

**STAFF REPORT  
C42**

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02/27/18  
PRC 2049.1  
V. Caldwell

**ASSIGNMENT OF LEASE**

**ASSIGNOR:**

Dale E. Dorn and Willa Dean Dorn, Trustees of the Dale E. Dorn 1983 Revocable Trust, dba Ko-Ket Resort

**ASSIGNEE:**

KoKet Resort LLC

**AREA, LAND TYPE, AND LOCATION:**

Sovereign land in the Sacramento River, adjacent to 14174 Isleton Road, near Walnut Grove, Sacramento County.

**AUTHORIZED USE:**

Operation, use, and maintenance of an existing commercial marina, known as KoKet Resort, consisting of 18 existing boat docks with gangways, launch ramp, fuel dock with gangway, an accommodation dock with gangway, 14 existing wood decks, electrical and water utility outlets, two bulkheads with fill, and bank protection.

**LEASE TERM:**

25 years, beginning December 18, 2014.

**CONSIDERATION:**

**18 Existing Boat Docks with Gangways, Launch Ramp, Fuel Dock with Gangway, Accommodation Dock with Gangway, 14 Existing Wood Decks, Electrical and Water Utility Outlets, and Fill:** \$3,259 per year, with the rent adjusted every 5 years using the California Consumer Price Index and the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

**Two Bulkheads and Bank Protection:** The public use and benefit, with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interest.

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**SPECIFIC LEASE PROVISIONS:**

Insurance:

Liability insurance in an amount no less than \$2,000,000 per occurrence.

Bond:

\$5,000

Other:

1. The lease contains specific provisions prohibiting expansion of the wood deck structures.
  
2. This lease contains provisions that the Lessee must implement the Commission's "Best Management Practices for Marina Owners/Operators" and encourage implementation of the Commission's "Best Management Practices for Berth Holders/Boaters" including additional Best Management Practices (BMPs) the Commission subsequently deems appropriate for either of the above categories. The Lessee shall provide the Commission, on the first anniversary of the lease and on every third anniversary thereafter, a report on compliance with all BMPs.

**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 State's Best Interests Analysis:**

On April 23, 2014, the Commission authorized a General Lease – Commercial Use to Dale E. Dorn 1983 Revocable Trust, dba Ko-Ket Resort, for a commercial marina ([Item 03, April 23, 2014](#)). Staff later became aware that in addition to Dale E. Dorn, Willa Dean Dorn is a trustee of the Dale E. Dorn 1983 Revocable Trust and on June 19, 2014, the Commission authorized a correction of the Lessee name to Dale E. Dorn and Willa Dean Dorn, Trustees of the Dale E. Dorn 1983 Revocable Trust, dba Ko-Ket Resort ([Item 04, June 19, 2014](#)). The lease will expire on December 17, 2039.

The upland property is currently in escrow with KoKet Resort LLC. KoKet Resort LLC is a recently formed Limited Liability Company was created to purchase, own, use and maintenance the marina known as KoKet Resort, and is in no way affiliated with the current owners of the marina. The assignment would be effective at the close of escrow, but not later than April 30, 2018. The proposed Assignee has been in the boating industry in Walnut Grove for over 20 years and agrees to perform and be bound by

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the terms, conditions, covenants, and agreements contained within the lease.

The lease assignment will not result in a change in the use of, or the impacts to, Public Trust resources. Commission staff believes approval of this assignment is consistent with the common law Public Trust Doctrine and is in the best interests of the State.

The bulkheads and bank protection will maintain and improve the integrity of the river channel that will help protect the Public Trust resources of the river for recreational and navigational purposes by the public.

**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 on the Sacramento River, which at this location is a tidally influenced site vulnerable to flooding at current sea levels; therefore, this area would be at a higher risk of flood exposure given future projection scenarios of sea-level rise. Improvements within the lease area include 18 boat docks with gangways, launch ramp, fuel dock with gangway, an accommodation dock with gangway, 14 existing wood decks, electrical and water utility outlets, two bulkheads with fill, and bank protection.

By 2030, California's coast could see up to 1 foot of sea-level rise (from year 2000 levels), 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. Rising sea levels can lead to increased flooding through regular inundation and larger flooding events when combined with tidal events and storm surges. These climate change and sea-level rise impacts can also affect erosion and sedimentation rates through increased wave action and scour, which in turn, can lead to decreased shoreline stability and structure. 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, drought, and storms (especially when coupled with sea-level rise).

