

MINUTE ITEM

This Calendar Item No. 28
was approved as Minute Item
No. 28 by the State Lands
Commission by a vote of 3
to 0 at its 10/26/83
meeting.

CALENDAR ITEM

28 -1

10/26/83
W 22539
Horn
R. Ludlow
PRC 6504
PRC 6505
PRC 6506

APPROVAL OF TERMINATION OF LEASES PRC 4685.1 AND
4686.1 AND ISSUANCE OF THREE NEW COMMERCIAL LEASES
TO THE BURLINGAME GROUP

At its meeting on September 28, 1983, the Commission approved an assignment of leases PRC 4685.1 and 4686.1 from the Anza Liquidating Trust to The Burlingame Group. The purpose of the assignment was to allow Anza to liquidate its remaining State Lands leases in order to wind up its liquidating trust prior to October 1, 1983.

The City of Burlingame has now concluded its environmental documentation covering the development proposal and staff has concluded its negotiations with The Burlingame Group as to lease terms and conditions.

The three leases, substantially in the form currently on file in the principal office of the Commission, consist of the following major provisions:

TERM: 49 years commencing November 1, 1983.

AREA, TYPE LAND AND LOCATION:
Approximately 8.8 acres of filled tidelands, zoned waterfront commercial, along San Francisco Bay in the City of Burlingame, San Mateo County.

LAND USE: An approximate 300-room, low-rise hotel, together with typical hotel amenities and concessions, together with two free-standing restaurants.

131
2436

CALENDAR ITEM NO. 23 (CONTD)

RENT:

Until November 1, 1985, the present rental of \$5,000 shall be continued. Beginning with the date the hotel and restaurants open for business or November 1, 1985, the annual rental for the first five years shall be \$50,000. For the next five years, the annual rental shall be \$200,000 per year. Thereafter, rental shall be five percent of gross receipts for hotel operations and three percent for restaurant sales. Beginning the twentieth year, rental will escalate to six percent of room rentals and four percent for restaurants.

INSURANCE/BONDS:

A minimum of \$6,000,000 liability, combined single limit, covering all facets of business activity.

Performance Deposit: Initially, \$50,000, thereafter changed to a maximum of \$200,000.

Performance and labor material bonds:

A bond or other acceptable security equal to 100 percent of the estimated cost of construction work. In addition, a surety bond equal to 50 percent of total estimated cost of contracts for construction work.

ASSIGNMENTS/SUBLETTING:

Generally, all subleasing and assignments require prior State approval. However, the leases contemplate that each lease will be assigned to third parties upon completion of the improvements. The State still maintains approval authority over prospective assignees. Subleases for concessionaires will also require prior approval. State agrees to encumbrancing of the leaseholds. However, State has to approve secured party-lenders.

RIGHT TO SUCCEEDING LEASE:

If, at the expiration of the term of the lease, the State wishes to relet the properties without competitive bid, it must first offer a lease to lessee, upon such terms and conditions as the State, in its sole judgement, determines to be in the State's interest. If the State elects to put the property to bid, the lessee may bid, but will have no preferential rights in the bid process.

ENVIRONMENTAL:

The hotel and restaurant projects are to be located on State land classified in use category "C", which authorizes multiple use. The project will not have a significant environmental effect upon the identified values.

The City of Burlingame, as lead agency under CEQA, prepared a Negative Declaration for the project, which document is on file in the principal office of the Commission and by this reference made a part hereof.

The City of Burlingame (Planning Commission) certified the Negative Declaration (ND-345P) and found that the project would not have a significant environmental effect; provided that the mitigation measures were incorporated into project approval. The City Council at its meeting on October 17, 1983, approved the project and adopted the mitigation requirements as part of the City's permit issuance. The State Lands Commission need not adopt further mitigation for this project.

OTHER PERTINENT INFORMATION:

Projected revenues from the three leaseholds upon maturity (10-13 years) are in excess of \$500,000. By lease year 20-25, revenues will exceed \$1,000,000 per year. Because of the nature of this activity, staff has negotiated leases which substantially deviate from the Commission's standard form of lease. However, the leases reflect reasonably prudent commercial lease practice.

