be based on projected sea-level rise scenarios at that time.

Conclusion:

For all the reasons above, Commission staff believes the issuance of this lease is consistent with the common law Public Trust Doctrine and in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. This activity is consistent with Strategy 2.2 of the Commission's Strategic Plan to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals.
2. The authorization of a lease assignment, lease amendment, and 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, section 15378, subdivision (b)(5).

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EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

AUTHORIZATION:

1. Authorize the assignment of Lease No. PRC 8173.1, a General Lease – Recreational Use, of sovereign land from Jeffrey A. Hart and Toni T. Hart to Legacy Investments, a California General Partnership, effective April 20, 2017.
2. Authorize the amendment of Lease No. PRC 8173.1, a General Lease – Recreational Use, effective May 24, 2017, to replace the existing Exhibit A, Land Description, and Exhibit B, Site and Location Map, with the attached Exhibit A, Land Description, and Exhibit B, Site and Location Map (for reference purposes only).
3. Approve the revision of rent for Lease No. PRC 8173.1 from \$367 to \$472 per year, effective May 24, 2017.

EXHIBIT A

PRC 8173.1

LAND DESCRIPTION

Two parcels of tide and submerged land situate in Steamboat Slough, County of Sacramento, State of California and more particularly described as follows:

Parcel 1

All that certain land lying directly beneath an existing 3 foot wide steel trussed gangway located 76 feet, more or less, southerly of the northerly line of that real property granted to Jeffrey A. Hart from Zara Whittles and John B. Whittles as described in that Grant Deed recorded in Document Number 199807211097, Official Records of said County, the intersection of the centerline of said existing gangway with the easterly line of an existing wooden dock, at the westerly terminus of said gangway, being hereinafter referred to as Point A.

Parcel 2

BEGINNING at the aforementioned Point A; thence along the exterior boundary of the aforementioned existing wooden dock the following seven (7) courses:

- 1) Southerly 34 feet to an angle point in said dock;
- 2) Westerly 22 feet to an angle point in said dock;
- 3) Northerly 38 feet to an angle point in said dock;
- 4) Northeasterly 33 feet to an angle point in said dock;
- 5) Southeasterly 8 feet to an angle point in said dock;
- 6) Southwesterly 12 feet to an angle point in said dock;
- 7) Southerly 14 feet to the POINT OF BEGINNING.

TOGETHER WITH a 9 foot impact area surrounding and immediately adjacent to said existing wooden dock.

EXCEPTING FROM the above described Parcel 1 and Parcel 2 all those lands lying landward of the Ordinary High Water Mark of said Steamboat Slough.

