

**STAFF REPORT
C31**

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11/29/17
PRC 9033.1
J. Holt

AMENDMENT OF LEASE AND CONTINUATION OF RENT

LESSEE:

Sacramento Valley Conservancy

AREA, LAND TYPE, AND LOCATION:

Sovereign land located near the American River, Assessor's Parcel Numbers 274-0120-007 and 274-0120-009, city of Sacramento, Sacramento County.

AUTHORIZED USE:

Continued use, maintenance, and operation of the land and existing improvements comprising the lease premises, known as Camp Pollock, for public purposes of access, conservation, recreation, education and public/private events. The land use and purpose shall not be inconsistent with the Public Trust and the American River Parkway Plan.

LEASE TERM:

25 years, beginning January 22, 2013.

CONSIDERATION:

Minimum annual rent in the amount of \$500; against 3 percent of gross income derived from sublease, license and event fees, and 5 percent of the gross income from all other sources derived from the lease premises, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease. Staff reviewed the rent under this lease and recommends the continuation of annual rent as currently stated in the lease.

PROPOSED AMENDMENT:

Amendment of lease for extension of the lease term from 25 years, beginning January 22, 2013, and ending January 21, 2038; to 35 years, beginning January 22, 2013, and ending January 21, 2048, effective November 29, 2017. All other terms and conditions of the lease shall remain in effect without amendment.

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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 the State's Best Interests Analysis:

On December 5, 2012, the Commission authorized a land purchase, using Kapiloff Land Bank funds, of Camp Pollock, a recreational area totaling 11 acres of land, located near the American River in Sacramento County ([Item C79, December 5, 2012](#)). In conjunction with this purchase, the Commission authorized a General Lease to Sacramento Valley Conservancy, for the use, maintenance, and operation of the land and existing improvements comprising the lease premises for purposes of public access, conservation, recreation, education, and public/private events.

On April 26, 2013, the Commission authorized an amendment of the lease to incorporate annual reporting of gross income, re-application measures for future lease terms, and endorsement of a sub-lessee ([Item C30, April 26, 2013](#)). Since the acquisition, the Lessee has invested almost \$1 million in private funds to remodel the lodge and other lease facilities with necessary plumbing, electrical, and energy upgrades. Upgrades to the lodge were necessary for compliance with the Americans with Disabilities Act. The Lessee is now applying for an amendment of lease to extend the lease term for long-term management purposes.

The proposed amendment of lease will extend public access to land near the American River Parkway for an additional 10 years. It will increase opportunities for outdoor recreation, conservation, and education available to the general public. The lease premises contain historical markers and signage that promote public access, as well as environmental conservation and awareness programs. Amendment of the lease does not alienate the State's fee simple interest or permanently impair public rights. The recommended action will not substantially interfere with the Public Trust needs at this location.

OTHER PERTINENT INFORMATION:

1. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction; Strategy 1.3 to protect, expand, and enhance appropriate public use and access to and along the State's inland and coastal waterways; and Strategy 2.2 to ensure timely

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receipt of revenues and royalties from the use and development of State lands and minerals.

2. Staff recommends that the Commission find that this activity is exempt from the requirements of California Environmental Quality Act (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).

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15300 and California Code of Regulations, title 2, section 2905.

3. This activity involves lands which have not been identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq.; however, the Commission has declared that all lands are significant by nature of their public ownership (as opposed to environmentally significant). Since such declaration of significance is not based upon the requirements and criteria of Public Resources Code section 6370 et seq., use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification as required by California Code of Regulations, title 2, section 2954 is not applicable.

EXHIBITS:

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

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 2, section 2905, subdivision (a)(2).

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed amendment of the existing lease and continuation of rent will not substantially interfere with the Public Trust needs and values at this location, at this time, and for the foreseeable term of the lease; is consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

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AUTHORIZATION:

1. Authorize the amendment of Lease No. PRC 9033.1, a General Lease, effective November 29, 2017, to extend of lease term from 25 years, beginning January 22, 2013, and ending January 21, 2038; to 35 years, beginning January 22, 2013, and ending January 21, 2048.

2. Approve the continuation of annual rent for Lease No. PRC 9033.1 at \$500, against 3 percent of gross income derived from sublease, license and event fees; and 5 percent of the gross income from all other sources derived from the lease premises, effective January 22, 2018.

EXHIBIT A

PRC 9033.1

LAND DESCRIPTION

Two (2) parcels of land being a portion of Swamp Land Survey 484, patented September 13, 1866, and a portion of Swamp Land Survey 809, patented November 1, 1869, County of Sacramento, State of California, and more particularly described as follows:

Parcel 1

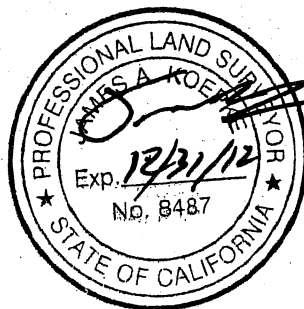
All those lands as described in Book 2773 at Page 38 recorded February 21, 1955 in Official Records of said County.

Parcel 2

All those lands as described in Book 2773 at Page 40, recorded February 21, 1955 in Official Records of said County.

