

MINUTE ITEM

This Calendar Item No. 15  
was approved as Minute Item  
15 by the State Lands  
Commission by a vote of 3  
to 0 at its 9/28/83  
meeting.

CALENDAR ITEM

15

9/22/83  
W 22539  
Horn/Ludlow

APPROVAL OF ASSIGNMENT OF  
COMMERCIAL LEASES PRC 4685.1 AND 4686.1

ASSIGNOR: Anza Shareholders' Liquidating Trust  
300 North Bayshore Boulevard  
San Mateo, California 94401  
Attention: Mr. David H. Keyston

ASSIGNEE: Burlingame Group  
P. O. Box 7920  
Newport Beach, California 92660  
Attention: Mr. Jack Dempsey

AREA, TYPE LAND AND LOCATION:  
5.3 acres of filled tidelands along the  
bayshore at Anza Airport Park, City of  
Burlingame, San Mateo County.

LAND USE: Commercial uses consistent with Master  
Plan in BLA 131.

TERMS OF ORIGINAL LEASE.

Initial period: 66 years from July 1,  
1972.

Surety bond: \$50,000.

Public liability insurance: \$300,000/  
\$1,000,000 per occurrence  
for bodily injury and  
\$200,000 for property  
damage.

Consideration: \$2,625 per annum, until 1988;  
then the State would  
share in the net proceeds.

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.

A 20

S 8

CALENDAR PAGE	<u>204</u>
MINUTE PAGE	<u>2190</u>

OTHER PERTINENT INFORMATION:

1. Leases PRC 4685.1 and 4686.1 were originally issued to Anza Pacific Corporation under the provisions of BLA 131 in July of 1972. Later the leases were assigned to Anza Shareholders' Liquidating Trust.
2. For the past several years Anza has been trying to liquidate all its assets including its State leases. For nearly a year, staff and Anza have been working with a prospective assignee -- the Burlingame Group -- to obtain approvals to develop the lease parcels and other adjacent State land for use as a hotel with two free-standing restaurants. It is anticipated that all project approvals will be obtained before the end of the year. Anza, however, cannot extend its liquidating trust and wishes to assign its interest in the leases prior to October 1, 1983.
3. The Burlingame Group is agreeable to accepting the leases "as is" without approval of its current development plans by the City of Burlingame, BCDC or the Commission. Staff has substantially negotiated the terms and conditions of new leases covering the existing site; however, project and lease approval cannot be brought to the Commission prior to certification of the City's environmental documents for the hotel/restaurant development. Staff anticipates bringing the development proposal and new leases to the Commission for consideration at its next regular meeting.
4. In approving this assignment, staff has advised the Burlingame Group that the Commission is reserving all its prerogatives to approve/disapprove the development project at some future meeting.
5. As part of the financing of the leasehold acquisition by the Burlingame Group, Anza will provide funding and will

require a security in the leases for a short period. Staff is recommending that Anza be approved as a secured party-lender under the leases.

- 6. This activity is not a project within the meaning of CEQA and the State CEQA Guidelines and is therefore exempt (Sec. 15378, Cal. Adm. Code). The site is State land that was identified as possessing significant identified values pursuant to PRC 6370.1, and is classified in use category "C", which authorizes Multiple Use.

