

MINUTE ITEM

This Calendar Item No. C12.
was approved as Minute Item
No. 12 by the State Lands
Commission by a vote of 3
0 at its 3-19-80
meeting.

CALENDAR ITEM

C12.

3/80
WP 5259
Louie
PRC 5259.1

AMENDMENT OF COMMERCIAL LEASE PRC 5259.1

BACKGROUND:

On October 29, 1979 the Commission approved the assignment of Lease PRC 5259.1 as amended, from Harbour Pacific Ltd. to K.T.J. Properties, Inc.; which lease provides for a term of 15 years beginning June 1, 1977, with renewal options of 3 successive periods of 10 years each; consideration for the 0.894 acre parcel, Huntington Harbor, Orange County, is \$450 per annum until construction is completed, and \$7,858 per annum after construction (July 1, 1981) with the State reserving the right to fix a different rental on each fifth anniversary of the lease; a provision for liability insurance of \$1,000,000 combined single limit, and authorization for the lessee mortgaging or encumbering the leased premises with a provision for mortgagee protection language. The facility covered by this lease is a commercial marina.

CURRENT SITUATION:

The staff has been contacted by K.T.J. Properties, Inc. requesting an extension of the base lease term which is necessary for successful project financing. The staff recommends the following amendments to meet both the Lessee's needs and the Commission's requirements.

1. A lease term of 42 years and 10 months beginning June 1, 1977, with the State reserving the right to fix a different rental on each fifth anniversary of the lease. This term is necessary to satisfy the requirements of prospective lenders for the project, and to allow loan terms that are compatible to project feasibility.

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2. Delete renewal options of three successive periods of ten years each.
3. The lease amendment is on file in the Office of the Commission.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.; Div. 6, Parts 1 & 2.
- B. Cal. Adm. Code: Title 2, Div. 3.

OTHER PERTINENT INFORMATION:

1. A cumulative EIR was approved by the State Lands Commission at its March 25, 1976 meeting. The impact of future development of Huntington Harbour was included in this cumulative report. The report concluded that no significant effects to the environment will be caused by the future construction of boating facilities within the Huntington Harbour complex, up to the maximum number of boat docks which can be fit into the remaining undeveloped areas of the complex.
2. This project is situated on land identified as possessing environmental values in that the State Lands Commission stated all waterways under the Commission's jurisdiction have environmental significance. Staff finds this project to be compatible with Commission policy.
3. This type of facility has been authorized by the Coastal Commission in the Huntington Harbour area, and this project would appear to be consistent with the Coastal Act.

EXHIBITS: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT NO ADDITIONAL EIR IS REQUIRED FOR THIS PROJECT AS SUCH PROJECT WAS INCLUDED IN A CUMULATIVE EIR APPROVED BY THE COMMISSION AT ITS MARCH 25, 1976 MEETING, WHICH

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ADEQUATELY ADDRESSED THE IMPACTS ASSOCIATED WITH THIS PROJECT.

2. DETERMINE THAT THE PROJECT IS CONSISTENT WITH THE PROVISIONS OF ARTICLE 6.5 OF TITLE 2, OF THE CAL. ADM. CODE.
3. FIND THAT THIS PROJECT IS SITUATED ON LAND IDENTIFIED AS POSSESSING ENVIRONMENTAL VALUES IN THAT THE STATE LANDS COMMISSION FOUND ALL WATERWAYS UNDER THE COMMISSION'S JURISDICTION HAVE ENVIRONMENTAL SIGNIFICANCE, BUT THAT THIS PROJECT IS COMPATIBLE WITH THAT FINDING AS IT APPLIES TO THE SUBJECT LAND.
4. APPROVE AND AUTHORIZE EXECUTION OF THE AMENDMENT OF COMMERCIAL LEASE PRC 5259.1 ON FILE IN THE OFFICE OF THE COMMISSION.