Climate change could have a number of impacts for this 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 potential outcome is because warming temperatures will result in more water falling as rain rather than

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snow, earlier spring snowmelt, and less snowpack overall. In rivers and tidally influenced waterways, more frequent and powerful storms can result in increased flooding conditions and damage from storm-created debris. In addition, there will be greater amounts of runoff because less water will be trapped at higher altitudes in snowpack. Conversely, climate change induced droughts could decrease river levels and flow for extended periods of time. 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 will likely increase scour, decreasing bank stability.

Regular maintenance and implementing BMPs, 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 expires in 2039 if an application is submitted for a new lease and would be based on projected sea-level rise scenarios at that time.

**Conclusion:**

For all the reasons above, the lease assignment will not result in a change in the use of public resources or the impacts thereto. Staff believes approval of this assignment is consistent with the common law Public Trust Doctrine and is in the best interests of the State.

**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.
2. Assignment of lease 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 15378, subdivision (b)(5).

**EXHIBITS:**

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

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**RECOMMENDED ACTION:**

It is recommended that the Commission:

**PUBLIC TRUST AND STATE'S BEST INTERESTS:**

Find that the proposed assignment will not impact the public rights to navigation and fishing or 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.

**AUTHORIZATION:**

Authorize the assignment of Lease No. PRC 2049.1, a General Lease – Commercial Use, of sovereign land as described in Exhibit A and shown on Exhibit B (for reference purposes only), attached and by this reference made a part hereof; from Dale E. Dorn and Willa Dean Dorn, Trustees of the Dale E. Dorn 1983 Revocable Trust, to KoKet Resort LLC; effective at the close of escrow, but not later than April 30, 2018.

## EXHIBIT A

PRC 2049.1

### LAND DESCRIPTION

A parcel of tide and submerged land, situate in the bed of the Sacramento River lying adjacent to Swamp and Overflowed Land Survey 327 patented June 29, 1869, County of Sacramento, State of California and more particularly described as follows:

COMMENCING at a 5/8" rebar, capped L.S. 3625 on the westerly line of said Swamp and Overflowed Land Survey 327 as shown on that Parcel Map "A Portion of Swamp Land Survey No 326" filed December 24, 1984 in Book 84, of Parcel Maps at Page 24, Sacramento County Records, from which a 3/4" iron pipe, no tag, marking the southwest corner of said Swamp and Overflowed Land Survey 327, bears South 17°51'56" East 852.34 feet; thence leaving said westerly line North 23°15'13" East 1760.00 feet to a point on the left bank of said river, said point also being the POINT OF BEGINNING; thence leaving said bank North 35°14'51" West 63.57 feet; thence along the following six (6) courses:

- 1) North 54°39'00" East 187.92 feet;
- 2) North 69°56'02" East 245.03 feet;
- 3) North 88°58'37" East 307.90 feet;
- 4) North 80°53'38" East 88.76 feet;
- 5) North 87°27'23" East 193.51 feet;
- 6) South 02°41'54" East 58.07 feet to a point on the left bank of said river;

thence along the left bank of said river the following four (4) courses:

- 1) South 86°59'13" West 318.41 feet;
- 2) South 83°56'57" West 303.24 feet;
- 3) South 69°17'30" West 102.57 feet;
- 4) South 59°36'09" West 256.04 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark of the left bank of said river.

BASIS OF BEARING is CCS83, Zone 2 (Epoch 2010.000).

