



Finance, Affordability, Asset Management Committee  
and Efficiency Committee

# Authorize a New Lease on Webb Tract

Item 8-3

April 14, 2026

Presented by: Steven Johnson

## 8-3 Overview of New Lease

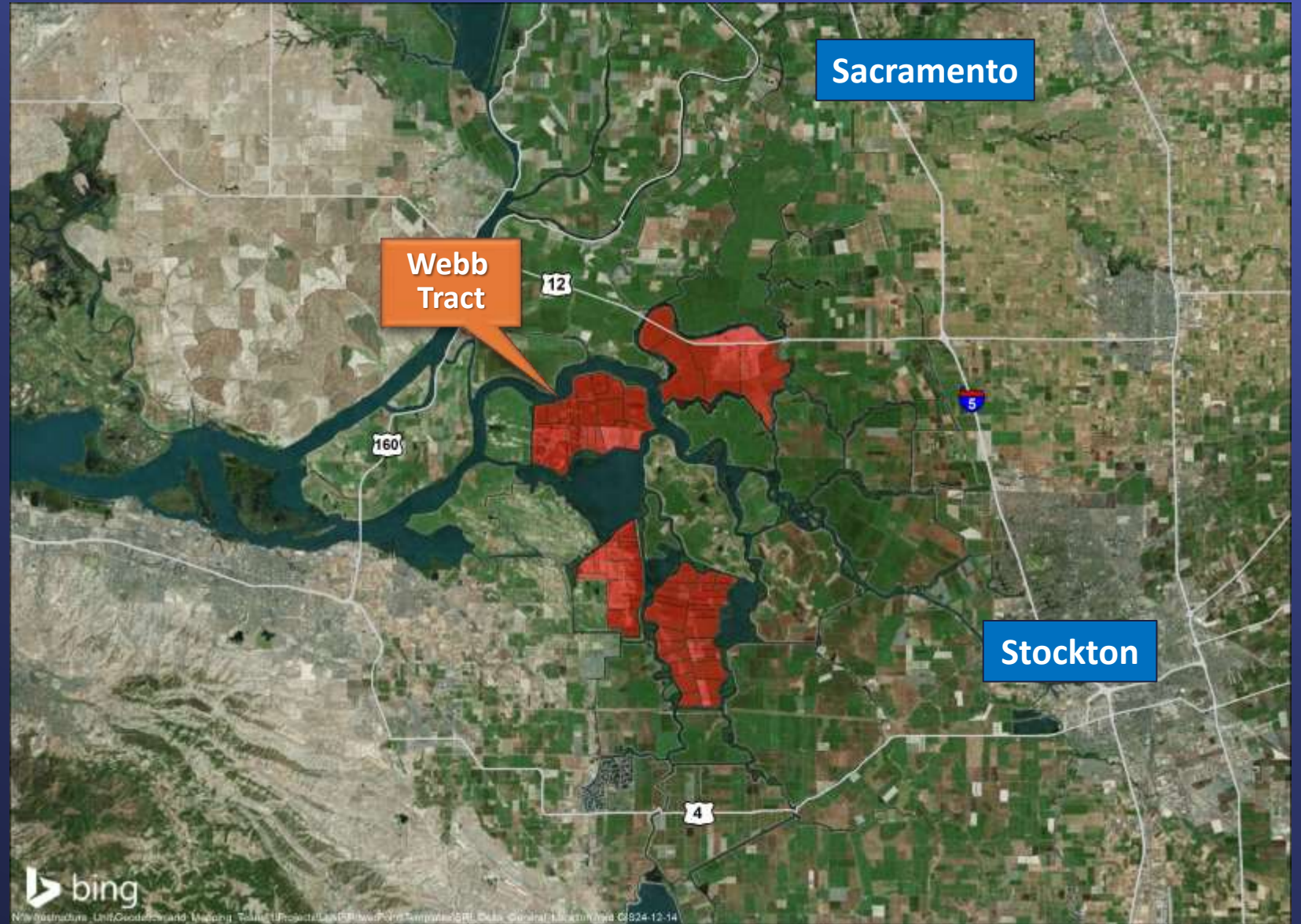
### Subject

- Authorize a new agricultural lease agreement with Martini Companies, LLC for rice farming and related uses on portions of Metropolitan-owned real property in the Sacramento-San Joaquin Bay Delta known as Webb Tract.

