

28. REPORT OF COMPLIANCE WITH TERMS OF BLA #131 AND REQUEST FOR APPROVAL OF COMMERCIAL SUBLEASE OF LANDS UNDER MASTER LEASE PRC 4689.1 WITH THE STATE LANDS COMMISSION - W 8747, PRC 4689.1.

After consideration of Calendar Item 27 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. FINDS THAT IN COMPLIANCE WITH PARAGRAPH NO. 5 OF BOUNDARY LINE AGREEMENT NO. 131, ANZA PACIFIC HAS CANCELLED AND TERMINATED ALL AUTHORIZED BUT UNSOLD CITY OF BURLINGAME BAYSIDE IMPROVEMENT DISTRICT NO. 4, 1915 IMPROVEMENT ACT ASSESSMENT BONDS, EFFECTED UNDER CITY OF BURLINGAME RESOLUTION NO. 89-72, DATED DECEMBER 4, 1972, AND HAS CAUSED THE OUTSTANDING PORTION OF SAID BONDS TO BE REASSESSED AGAINST THE LEASEHOLD INTERESTS OF ANZA PACIFIC, EFFECTED UNDER CITY OF BURLINGAME RESOLUTION NO. 90-72, DATED DECEMBER 4, 1972.
2. FINDS THAT IN COMPLIANCE WITH PARAGRAPH NO. 6 OF BOUNDARY LINE AGREEMENT NO. 131, ANZA PACIFIC HAS COMPLETED THE CONSTRUCTION OF A LAGOON LOCATED WITHIN PARCELS 9, 10, AND 11 OF THE STATE'S LAND INSOFAR AS CONTEMPLATED BY SAID AGREEMENT.
3. FINDS THAT IN COMPLIANCE WITH PARAGRAPH NO. 8 OF BOUNDARY LINE AGREEMENT NO. 131, ANZA PACIFIC HAS SECURED THE TERMINATION OF THAT PUBLIC DEDICATION FOR ROAD, UTILITY AND RELATED PURPOSES RECORDED IN VOLUME 5610, PAGES 291, ET SEQ., OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY OVER STATE PARCELS 8, 9, 10, 11, 12 AND 13, SAID TERMINATION HAVING BEEN EFFECTED BY CITY OF BURLINGAME RESOLUTIONS NOS. 91-72 AND 92-72, RECORDED JANUARY 10, 1973, IN BOOK 6304, PAGES 404-409 OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY.
4. DETERMINES AS TO THE SUBLEASE FROM ANZA PACIFIC TO JAMES T. SAKATA, THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF 14 CAL. ADM. CODE 15074.
5. APPROVES THE 25-YEAR SUBLEASE TO JAMES T. SAKATA, COMMENCING APPROXIMATELY FEBRUARY 1, 1975; THE STATE BEING NAMED AS ADDITIONAL INSURED ON SECURED PUBLIC LIABILITY INSURANCE IN AMOUNTS OF \$500,000/\$1,000,000 FOR PERSONAL INJURY AND \$200,000 FOR PROPERTY DAMAGE; FOR A RESTAURANT ON THE LAND DESCRIBED IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF, AND OTHERWISE SUBJECT TO THE TERMS AND CONDITIONS OF STATE LEASE PRC 4689.1.
6. AUTHORIZES THE EXECUTION OF ALL DOCUMENTS NECESSARY TO EFFECTUATE THESE FINDINGS, DETERMINATIONS AND APPROVALS.

Attachment:

Calendar Item 27 (4 pages)

REPORT OF COMPLIANCE WITH TERMS OF BLA #131
AND REQUEST FOR APPROVAL OF COMMERCIAL SUBLEASE OF LANDS
UNDER MASTER LEASE PRC 4689.1 WITH THE STATE LANDS COMMISSION

BACKGROUND:

Under Minute Item 26, dated July 6, 1972, the Commission approved Anza Pacific Boundary Settlement and Exchange Agreement No. 131, and the issuance of twelve State leases.

As a part of that agreement, Anza Pacific was required to accomplish certain acts and the Commission was required to make findings that these acts have been performed as required. Three of those requirements pertain to the construction of a lagoon on State leased lands by Anza Pacific (Agreement Paragraph 6), the termination of City of Burlingame Bayside Improvement District No. 4, 1915 Improvement Act Assessment Bonds which were unsold and reassessment of those bonds outstanding against State lands to the Anza Pacific leasehold interests (Agreement Paragraph 5), and the termination of a public dedication for road, utility and related purposes across certain State lands (Agreement Paragraph 8). Anza Pacific has informed the Commission staff that these requirements have been accomplished and has requested that the Commission make the findings required by said agreement. The staff has independently verified that the requirements have been accomplished as required by the agreement.