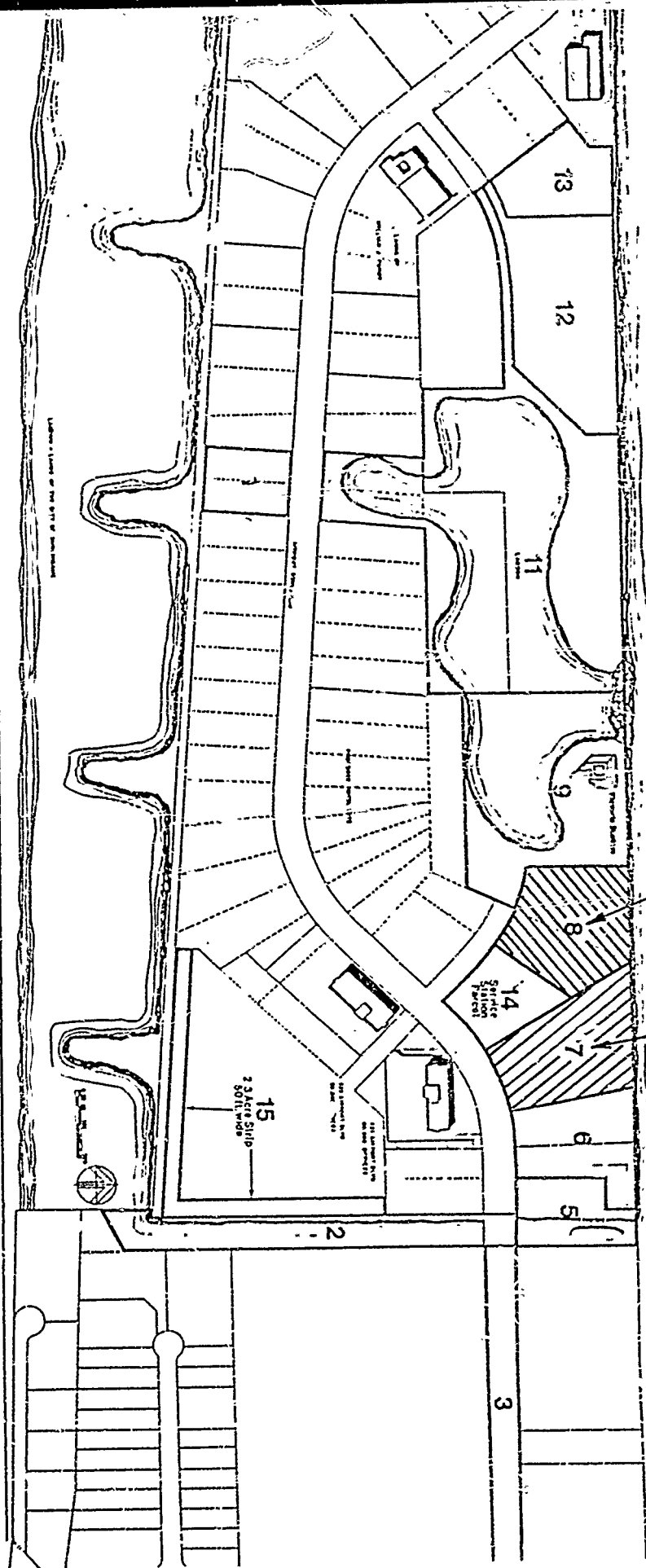
AB 884: N/A.

EXHIBITS: A. Map of Parcels.  
 B. Site Map.

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 15378; AND FIND THAT THE PROJECT IS CONSISTENT WITH ITS USE CLASSIFICATION.
2. AUTHORIZE APPROVAL OF AN ASSIGNMENT OF LEASES PRC 4685.1 AND 4686.1 FROM ANZA SHAREHOLDERS' LIQUIDATING TRUST TO THE BURLINGAME GROUP, EFFECTIVE UPON EXECUTION BY THE COMMISSION; PROVIDED THAT ASSIGNOR (ANZA) SHALL NOT BE RELIEVED OF ANY OBLIGATION TO THE STATE UNDER THE TERMS OF SAID LEASES, AND FURTHER THAT ASSIGNOR (ANZA) IS HELD LIABLE BY THE STATE FOR THE FAITHFUL PERFORMANCE OF SAID LEASE UNTIL SPECIFICALLY RELIEVED OF SUCH OBLIGATIONS AND LIABILITIES BY THE STATE. THE APPROVAL SHALL BE CONTINGENT UPON THE BURLINGAME GROUP ENTERING INTO A NEW LEASE OR LEASES, SATISFACTORY TO THE STATE LANDS COMMISSION IN ORDER TO REPLACE EXISTING LEASES PRC 4685.1 AND 4686.1. IF THE NEW LEASES HAVE NOT BEEN ENTERED INTO BY DECEMBER 31, 1983 THEN THIS APPROVAL OF ASSIGNMENT SHALL BE OF NO FORCE AND EFFECT.
3. APPROVE ANZA SHAREHOLDERS' LIQUIDATING TRUST AS A SECURED PARTY LENDER UNDER THE LEASES AND AUTHORIZE EXECUTION OF AN AGREEMENT ENCUMBERING THE LEASEHOLD INTEREST.

