

**STAFF REPORT
C61**

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PRC 6053.1
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ASSIGNMENT OF LEASE

LESSEE/ASSIGNOR:

Talbert Denney and Barbara Denney

APPLICANT/ASSIGNEE:

Nai Hin Saechao

AREA, LAND TYPE, AND LOCATION:

Sovereign land located in the Sacramento River, adjacent to 2365 Garden Highway, near Sacramento, Sacramento County.

AUTHORIZED USE:

Continued use and maintenance of a covered floating boat dock, boat lift, gangway, anchors and cables, and bank protection.

LEASE TERM:

10 years, beginning July 21, 2015.

CONSIDERATION:

Covered floating boat dock, boat lift, gangway, anchors and cables: \$451 per year, with an annual Consumer Price Index adjustment.

Bank protection: 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 interests.

SPECIFIC LEASE PROVISIONS:

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

STAFF ANALYSIS AND RECOMMENDATION:

Authority:

Public Resources Code sections 6005, 6216, 6301, 6321, 6321.2, 6501.1, 6503, and 6503.5; California Code of Regulations, title 2, sections 2000 and 2003.

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Public Trust and the State's Best Interests Analysis:

On February 9, 2016, the Commission authorized a General Lease – Recreational and Protective Structure Use to Talbert Denney and Barbara Denney ([Item C21, February 9, 2016](#)). That lease will expire on July 20, 2025. On November 6, 2017, interest in the upland parcel was deeded to Nai Hin Saechao.

The recommended action will not substantially interfere with the Public Trust needs at this time and at this location. The lease assignment 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, are not limited to the open coast and may involve increased storm events and flooding. The lease area is located along the Sacramento River within a tidally-influenced region vulnerable to flooding at current sea levels. The facilities associated with this lease area include a covered floating boat dock, gangway, boat lift, anchors and cables, and bank protection. In the foreseeable future, this area will be at a higher risk of flood exposure given future projection scenarios of sea-level rise.

By 2030, this region 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). The effects 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, fire, drought, extreme heat, and storms (especially when coupled with sea-level rise).

Climate change could have several 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. This projection is because warming temperatures will result in more water falling as rain rather than 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

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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 and structure.

The lease is a 10-year General Lease – Recreational and Protective Structure Use that began on July 21, 2015, 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, 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 2025 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, Commission staff believes the issuance of this lease will not substantially interfere with the Public Trust needs at this time, at this location, and for the foreseeable term of the 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 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 the 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, section 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 lease 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.

AUTHORIZATION:

Authorize the assignment of Lease No. PRC 6053.1, a General Lease – Recreational and Protective Structure Use, of sovereign land as described in Exhibit A, Land Description, and shown on Exhibit B, Site and Location Map (for reference purposes only), attached and by this reference made a part hereof, from Talbert Denney and Barbara Denney, to Nai Hin Saechao, effective November 6, 2017.

EXHIBIT A

PRC 6053.1

LAND DESCRIPTION

A parcel of tide and submerged land situate in the bed of the Sacramento River lying adjacent to Swamp and Overflow Survey 828 patented April 5, 1869, Sacramento County, State of California, more particularly described as follows:

PARCEL 1 – DOCK

All those lands underlying an existing covered floating boat dock, boatlift, gangway, and anchor cables lying adjacent to that Parcel as described in Exhibit "A" of that Grant Deed recorded July 21, 2015, in Book 20150721 at Page 0253 in Official Records of said County.

TOGETHER WITH any applicable impact area(s).

ALSO TOGETHER WITH all those lands underlying existing bank protective structure lying adjacent to said Parcel.

EXCEPTING THEREFROM any portion(s) lying landward of the Ordinary High Water Mark of the left bank of the Sacramento River.

Accompanying plat is hereby made part of this description.

END OF DESCRIPTION

Prepared October 27, 2015 by the California State Lands Commission Boundary Unit.



