

MINUTE ITEM

This Calendar Item No. 1
was approved as Minute Item
No. 1 by the State Lands Commission by a vote of 2
to 0 at its 11/16/82
meeting.

MINUTE ITEM
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11/16/82
WP 4687
Maricle

ASSIGNMENT OF COMMERCIAL LEASE PRC 4687.1
AND APPROVAL OF
ACCEPTANCE OF LEASE QUITCLAIM DEED
FOR LEASE PRC 4684.1
AND AMENDMENT OF OPTION TO
ACQUIRE LEASE PRC 4686.1

During consideration of Calendar Item 1, attached, Assistant Executive Officer Trout stated the Calendar Item was being amended to substitute Burlingame-Bay Associates as Assignee.

Upon motion duly made by Commission-Alternate Ackerman and seconded by Chairman Cory, the following resolution in Calendar Item 1 was amended by a vote of 2-0:

THE COMMISSION:

1. DETERMINES THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH DOCUMENT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21065, 14 CAL. ADM. CODE 15037 AND 15060; AND FIND THAT THIS ACTIVITY IS CONSISTENT WITH ITS USE CLASSIFICATION.
2. AUTHORIZES APPROVAL OF THE ASSIGNMENT OF LEASE PRC 4687.1 FROM ANZA SHAREHOLDERS' LIQUIDATING TRUST TO BURLINGAME-BAY ASSOCIATES, EFFECTIVE NOVEMBER 23, 1982, SUBJECT TO RECEIPT AND APPROVAL BY THE EXECUTIVE OFFICER OF EVIDENCE OF THE ASSIGNEE'S ABILITY TO PERFORM UNDER THE TERMS OF SAID LEASE, AND ON THE CONDITION THAT ASSIGNOR IS NOT RELEASED NOR RELIEVED OF ANY OBLIGATION TO THE STATE UNDER THE TERMS OF SAID LEASE, AND FURTHER THAT ASSIGNOR IS HELD LIABLE BY STATE FOR THE FAITHFUL PERFORMANCE OF SAID LEASE IN THE EVENT ASSIGNEE IS UNABLE OR UNWILLING TO FULFILL ANY AND ALL OBLIGATIONS REQUIRED IN THE LEASE; AND THAT ASSIGNOR CAN ONLY BE RELIEVED FROM THE ABOVE OBLIGATIONS BY SPECIFIC AUTHORIZATION OF THE STATE LANDS COMMISSION, AND THAT ASSIGNEE SHALL BE LIABLE FOR AND MAINTAIN THE EXISTING RIPRAP AT THE NORTH LINE OF THE LEASE PREMISES.
3. AUTHORIZES ACCEPTANCE OF A LEASEHOLD QUITCLAIM DEED FOR AND TERMINATION OF LEASE PRC 4684.1, EFFECTIVE NOVEMBER 30, 1982.

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4. AUTHORIZES AN AMENDMENT TO THE GRANT OF OPTION TO PURCHASE LEASEHOLD INTEREST IN STATE LEASE PRC 4686.1, DATED JUNE 10, 1982, BETWEEN THE STATE AS OPTIGNEE AND ANZA SHAREHOLDERS' LIQUIDATING TRUST AS OPTIONOR TO CHANGE THE OPTION PRICE TO \$6.50 PER SQUARE FOOT OF LAND AREA PLUS \$25,000; PROVIDED THAT ALL OTHER TERMS OF THE OPTION SHALL REMAIN UNCHANGED.
5. AUTHORIZES STAFF TO TAKE ALL STEPS NECESSARY TO EFFECTUATE THESE AUTHORIZATIONS INCLUDING RECORDATION OF THE DOCUMENTS.

Attachment: Calendar Item 1.

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CALENDAR ITEM

01

11/16/82
WP 4687
Maricle

ASSIGNMENT OF COMMERCIAL LEASE PRC 4687.1
AND APPROVAL OF
ACCEPTANCE OF LEASE QUITCLAIM DEED
FOR LEASE PRC 4684.1
AND AMENDMENT OF OPTION TO
ACQUIRE LEASE PRC 4686.1

ASSIGNOR: Anza Shareholders' Liquidating Trust
300 No. Bayshore Boulevard
San Mateo, California 94401

ASSIGNEE: Kwok Hung Szeto and Nikki Szeto
c/o American Realty and Construction Company
2 Clement Street
San Francisco, California 94118

AREA, TYPE LAND AND LOCATION:
A 6.04-acre parcel, partially filled sovereign
land, Burlingame, San Mateo County.

LAND USE: Commercial.

TERMS OF EXISTING LEASE: (STATE TO ANZA)
Initial period: 66 years from July 2,
1972.

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CALENDAR ITEM NO. 51 (CONTD)

Public liability insurance: \$300,000 per occurrence for bodily injury and \$200,000 for property damage.

Consideration: \$3,000 per annum, fixed rental until June 30, 1988; then half the net income or \$3,000, whichever is greater, with the State reserving the right to fix a different rental on July 1, 2007.

TERMS OF EXISTING SUBLEASE: (ANZA TO VICTORIA STATION - 3.80 ACRES)

The general terms of the sublease are as follows:

Term: 20 years from March 1, 1979.