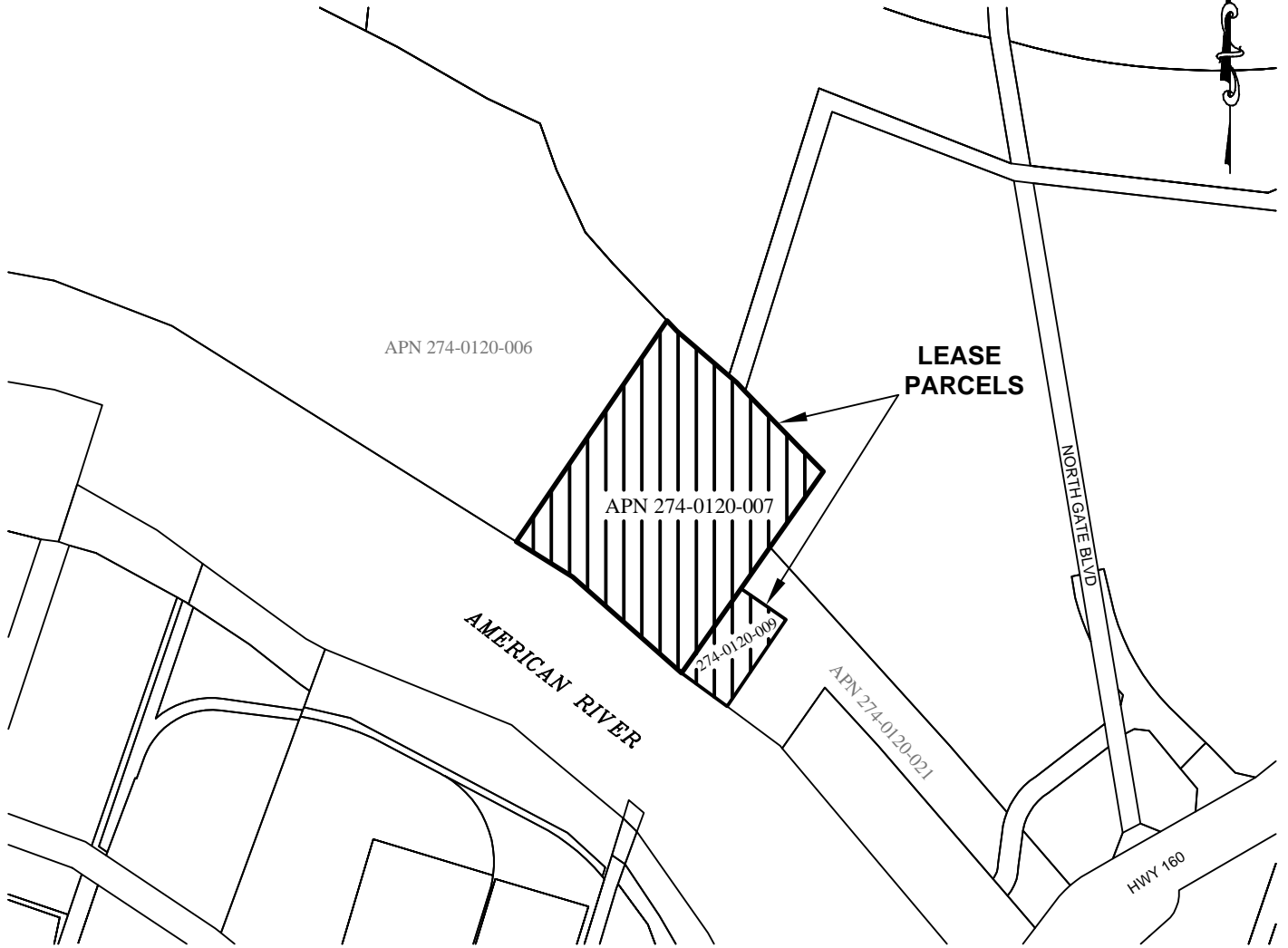
END OF DESCRIPTION

Prepared December 4, 2012 by the California State Lands Commission Boundary Unit.



NO SCALE

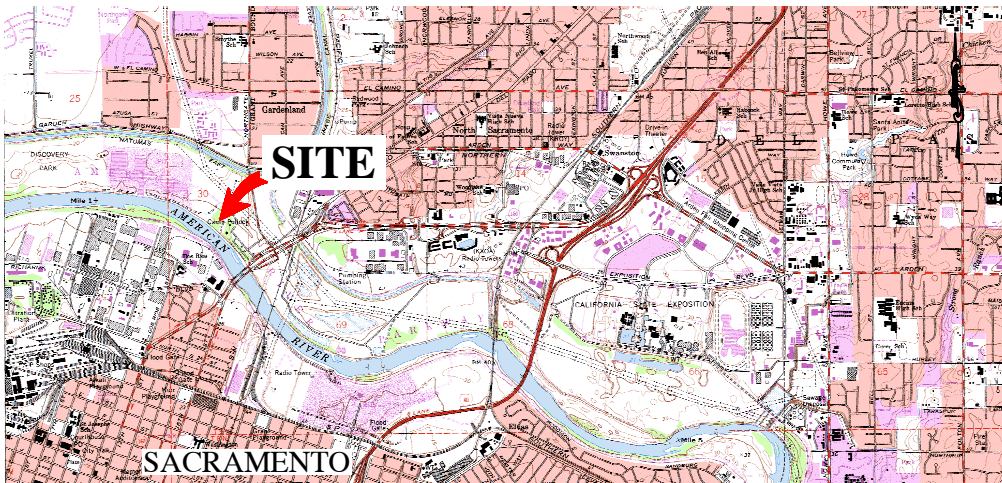
SITE



CAMP POLLOCK, AMERICAN RIVER, SACRAMENTO

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

PRC 9033.1
 SACRAMENTO VALLEY
 CONSERVANCY
 APN 274-0120-007, 009
 GENERAL LEASE-
 RECREATIONAL USE
 SACRAMENTO COUNTY



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.