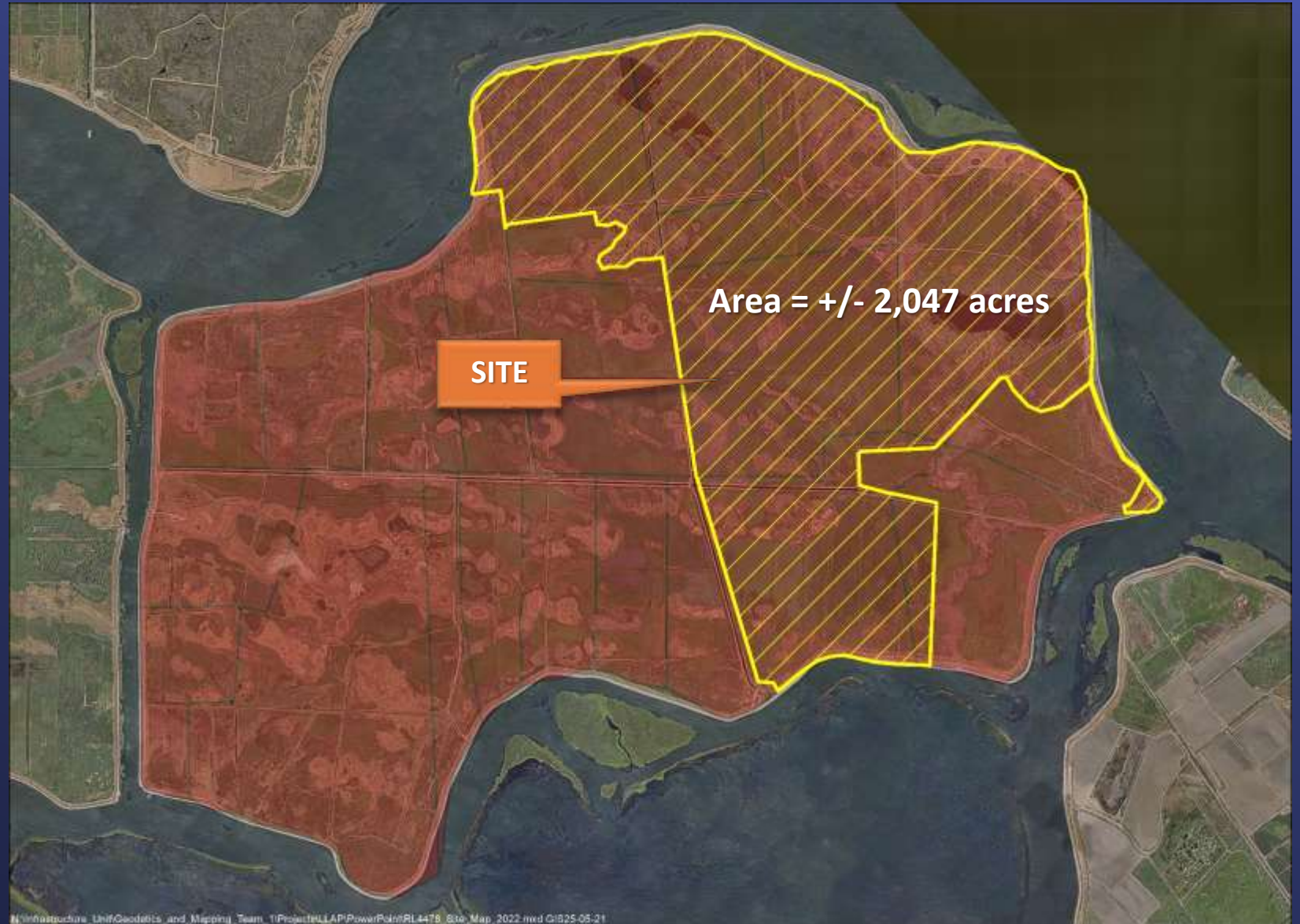
### Purpose

- Enter into a multi-year lease that increases revenue and long-term land value, while conforming with grant funding conditions for rice farming or other wet crop development that provides subsidence reduction and ecological benefits.

# General Location Map



# Site Map Webb Tract



# Bay-Delta Land Use Strategy

## Long-Term Agricultural Leasing

- Revenue growth
- Future property value

## Conversion to Rice

- Subsidence reduction
- Carbon sequestration opportunities
- Delta ecosystem restoration

## Delta Conservancy Grant

### Webb Tract Grant Proposal

- Webb Tract Multi-Benefit, Mosaic Landscape Grant Proposal (\$20.9M)
- Webb Tract Wetland Restoration Project (\$16.1M)
- Webb Tract Rice Conversion Project (\$4.8M)
  - Rice, other wet crop, or wetlands must be active for 15 years (commencing upon planting)
  - Encumbrance or active lease will not prevent land sale

## Tenant Solicitation

# Webb Tract Tenant Solicitation

- Board authorized a lease with the highest-ranked proposer on August 13, 2025, following two competitive solicitations
- Authorized proposer withdrew November 5, 2025; second-ranked proposer also declined
- Staff entered into direct negotiations with Martini Companies, LLC — a Delta-based grading and farming operation.
- Proposed lease terms reflect those negotiations