Rent: Victoria to Anza:

1. March 1, 1979 through February 28, 1981; \$2,667 per month.
2. March 1, 1981 through February 28, 1989; \$3,000 per month.
3. March 1, 1989 through Termination; \$3,300 per month.

In addition, Anza is to receive a percentage of gross receipts (with specified exclusions) of income by which two percent thereof exceeds the basic annual rental.

Renewal options: Three additional terms, ten years each.

CALENDAR ITEM NO. 4.1 (CONTD)

PENDING SUBLEASE:

Anza to the Chamber of Commerce of the United States (2.24-acres). Information concerning the proposed sublease to the Chamber of Commerce of the United States is set forth in the preceding calendar item.

PREREQUISITE TERMS, FEES AND EXPENSES:

Processing costs have been received.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. Lease PRC No. 4687.1 was originally issued to Anza Pacific Corporation, under the Provisions of BLA No. 131, as authorized by the Commission on July 6, 1972, Minute Item No. 26. Under Subsequent Calendar Item No. 47, dated March 25, 1976, the Commission heard and approved the assignment of the State lease from the Anza Pacific Corporation to Anza Shareholders' Liquidating Trust.
2. The lease parcel has been subject to bonded indebtedness; Proof of Bond Retirement will be obtained prior to execution of approval of the assignment.
3. This assignment is recommended for approval with the understanding that assignor is not relieved from any obligation under the terms of the lease, and is liable for faithful performance until such time as specifically relieved by the Commission.
4. As an inducement to Commission approval of this assignment Anza is willing to reconvey to the State, its leasehold

CALENDAR ITEM NO. 01 (CONTD)

interest in Lease PRC 4684.1. Under the terms of an option to reacquire this leasehold, approved earlier this year by the Commission under Sovereign Lands Exchange (SLL) 80, the State was to pay \$125,000 to Anza as the option price for this leasehold. Anza and staff have now agreed that Anza will convey back to the State the leasehold on PRC 4684.1 in return for increasing the option price on reacquiring State Lease PRC 4686.1 by \$25,000; thus the State has gained a substantial benefit.

5. An EIR is not required. This transaction involves an activity that is not a project within the meaning of CEQA and the State EIR Guidelines; and is exempt from CEQA under Sections 15037 and 15060, of Title 14 of the Cal. Adm. Code.
6. This project is situated on State land identified as possessing significant environmental values pursuant to P.R.C. 6370.1, and is classified in a use category, Class "C", which authorizes Multiple Use.

Staff review indicates that there will be no significant effect upon the identified environmental values.

7. As additional consideration for approving the assignment of this lease, staff proposes a condition that:

The Assignee shall maintain and be liable for the riprap existing at the north line of the subject property, subject to the issuance of enabling permits from public agencies having jurisdiction therein.

EXHIBITS:

- A. Land Description.
- B. Location Map.

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IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH DOCUMENT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21065, 14 CAL. ADM. CODE 15037 AND 15060; AND FIND THAT THIS ACTIVITY IS CONSISTENT WITH ITS USE CLASSIFICATION.
2. AUTHORIZE APPROVAL OF THE ASSIGNMENT OF LEASE PRC 4687.1, FROM ANZA SHAREHOLDERS' LIQUIDATING TRUST TO KWOK HUNG SZETO AND NIKKI SZETO; EFFECTIVE OCTOBER 28, 1982, ON THE CONDITION THAT ASSIGNOR IS NOT RELEASED NOR RELIEVED OF ANY OBLIGATION TO THE STATE UNDER THE TERMS OF SAID LEASE, AND FURTHER THAT ASSIGNOR IS HELD LIABLE BY STATE FOR THE FAITHFUL PERFORMANCE OF SAID LEASE IN THE EVENT ASSIGNEE IS UNABLE OR UNWILLING TO FULFILL ANY AND ALL OBLIGATIONS REQUIRED IN THE LEASE; AND THAT ASSIGNOR CAN ONLY BE RELIEVED FROM THE ABOVE OBLIGATIONS BY SPECIFIC AUTHORIZATION OF THE STATE LANDS COMMISSION; AND THAT ASSIGNEE SHALL BE LIABLE FOR AND MAINTAIN THE EXISTING RIPRAP AT THE NORTH LINE OF THE LEASE PREMISES.
3. AUTHORIZE ACCEPTANCE OF A LEASEHOLD QUITCLAIM DEED FOR AND TERMINATION OF LEASE PRC 4684.1, EFFECTIVE NOVEMBER 30, 1982.
4. AUTHORIZE AN AMENDMENT TO THE GRANT OF OPTION TO PURCHASE LEASEHOLD INTEREST IN STATE LEASE PRC 4686.1, DATED JUNE 10, 1982, BETWEEN THE STATE AS OPTIONEE AND ANZA SHAREHOLDERS' LIQUIDATING TRUST AS OPTIONOR TO CHANGE THE OPTION PRICE TO \$6.50 PER SQUARE FOOT OF LAND AREA PLUS \$25,000; PROVIDED THAT ALL OTHER TERMS OF THE OPTION SHALL REMAIN UNCHANGED.
5. AUTHORIZE STAFF TO TAKE ALL STEPS NECESSARY TO EFFECTUATE THESE AUTHORIZATIONS INCLUDING RECORDATION OF THE DOCUMENTS.