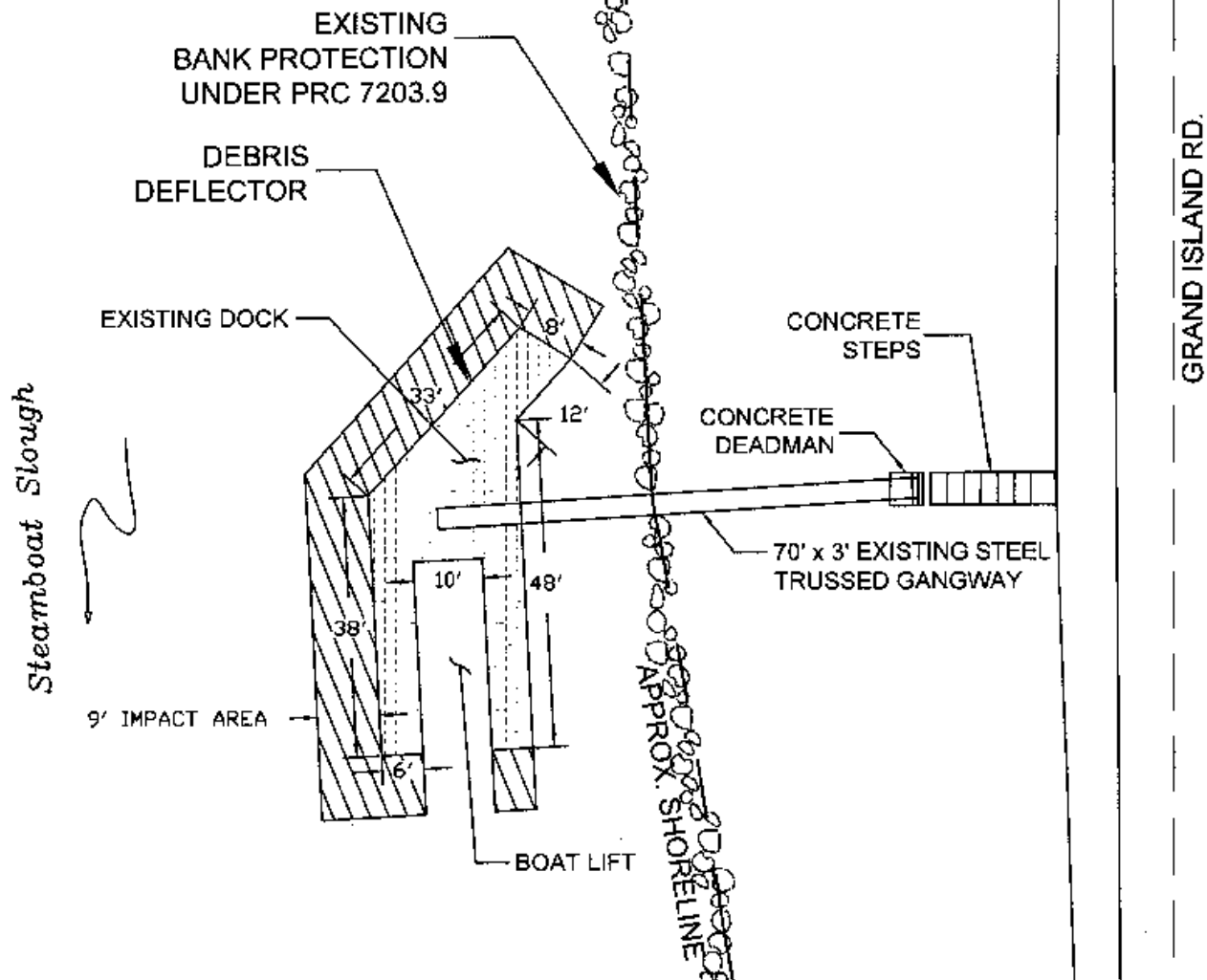
END OF DESCRIPTION

Prepared November 1, 2016 by the California State Lands Commission Boundary Unit.



NO SCALE

SITE

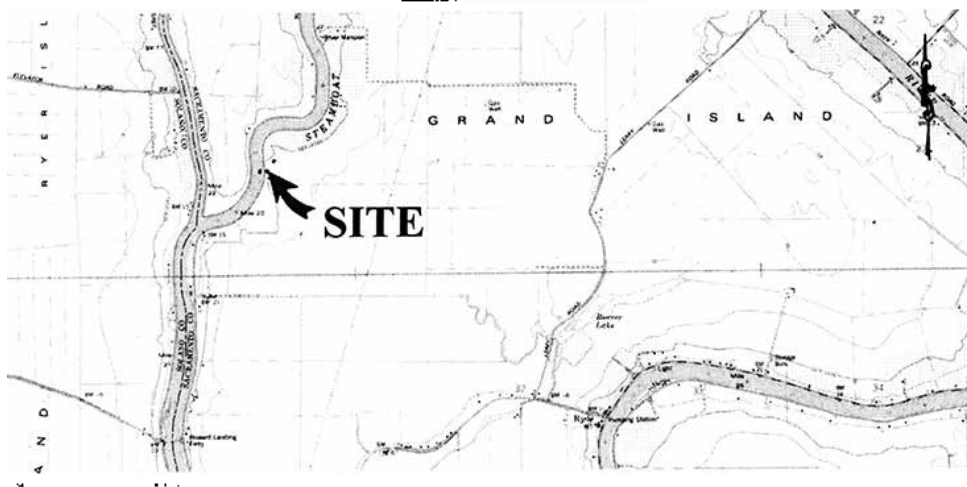


APN 142-0050-027

13737 GRAND ISLAND ROAD, STEAMBOAT SLOUGH

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit B

PRC 8173.1

LEGACY INVESTMENTS

APN 142-0050-027

GENERAL LEASE -

RECREATIONAL USE

SACRAMENTO COUNTY



JAK 11/16