

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2312 (Ávila Farias) – As Amended April 6, 2026

Policy Committee:	Natural Resources	Vote:	14 - 0
	Local Government		10 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill extends the lease on the public trust lands for the City of Martinez from 49 years to 66 years or, subject to State Lands Commission (SLC) approval, for a term longer than 66 years if SLC finds that a longer lease term is in the best interest of the state, as specified.

Relatedly, the bill includes intent language that SLC, the City of Martinez, and the parties to the exclusive negotiating agreement for the revitalization of the Martinez waterfront and marina, approved at the December 17, 2025, Martinez City Council meeting, maintain dialogue and continue to work together to determine the appropriate lease term to spur the revitalization of some or all of the city’s public trust lands to address the unique circumstances the marina is facing while maintaining the public trust.

FISCAL EFFECT:

SLC notes that any costs associated with extending the maximum lease term to 66 years are likely minor and absorbable.

SLC reviews an annual request from the City of Martinez for a revenue-sharing waiver (more on this below) and the city’s annual financial information (revenues and expenditures) for the granted lands. According to SLC, its annual costs associated with this oversight are currently negligible. Should these oversight costs increase in the future, the commission would seek reimbursement from the city via a reimbursement agreement, consistent with its existing practice.

Under current law, at the end of each fiscal year, the City of Martinez is required to transmit 20% of all gross revenues generated from its granted lands to SLC, of which 80% is deposited in the state’s General Fund and 20% is deposited in the Land Bank Fund for management of SLC’s granted lands program. Due to the marina’s infrastructure needs, for years, the revenue generated by the land was barely enough for the city to keep pace with basic maintenance and operational costs. In response, the Legislature granted SLC the discretion to annually relieve the city of its revenue-sharing obligation until June 30, 2029, resulting in a relatively minor revenue loss to the General Fund (less than \$15,000 annually).

COMMENTS:

1) **Purpose.** According to the author:

The Martinez Marina has far exceeded its useful life and currently faces dire and deteriorating conditions that are a drain on the city's limited budget and demand significant intervention. Revitalizing the Waterfront and Marina has been a top City and community priority for decades, and the City has now entered into an exclusive negotiating agreement with a private developer to realize a one-in-a-lifetime opportunity to rebuild and improve the infrastructure of the Marina and create a vibrant, accessible, sustainable, and community-serving Waterfront. This project will be funded with solely private capital.

Unfortunately, current law's 49-year maximum lease term with SLC cannot support the needed private lending and investment. In lieu of seeking scarce public funding, AB 2312 simply allows for a longer lease term that will attract the required capital.

- 2) **Background.** According to SLC, for over 100 years, the Legislature has enacted more than 300 statutes granting sovereign public trust lands to over 80 local municipalities (referred to as grantees or trustees) so the lands can be managed locally for the benefit of the people of California. While these trust lands are managed locally, SLC has oversight authority to ensure local trustees are complying with the Public Trust Doctrine and applicable granting statutes.

The City of Martinez was granted certain sovereign lands in trust in 1851. In 2014, the previous grant and statutory amendments were repealed and a new statute was enacted granting the city four trust land parcels, which included the Martinez Marina. According to the City of Martinez, the sponsor of this bill, the marina is a valuable statewide asset that provides maritime, navigational, recreational, cultural, and historical benefits. However, for years, the marina has been in a deteriorated state and has struggled to be fiscally stable, primarily due to high levels of silt flowing downstream and through its breakwater. Over the last 18 years, the city has incurred expenses totaling approximately \$2.4 million for dredging construction, design, and mitigation. According to the city, it continues to make investments to maintain the marina's infrastructure and develop solutions for comprehensive revitalization to restore public access and use of these trust lands.

The city argues that by providing additional flexibility for lease terms and reinforcing coordination between the city and SLC, this bill will support revitalization of the marina and surrounding public trust lands and dramatically improve the viability of the site for long-term investment through a public-private partnership.

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