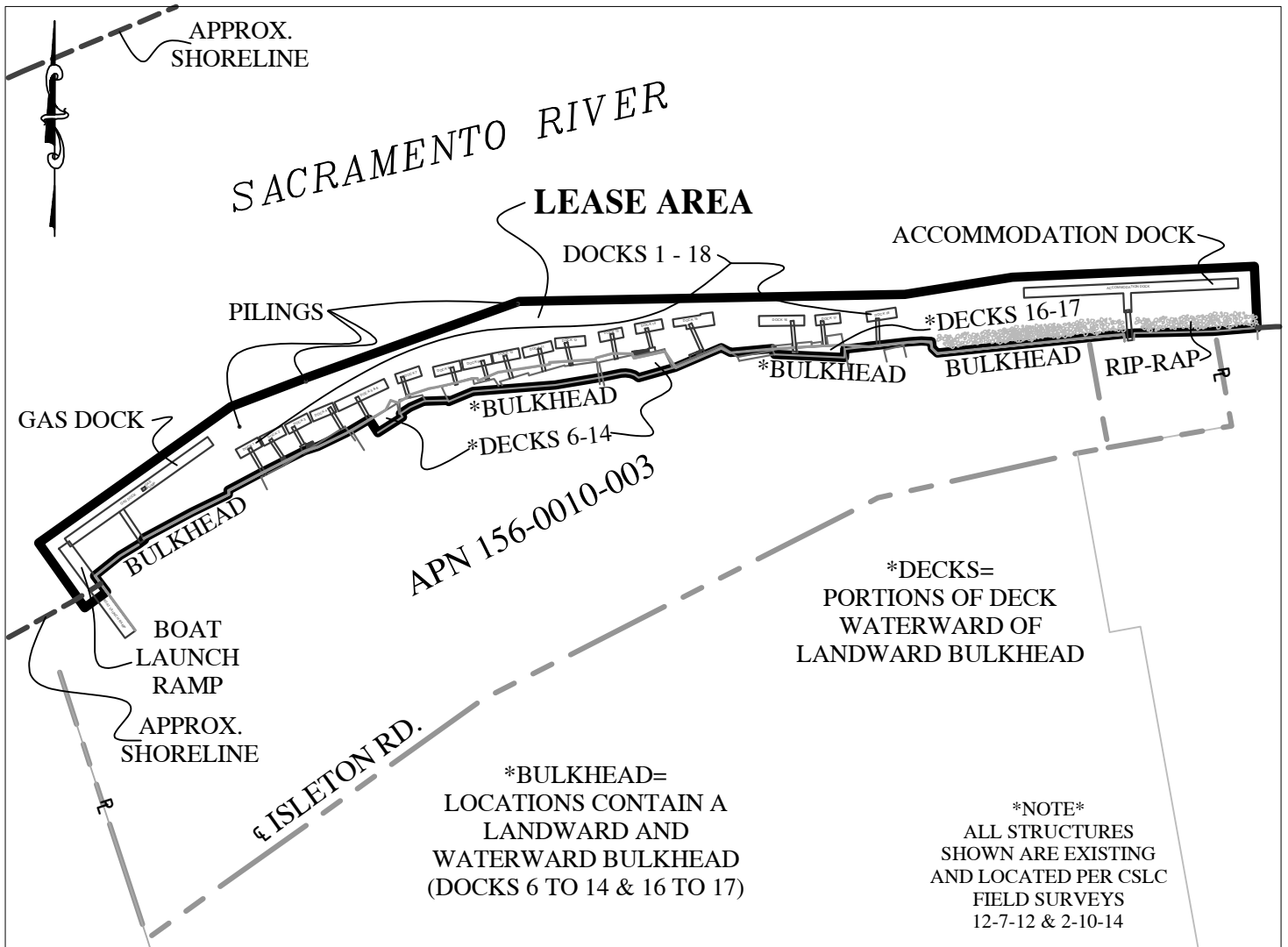
**END OF DESCRIPTION**

PREPARED 3/11/14 BY THE CALIFORNIA STATE LANDS COMMISSION BOUNDARY UNIT



NO SCALE

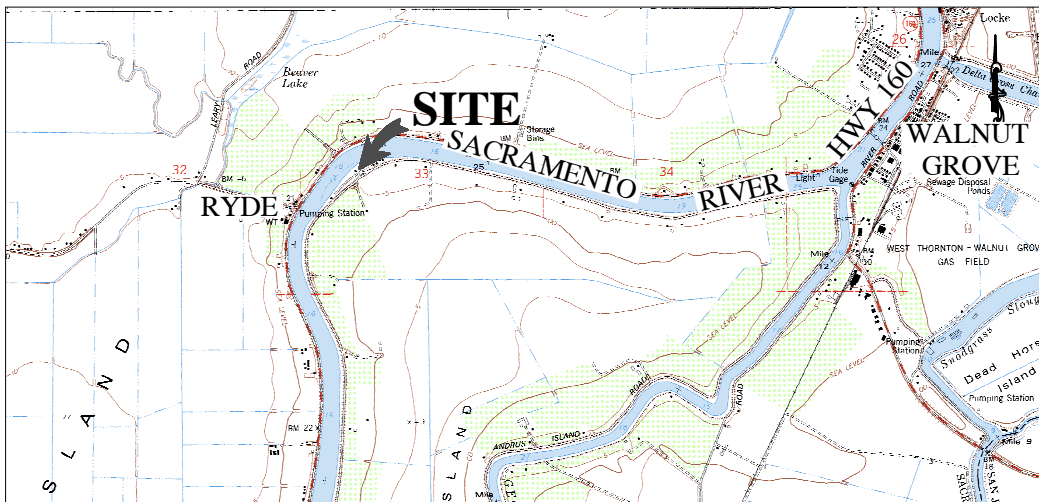
# SITE



14174 Isleton Rd., Isleton

NO SCALE

# LOCATION



# Exhibit B

PRC 2049.1  
 KOKET RESORT LLC  
 APN 156-0010-003  
 GENERAL LEASE -  
 COMMERCIAL 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.