

MINUTE ITEM

7/79
Scott

2. AUTHORIZATION TO TERMINATE LEASE PRC 5257.1

Calendar Item 2. attached was pulled from the agenda prior to the meeting.

Attachment: Calendar Item 2. (3 Pages)

CALENDAR PAGE	
MINUTE PAGE	1203

CALENDAR ITEM

2.

7/79
W 21082
PRC 5257.1
Scott

AUTHORIZATION TO TERMINATE
LEASE PRC 5257.1

APPLICANT: Walter M. Harvey
P. O. Box 1222
Sacramento, California 95806

AREA, TYPE LAND AND LOCATION: A 0.429 acre parcel of tide and submerged land in the Sacramento River adjacent to Old Sacramento Development, City and County of Sacramento.

LAND USE: Maintenance of one stern wheeled steamboat with ramp and floating dock to be used as a restaurant, lounge and bar.

BACKGROUND: At its meeting on February 24, 1977 as Calendar Item 21, the Commission authorized the issuance of a Commercial Lease to Walter M. Harvey, for the placement of a steamboat, to be used as a restaurant, lounge and bar, in the Sacramento River adjacent to the City of Sacramento's Old Sacramento Development. The approved lease required the payment of a minimum rental on February 1, 1978 plus a percentage of the Gross Income at the end of each year. Due to circumstances which appeared to be beyond the control of the lessee and at the lessee's request, the Commission as Calendar Item 24 of its February 23, 1978 meeting, approved an amendment of this lease changing the date at which the first minimum rental payment would become due from February 1, 1978 to February 1, 1979.

CURRENT SITUATION:

In accordance with staff practice the lease was invoiced on January 1, 1979, 30 days in advance of the rental due date. When payment or correspondence was not received, staff sent follow-up requests advising lessee of penalty and interest accruing

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on the rental payment. These follow-ups were mailed on March 21, 1979, April 11, 1979 and May 23, 1979. The last follow-up letter, sent by certified mail, advised the lessee that if the rental payment was not received within 30 days of the date of the letter that staff would take legal steps to terminate the lease. As of this date lessee has failed to correspond in any way. The leased area is not presently occupied by any physical facilities and lessee has also failed to secure agreement for use of the adjoining upland from the City of Sacramento. At this time the Commission must decide whether it wants to terminate the lease or approve an amendment of the lease extending the time when the first rental payment is due. The effect of the later provision is to give Mr. Harvey an additional option to the upland in question without making any rental payments.

EXHIBIT:

A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE STAFF AND/OR THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL STEPS NECESSARY, INCLUDING LITIGATION IN ORDER TO TERMINATE LEASE PRC 5257.1, WAIVER OF THE ANNUAL RENTAL WHICH WAS DUE ON FEBRUARY 1, 1979 IS RECOMMENDED.

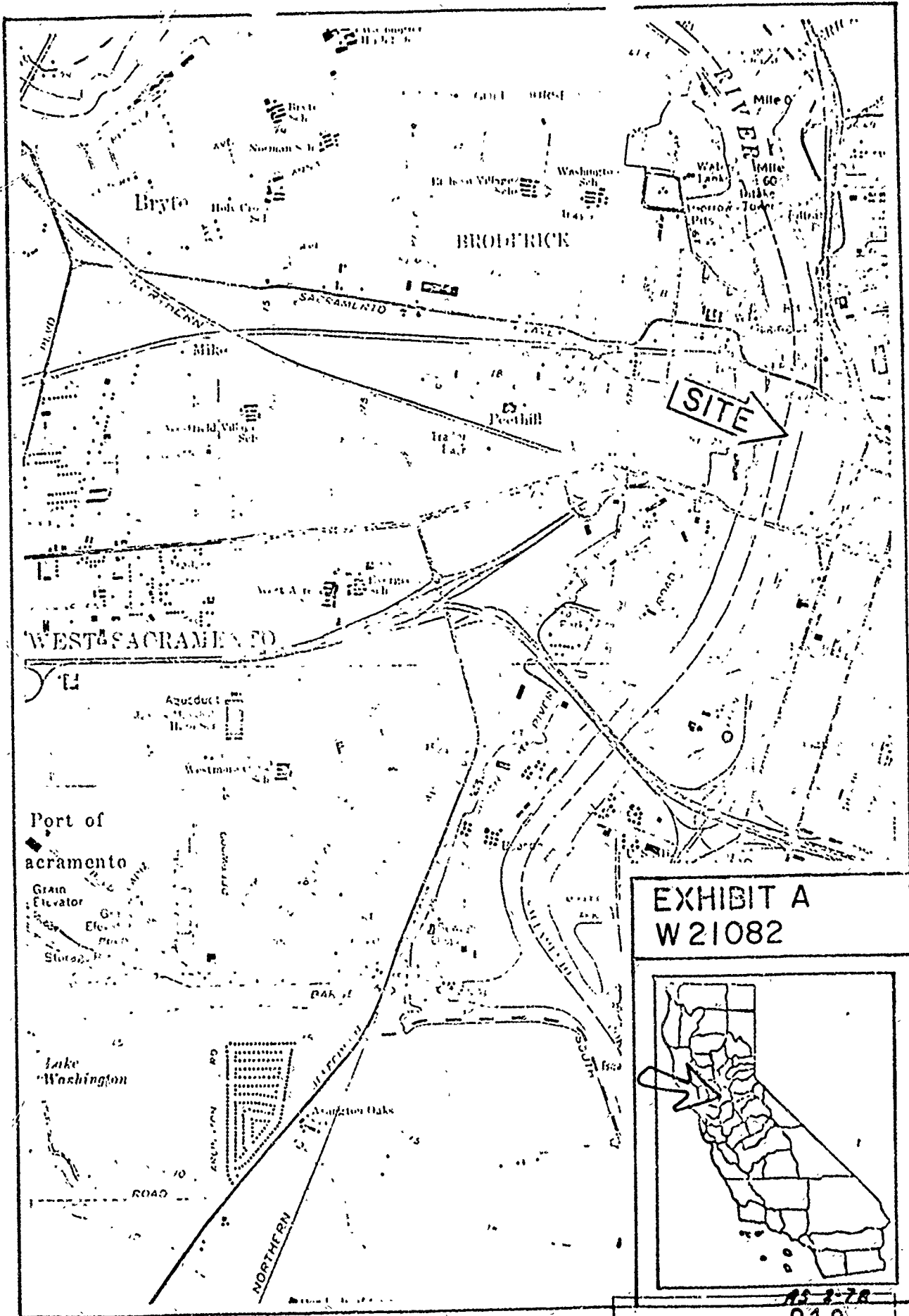
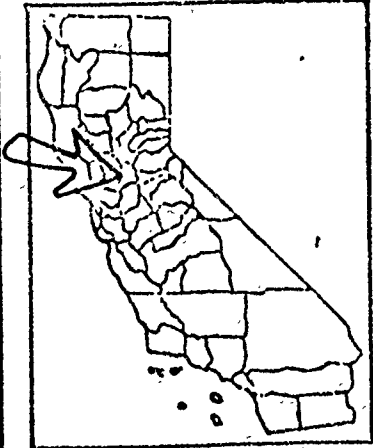


EXHIBIT A
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