ORIGINAL PAGE	206
MINUTE PAGE	2192



**ANZA PACIFIC CORP.**

PRC 4686.1  
PRC 4685.1

State Parcel	Square Feet	Acres	Value
1	54,000	1.2397	1150
2	120,482	2.7652	4800
3	82,585	1.8815	4687
4	110,435	2.5255	5487
5	91,005	2.0818	4824
6	17,005	0.3844	4085
7	113,835	2.6114	4085
8	282,972	6.5077	4087
9	224,088	5.1341	4089
10	180,532	4.1541	4091
11	70,001	1.5917	2874
12	58,891	1.3317	2874
13	84,107	1.9178	4127
14			
15			
<b>Total</b>	<b>2,004,101</b>	<b>46.075</b>	<b>81271</b>

207  
2193

EXHIBIT "A"  
W 22539

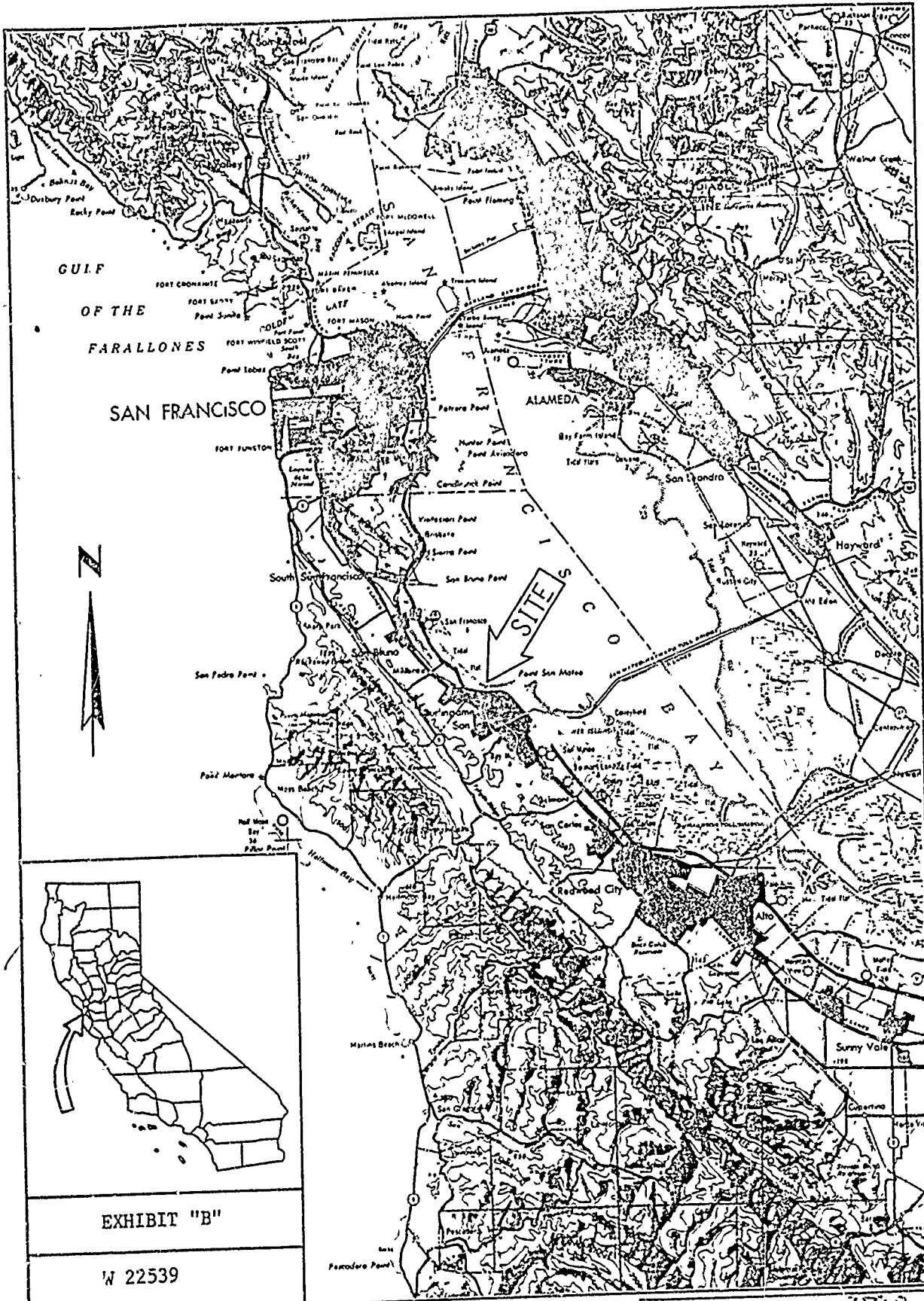


EXHIBIT "B"

W 22539

CALENDAR PAGE	208
MINUTE PAGE	2194