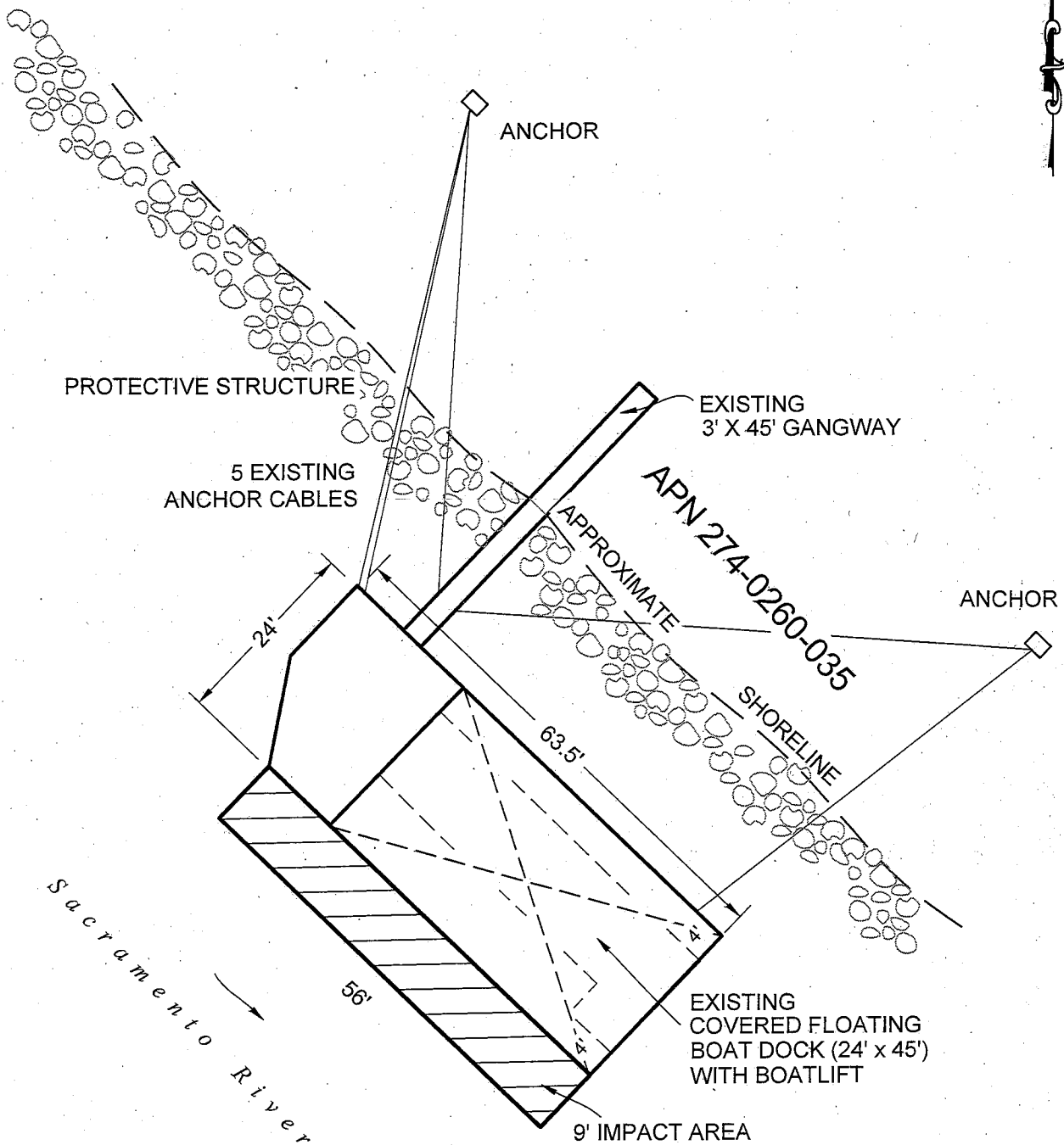


EXHIBIT A

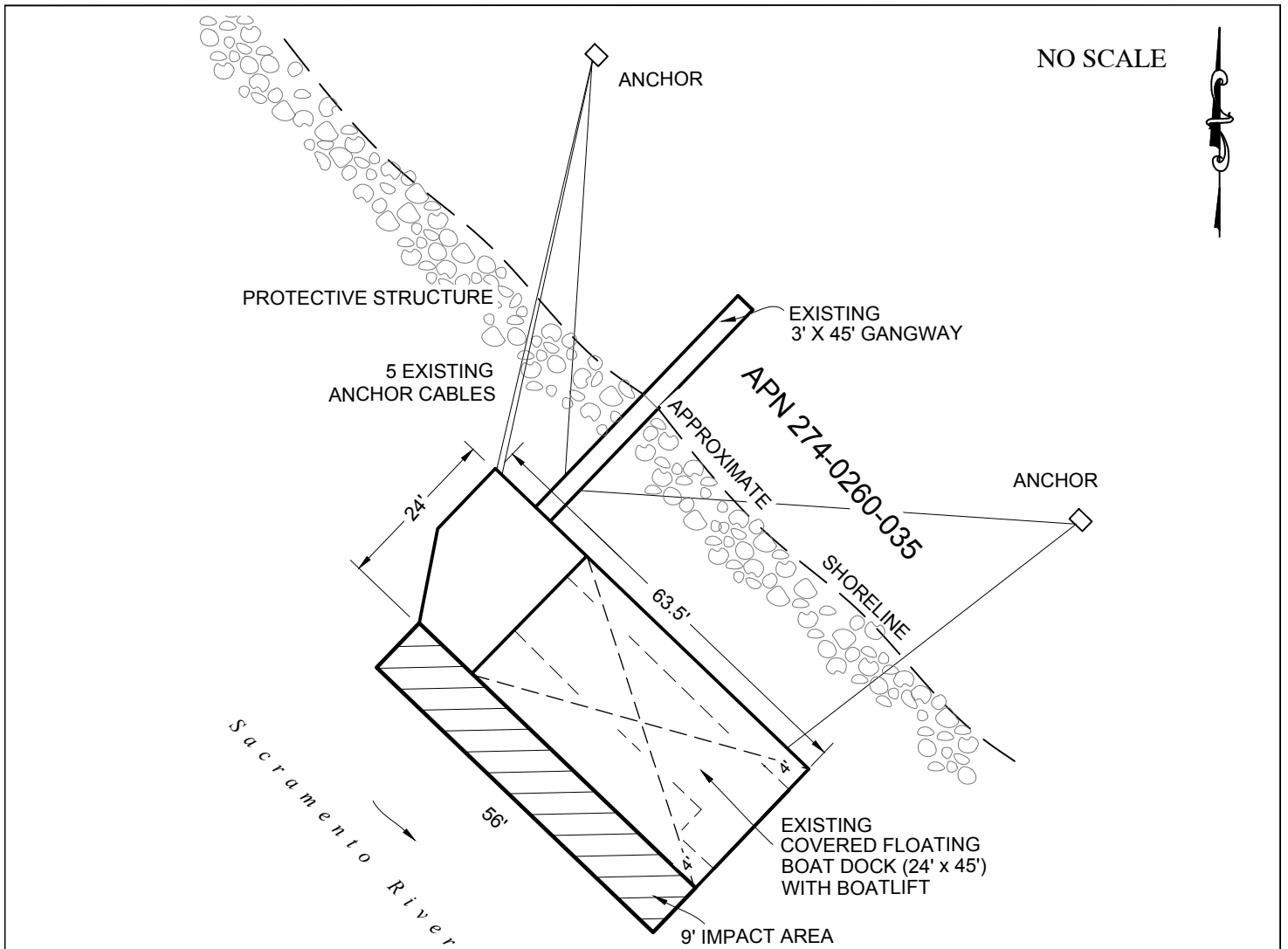
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LAND DESCRIPTION PLAT
 PRC 6053.1, SAECHAO
 SACRAMENTO COUNTY

CALIFORNIA STATE
 LANDS COMMISSION