Pursuant to the agreement, the State leased for 66 years to Anza Pacific the 46 acres confirmed in State ownership. The initial rental consideration for said leases through June 30, 1988, is \$18,626 per annum plus Anza's retirement of Reclamation District bonds, and City of Burlingame bonds, construction of the lagoon on the State property and completion of site improvements on State lands to an elevation equal to that of adjacent Anza lands. The State lease of the 46 acres for administrative convenience in subleasing was accomplished by 13 separate leases. The monetary amount is to be received by the State through June 30, 1988, and was prorated to each lease. In addition to monetary payments, the State also receives as consideration for the leases the performance by Anza Pacific of the obligations imposed above relating to retirement of bonds and indebtedness and construction of improvements on State lands.

Subleases of the State lands by Anza Pacific require the approval of the State Lands Commission. One such sublease has now been submitted for approval.

CURRENT SUBLEASE APPROVAL REQUEST

Anza Pacific Sublease to James T. Sakata

This lease covers a portion of the land described in State Lease PRC 4689.1. The subleased premises will be used as a quality restaurant, together with

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necessary parking. The total land area of the sublease is approximately 88,420 square feet. The initial sublease term runs from approximately February 1, 1975, to June 30, 2000. Any sublease, reletting or subletting is subject to the written consent of the Commission. The sublease also requires that the State be named as additional insured as to public liability insurance. This project has been found to be ministerial in nature, and is exempt from the Environmental Quality Act of 1970, as amended. A Notice of Exemption has been duly provided to the staff.

The terms of the State lease runs from July 1, 1972, through June 30, 2038, or 66 years in total; the term and rentals to the State having been negotiated upon enactment of Boundary Line Agreement No. 131. For each year through June 30, 1988, the State will receive the rental specified in Roman Numeral I of the State lease. For the period of July 1, 1988, through June 30, 2007, the rental to be received by the State shall be one-half the net cash income from the land under lease, whether said income is derived from sublessees or through direct enterprise by Anza Pacific.

Anza Pacific's request for sublease approval herein has been reviewed. The terms of the sublease are acceptable to the staff and are consistent with the provisions of Boundary Line Agreement No. 131, the Master Plan attached thereto, and State Lease PRC 4689.1.

EXHIBITS: A. Land Description. B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT IN COMPLIANCE WITH PARAGRAPH NO. 5 OF BOUNDARY LINE AGREEMENT NO. 131, ANZA PACIFIC HAS CANCELLED AND TERMINATED ALL AUTHORIZED BUT UNSOLD CITY OF BURLINGAME BAYSIDE IMPROVEMENT DISTRICT NO. 4, 1915 IMPROVEMENT ACT ASSESSMENT BONDS, EFFECTED UNDER CITY OF BURLINGAME RESOLUTION NO. 89-72, DATED DECEMBER 4, 1972, AND HAS CAUSED THE OUTSTANDING PORTION OF SAID BONDS TO BE REASSESSED AGAINST THE LEASEHOLD INTERESTS OF ANZA PACIFIC, EFFECTED UNDER CITY OF BURLINGAME RESOLUTION NO. 90-72, DATED DECEMBER 4, 1972.
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4. DETERMINE AS TO THE SUBLEASE FROM ANZA PACIFIC TO JAMES T. SAKATA, THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF 14 CAL. ADM. CODE 15074.
5. APPROVE THE 25-YEAR SUBLEASE TO JAMES T. SAKATA, COMMENCING APPROXIMATELY FEBRUARY 1, 1975; THE STATE BEING NAMED AS ADDITIONAL INSURED ON SECURED PUBLIC LIABILITY INSURANCE IN AMOUNTS OF \$500,000/\$1,000,000 FOR PERSONAL INJURY AND \$200,000 FOR PROPERTY DAMAGE; FOR A RESTAURANT ON THE LAND DESCRIBED IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF, AND OTHERWISE SUBJECT TO THE TERMS AND CONDITIONS OF STATE LEASE PRC 4689.1.
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Attachment: Exhibit "A"

EXHIBIT "A"

W 8747

All that certain real property situated in the City of Burlingame, County of San Mateo, State of California, described as "Parcel 11" in that certain Lease, numbered 4689.1, executed by the State of California State Lands Commission as Lessor and Anza Pacific Corp. a California corporation Lessee, dated July 1, 1972, and recorded July 27, 1972, in Book 6198, Official Records of San Mateo County, page 199 (41785-AF); and, reserving therefrom to Anza Pacific Corp. and its sublessees, the right to utilize that portion of said parcel, to the west of a line, commencing at a point on the northerly boundary of said parcel, which boundary is also the north line of Section 18, T 4 S, R 4 W, MDM, said point being N 89° 43' 1" E, 1709.97 feet from the northwest corner of said Section 18, as said section corner is shown on the Map of Anza Airport Park #4, recorded on July 26, 1968, in Volume 68 of Maps, page 11, Official Records of the County of San Mateo, and extending S 0° 16' 59" E from this point to the south boundary of said parcel.

END OF DESCRIPTION