

Date of Hearing: August 20, 2025

**ASSEMBLY COMMITTEE ON APPROPRIATIONS**

Buffy Wicks, Chair

SB 304 (Arreguín) – As Amended July 7, 2025

Policy Committee: Natural Resources

Vote: 13 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: Yes

**SUMMARY:**

This bill lifts, until February 1, 2066, the use restrictions imposed by the granting statutes and the public trust doctrine for after-acquired lands in Jack London Square and authorizes the Port of Oakland (Port) to lease the after-acquired lands for any purpose subject to specified conditions.

Specifically, this bill, among other things:

- 1) Provides that, notwithstanding any other law, the use restrictions imposed by the granting statutes and the public trust doctrine are lifted until February 1, 2066, with respect to the after-acquired lands in Jack London Square. Authorizes the Port to lease the after-acquired lands for any purpose, subject to specified conditions.
- 2) Authorizes the Port to lease after-acquired lands in Jack London Square for a nontrust use only if it finds that numerous specified conditions will be met, including that nontrust uses will not impair or harm existing public access or public trust uses and are intended to attract the statewide public to Jack London Square and the waterfront to promote increased use and enjoyment of the area.
- 3) Requires the Port to make the findings for each proposed nontrust lease at a public meeting, and prohibits the Port from delegating authority to make these findings to any other entity. Provides that any nontrust lease or lease amendment entered into without the Port making the findings shall be void.
- 4) Requires the Port, on or before January 15, 2027, and every year thereafter until February 2, 2066, to provide the State Lands Commission (SLC) a detailed narrative statement including specified information, such as, among other things, a map showing the distribution and location of nontrust use leases, the overall economic health and performance of Jack London Square, and the use of revenue derived from nontrust use leases.
- 5) Authorizes the Port to apply to SLC to categorize additional buildings in Jack London Square as after-acquired lands for purposes of this bill. Authorizes SLC to categorize a building in Jack London Square as after-acquired, if it makes specified findings.
- 6) Provides that, to the extent this bill conflicts with the stipulated judgment, the stipulated judgment shall control, as applicable.

**FISCAL EFFECT:**

- 1) SLC estimates annual costs of \$10,000 or less to review information submitted to it about Jack London Square. These costs will likely be reimbursed by the Port through a reimbursement agreement.
- 2) One-time costs of an unknown, but likely minor, amount for SLC and the Department of Justice (DOJ) to amend the stipulated judgment (see background). For its part, DOJ reports minor and absorbable costs.
- 3) By imposing additional duties on the Port, and by extension the City of Oakland, this bill imposes a state-mandated local program. However, according to the California Constitution, legislative mandates requested by the local agency affected are not reimbursable by the state. The Port of Oakland is the sponsor of this bill, and the City of Oakland is registered in support. Therefore, the committee assumes neither entity is eligible for reimbursement, although this is ultimately subject to a determination by the Commission on State Mandates.
- 4) According to SLC, this bill will not result in lost lease revenue for the state, because the Port – not the state – currently receives any lease revenue from lands in Jack London Square.

**COMMENTS:**

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

SB 304 addresses the critical need to modernize the Port of Oakland's public trust lands. By expanding flexibility in permitted uses in consultation with the State Lands Commission, this bill will revitalize the waterfront, promote business investment, enhance community programming, and ensure public access. The bill reflects the Port's evolving land use goals and commitment to equitable waterfront revitalization.

- 2) **Background. Public Trust Lands.** According to SLC, the Legislature has enacted more than 300 statutes granting sovereign public trust lands to over 80 local municipalities 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 comply with the public trust doctrine and the applicable granting statutes. The Legislature, under rare and unique circumstances, has provided a statutory framework for the leasing of granted public trust lands for nontrust uses by the trustees grounded on findings that the lands are not required for and will not interfere with the uses and purposes of the granting statutes and public trust doctrine.

**Updates to Jack London Square.** The Port seeks to promote the development, improvement, and economic revitalization of its public trust lands at Jack London Square. Jack London Square is a historic, mixed-use waterfront district within the Port that includes pedestrian-oriented retail, dining, and entertainment uses and a ferry terminal that reinforces the waterfront connection. The Port explains that its ability to attract and retain public trust-consistent tenants at Jack London Square has been significantly impaired by external factors beyond its control, including the sharp decline in the tourism and hospitality sectors

following the COVID-19 pandemic and the departure of all three of Oakland's professional sports teams, which has diminished regional visitation and economic activity.

Portions of Jack London Square consist of property that is not original tide and submerged lands, title to which was not derived from the granting statutes, but were acquired with public trust funds derived from Port operations. These lands, known as after-acquired lands, are held by the Port as assets of the statutory trust and accordingly are subject to the granting statute use restrictions, which incorporate public trust use restrictions, but they can be sold into private ownership for fair market value if they are no longer useful or needed for trust purposes.

The bill's findings contend temporarily lifting the public trust use restrictions imposed by the granting statutes, including public trust doctrine use restrictions, on Jack London Square parcels that are wholly located on after-acquired lands for a period of time, without removing the land from statutory trust ownership, may activate Jack London Square.

***Stipulated Judgement.*** In 2002, the Port and developers entered into a development deal for the Jack London District. This included leases to construct a mixed-use commercial development, including the expansion of existing structures and construction of new structures on public trust parcels in the Jack London District.

The state argued these parcels and development upon them were all subject to the public trust and must be used consistent with the public trust – including on the after-acquired lands to the extent they remain held by the Port. The public trust does not include general commercial office space, non-visitor serving retail, movie theaters, or parking that does not primarily serve public trust uses. The Port disagreed.

Ultimately, the Attorney General's Office, SLC, the Port, and two developers reached an agreement that became a stipulated judgment filed with the Superior Court in Alameda County in February 2005, which allows for temporary non-public-trust-consistent uses for limited periods that were negotiated as part of the settlement.

Approximately 50% of the ground floor space in the Jack London District is currently vacant, which presents challenges to the vibrancy and economic development of the area. The Port recently proposed allowing much more non-public trust consistent uses – particularly on the ground floor – including uses specifically excluded in the stipulated judgment.

This bill represents an agreement between SLC and the Port to lift the use restrictions imposed by the granting statutes and public trust doctrine until February 1, 2066, and authorizes the Port to lease after-acquired lands in Jack London Square for a nontrust use subject to the bill's specified conditions.

According to the Assembly Natural Resources Committee's analysis of this bill, the bill is not consistent with the stipulated judgement. The bill establishes legislative intent stating that SLC and the Port "use best efforts with relevant parties to lift the use restrictions imposed by the Stipulated Judgment and to hold those restrictions in abeyance for after-acquired lands until February 1, 2066, after which the Stipulated Judgment applies in full force and effect."