

**CALENDAR ITEM
C26**

A 10
S 3

04/23/15
PRC 7235.1
M. Schroeder

REVISION OF RENT

LESSEE:

City of Petaluma
11 English Street
Petaluma, CA 94952

AREA, LAND TYPE, AND LOCATION:

13.98 acres, more or less, of sovereign land in the Petaluma River, adjacent to Assessor's Parcel Number 005-060-59, in the city of Petaluma, Sonoma County.

AUTHORIZED USE:

Continued use and maintenance of a commercial marina, known as the Petaluma Marina, with 220 uncovered berths, fuel dock, launching ramp, and maintenance dredging of a maximum of 38,303 cubic yards of material annually.

LEASE TERM:

30 years, beginning July 1, 1988, with one 10-year renewal option.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease and recommends that the minimum rent be revised from \$8,078 per year to \$14,184 per year, against a percentage of gross income from boat berthing, and 1.5 cents per gallon for fuel sales under 100,000 gallons, and two cents per gallon for fuel sales over 100,000 gallons, effective July 1, 2015.

OTHER PERTINENT INFORMATION:

1. On August 10, 1988, the Commission authorized a General Lease – Public Agency Use to the City of Petaluma, for the construction and operation of a public commercial marina and annual maintenance dredging of 13,000 cubic yards of material. That lease will expire on June 30, 2018. However, the Lessee has the option to renew the Lease for one 10-year period. During the term of this lease, the Commission has authorized revisions of the annual rent on December 7, 1995, December

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16, 1998, June 2, 2003 and March 25, 2008. On December 7, 1995, the Commission authorized an amendment to the lease to include a fuel dock and pump. On June 28, 2010, the Commission authorized an increase in the annual maintenance dredging from 13,000 cubic yards of material to 38,303 cubic yards of material.

2. Staff has conducted the rent review called for in the lease and recommends the revision of rent.
3. The staff recommends that the Commission find that the subject revision of rent does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

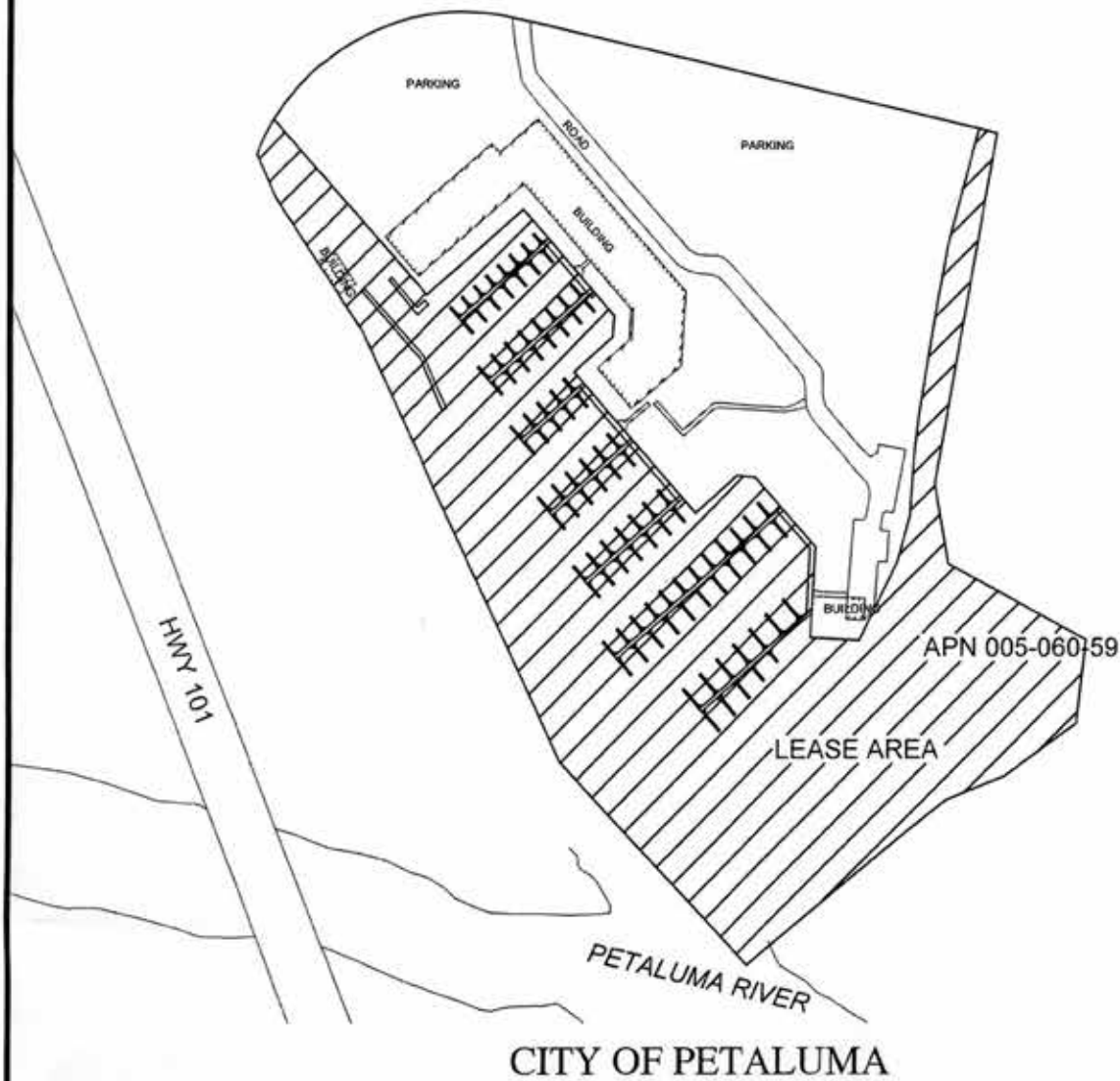
Find that the subject revision of rent is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

