Audit: Lax land oversight cost California millions

By Patrick McGreevy, Los Angeles Times

SACRAMENTO — For 17 years, giant Dow Chemical Co. leased state property near the Bay Area community of Pittsburg without paying any rent. A boating marina in nearby Crockett has paid nothing for the government parcel it has used since 1989 — while subleasing the land to another firm. A Southern California Gas Co. pipeline runs through 48 acres of the Mojave Desert, but the utility did not pay a dime for five years.

Those businesses and dozens of others have benefited from officials' mismanagement of more than 4 million acres of public land, according to a state audit released Tuesday. The cost to taxpayers could easily be in the tens of millions of dollars, the auditors say, at a time when the state has been forcing teacher layoffs and cutting aid to the poor.

The State Lands Commission, made up of California's lieutenant governor, controller, finance director and a staff of dozens, has failed to perform the basic duties of any landlord — renewing expired leases, keeping rents at market level and evicting delinquent tenants — the study found.

The commission controls river and lake beds, tidelands along the coast and school property, land acquired from the federal government at statehood. But it "has not always managed its more than 4,000 leases in the state's best interest," auditor Elaine Howle wrote to the Legislature, which solicited the report.

The agency didn't collect 22 years of back rent from Ship Ashore Resort, on the California coast just south of Oregon. It failed to raise rents on Red Wolf Lakeside Lodge at Lake

Tahoe or on Atlanta-based Georgia-Pacific Gypsum LLC, which leases land on the San Joaquin River in Northern California. Auditors found more than $8 million in lost revenue in the 158 leases they reviewed.

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