

11. TERMINATION OF NONCOMMERCIAL LEASE PRC 3935 TIDE AND SUBMERGED LAND IN STEAMBOAT SLOUGH ON GRAND ISLAND, APPROXIMATELY 4 MILES SOUTHERLY OF COURTLAND, SACRAMENTO COUNTY; RIVER MANSION DEVELOPMENT CORPORATION - WP 3935, PRC 3935.

During consideration of Calendar Item 9 attached, Mr. Darrell J. McConnell, representing the California Marina and Recreation Association, appeared. He asked whether it was the intent of the Commission to dispose of the subject marina property after the lease has been terminated. Mr. James F. Trout, Manager, Land Operations, explained that the staff's recommendation involves terminating the lease, thereby requiring the lessee to remove the improvements that are placed on the State tidelands. If the improvements are not removed by the lessee, the State will take whatever legal remedies it deems appropriate to clear the land. Mr. McConnell's main concern was with the critical shortage of dockage facilities on the Sacramento River. He, therefore, requested that if the State decides to dispose of the property, it offer the facilities for public sale so that they may be retained in use. Mr. Northrop pointed out that the problem involved with the lease in question is not in disposing of the property but in receiving rental therefor. At the conclusion of the discussion, Mr. McConnell was assured that the staff will take into consideration the shortage of dockage facilities on the Sacramento River before removing the facilities.

Chairman Cory revealed for the record that the stockholder of the River Mansion Development Corporation is an acquaintance of his.

Upon motion duly made and carried, the following resolution was unanimously adopted:

THE COMMISSION:

1. FINDS THAT RIVER MANSION DEVELOPMENT CORPORATION HAS BREACHED THE PROVISIONS OF LEASE PRC 3935, PARAGRAPH 2, TO WIT, FAILURE TO PAY RENT AS SPECIFIED; AND PARAGRAPH 13, TO WIT, FAILURE TO KEEP IN FULL FORCE AND EFFECT LIABILITY INSURANCE AS SPECIFIED.
2. AUTHORIZES THE STAFF OF THE STATE LANDS DIVISION AND/OR THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL STEPS NECESSARY, INCLUDING LITIGATION, TO:
  - A. TERMINATE LEASE PRC 3935.
  - B. COLLECT ALL UNPAID RENT, PLUS INTEREST AND PENALTIES, DUE UNDER LEASE PRC 3935.
  - C. EJECT ALL UNAUTHORIZED PERSONS FROM LANDS COVERED UNDER LEASE PRC 3935.
  - D. CAUSE THE REMOVAL AS DETERMINED BY STAFF OF ANY OR ALL IMPROVEMENTS REFERENCED IN PARAGRAPH 14 OF LEASE PRC 3935.

CALENDAR ITEM

9.

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WP 3935

TERMINATION OF NONCOMMERCIAL LEASE PRC 3935

APPLICANT: River Mansion Development Corporation.

AREA, TYPE LAND AND LOCATION:

A. 0.656-acre parcel of tide and submerged land in Steamboat Slough on Grand Island, approximately 4 miles southerly of Courtland, Sacramento County.

LAND USE:

Maintenance of pontoons, dolphins and a walkway for the accommodation of patrons visiting a restaurant on the upland.

TERMS OF ORIGINAL LEASE:

Initial period: 5 years, from October 26, 1967.

Renewal options: 3 successive periods of 10 years each.

Surety bond: \$2,000.

Public liability insurance:  
\$100,000/\$300,000 for personal injury and \$10,000 for property damage.

CONSIDERATION: \$174 per annum.

STATUTORY AND OTHER REFERENCES:

- a. Public Resources Code: Div. 6, Parts 1 & 2.
- b. Administrative Code: Title 2, Div. 3, Arts. 1, 2 & 10.

BACKGROUND:

Under application dated December 11, 1964, River Mansion Development Corporation, a California corporation, requested approval of proposed dolphins, wharf and marina situated contiguous to the left bank of Steamboat Slough, Mile 23.2, Sacramento County. On April 25, 1968, the State Lands Commission authorized the issuance of Lease PRC 3935 under Minute Item 13, page 390. Corrections in the description necessitated return of the document to the applicant. Due to a lack of cooperation, a properly executed document did not reach the Division until July 7, 1969.

CALENDAR ITEM NO. 9. (CONTD)

Further delay in submitting an insurance certificate and a surety bond held up until November 3, 1969, the transmittal of a fully executed document to the applicant.

The file is testimony of the numerous attempts on the part of Division staff to collect deficient rent payments, both before and after receipt of applicant's letter of November 9, 1971, citing personal problems. Mrs. Miller advised staff counsel July 10, 1973, by telephone, that she was sending her check that week for past rent and penalties and that she wanted to retain her lease. Subsequent to this representation, no rents have been received by the Division for credit to this account.

CURRENT STATUS: The staff maintains that the lessee has been dilatory beyond any reasonable definition of time within which to pay past due rents. The sum of \$733.59 is now due and payable for unpaid rent through October 25, 1972, the date the lease expired, with interest and penalties calculated through February 28, 1975.

The Division's letter of October 5, 1974, transmitted by certified mail was returned to the Division marked "refused". The Division received on January 13, 1973, a Notice of Cancellation of liability policy GLA 9-372-859 effective January 19, 1975. The Division has not received a notice of reinstatement or a substitute policy to date.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT RIVER MANSION DEVELOPMENT CORPORATION HAS BREACHED THE PROVISIONS OF LEASE PRC 3935, PARAGRAPH 2, TO WIT, FAILURE TO PAY RENT AS SPECIFIED; AND PARAGRAPH 13, TO WIT, FAILURE TO KEEP IN FULL FORCE AND EFFECT LIABILITY INSURANCE AS SPECIFIED.
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