2365 GARDEN HWY., SACRAMENTO

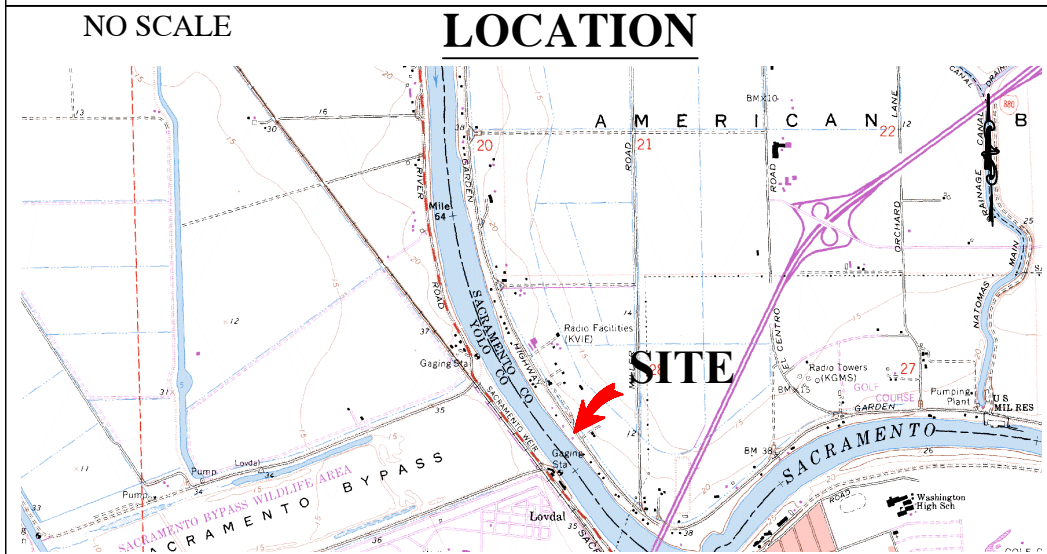


Exhibit B
 PRC 6053.1
 SAECHAO
 APN 274-0260-035
 GENERAL LEASE -
 RECREATIONAL &
 PROTECTIVE STRUCTURE USE
 SACRAMENTO COUNTY



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.