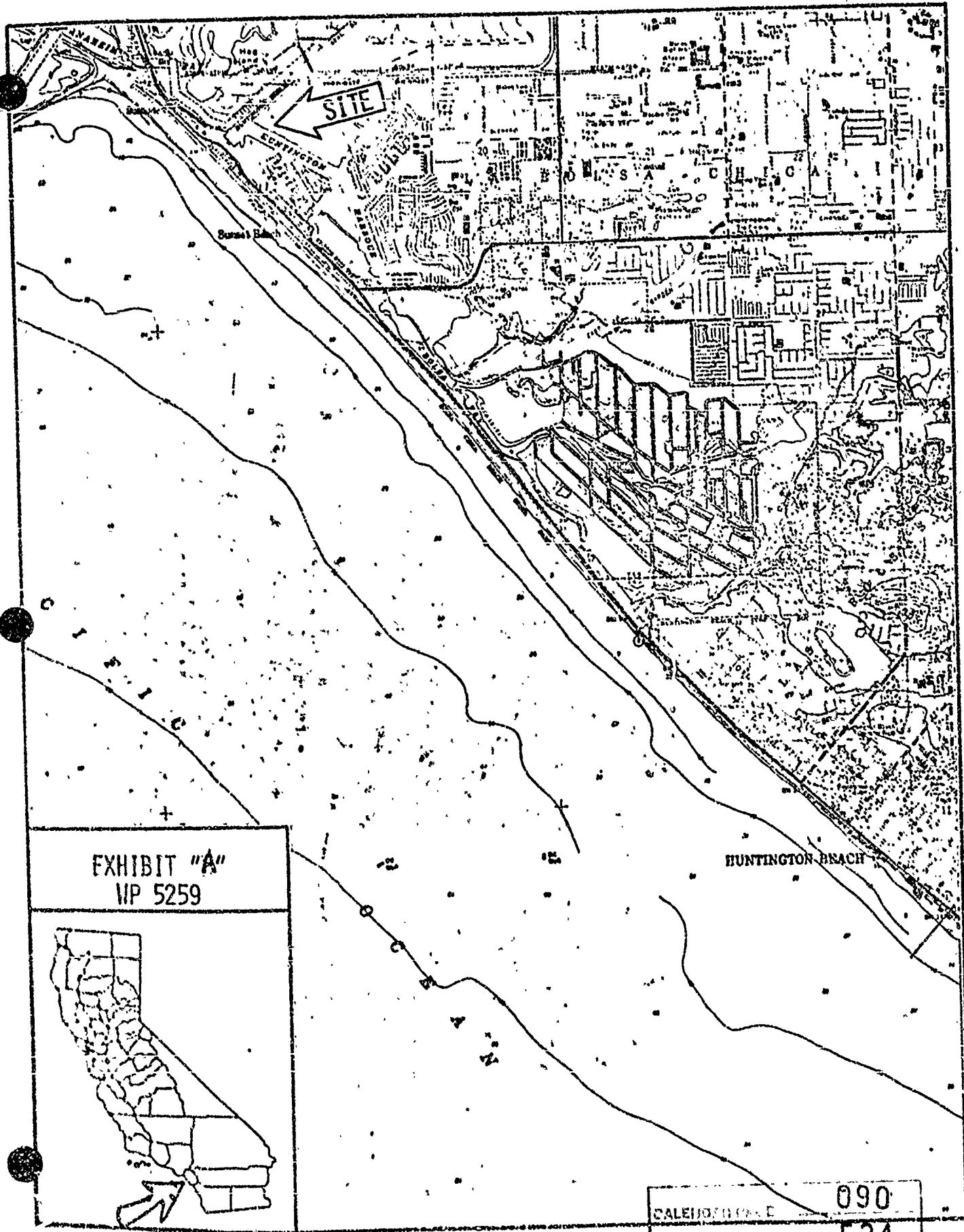


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