AUTHORIZATION:

Approve the revision of minimum annual rent for Lease No. PRC 7235.1 from \$8,078 per year to \$14,184 per year, effective July 1, 2015.

NO SCALE

SITE



NO SCALE

LOCATION

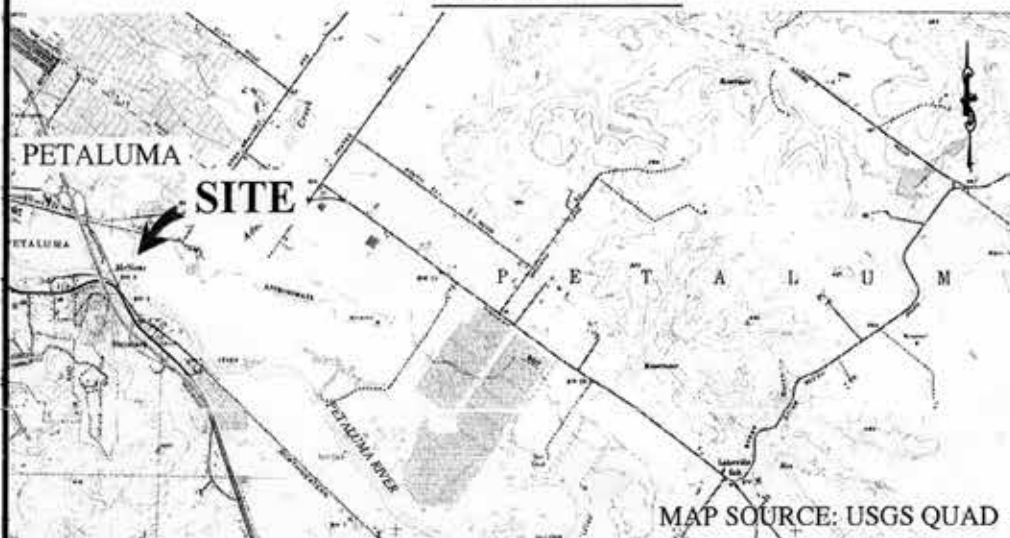


Exhibit A

PRC 7235.1
 CITY OF PETALUMA
 APN 005-060-59
 GENERAL LEASE -
 PUBLIC AGENCY USE
 SONOMA 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