CALENDAR ITEM NO. 23 (CONTD)

The leases also require State approvals for various activities including approval of plans; maintenance, repairs and alterations; subleasing/assignments, among others. Staff is requesting that the Commission delegate authority to its staff (Executive Officer or designee) to act as lease administrator for the purpose of providing timely State approvals where required. Those items of significance, including assignments and substantive amendments, would be brought before the Commission for consideration.

With the assignment of leases PRC 4685.1 and 4686.1 to the Burlingame Group last month, Anza no longer owns any leasehold interests in State lands at Anza Airport Park. Anza, by action of the Commission, remains liable on several leases that have previously been assigned to third parties. Inasmuch as the Anza Trust is winding up its affairs and the Commission has had a period of time to develop some experience with each of its new tenants, Anza has requested to be relieved of further obligation under any and all of its previous leases. Staff has reviewed Anza's request and is agreeable to releasing Anza of its obligation remaining on its former leaseholds.

AB 884: N/A.

EXHIBITS: A-1. Land Description (Parcel "R-2").
A-2. Land Description (Parcel "567").
A-3. Land Description (Parcel "H-2").
B. Site Map.
C. Negative Declaration.
D. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CERTIFY THAT A NEGATIVE DECLARATION HAS BEEN PREPARED FOR THIS PROJECT BY THE CITY OF BURLINGAME, SAN MATEO COUNTY, IN COMPLIANCE WITH THE REQUIREMENTS OF CEQA AND THE STATE CEQA GUIDELINES, AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED IN THE NEGATIVE DECLARATION; AND WHILE THE PROJECT MIGHT OTHERWISE HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT, CHANGES OR ALTERATIONS HAVE BEEN INCORPORATED INTO THE PROPOSED PROJECT BY THE CITY OF BURLINGAME WHICH MITIGATE OR AVOID THE SIGNIFICANT ENVIRONMENTAL EFFECTS.

CALENDAR ITEM NO. 22 (CONT'D)

2. FIND THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1 OF THE P.R.C.
3. AUTHORIZE TERMINATION OF LEASES PRC 4685.1 AND 4686.1, EFFECTIVE NOVEMBER 1, 1983.
4. AUTHORIZE ISSUANCE TO THE BURLINGAME GROUP OF THREE 49-YEAR LEASES FROM NOVEMBER 1, 1983, SUBSTANTIALLY IN THE FORM PRESENTLY ON FILE WITH THE COMMISSION, THE TERMS, COVENANTS AND CONDITIONS OF WHICH SHALL NOT TAKE EFFECT UNTIL ORIGINAL COPIES OF WHICH ARE EXECUTED BY THE STAFF OF THE COMMISSION AND THEN DELIVERED TO THE BURLINGAME GROUP.
5. CONSENT TO THE ENCUMBRANCING BY THE BURLINGAME GROUP OF THE THREE LEASEHOLDS FOR THE PURPOSE OF FINANCING THE ACQUISITION OF THE LEASEHOLDS WITH A SECURITY INTEREST IN THE LEASEHOLDS RETAINED BY ANZA SHAREHOLDERS' LIQUIDATING TRUST.
6. AUTHORIZE THE RELEASE OF ANZA SHAREHOLDERS' LIQUIDATING TRUST FROM ANY AND ALL REMAINING OBLIGATIONS AND RESPONSIBILITIES UNDER STATE LEASES PRC 4680.9, 4681.9, 4682.9, 4683.1 AND 4687.1 AND ANY OTHER STATE LEASES IN THE AIRPORT PAR" AREA, EFFECTIVE OCTOBER 26, 1983.
7. DELEGATE TO THE EXECUTIVE OFFICER (OR DESIGNEE) AUTHORITY TO ACT AS LEASE ADMINISTRATOR FOR THE PURPOSE OF PROVIDING STATE APPROVALS WHERE REQUIRED UNDER THE LEASE; PROVIDED THAT SUCH DELEGATION SHALL NOT INCLUDE THE AUTHORITY TO APPROVE ASSIGNMENTS AND SUBSTANTIVE AMENDMENTS TO THE LEASES.

EXHIBIT "A-1"

LAND DESCRIPTION

W 22539

PARCEL "R-2"

All that certain real property within the City of Burlingame, County of San Mateo, State of California, more particularly described as follows:

BEGINNING at a point on the north line of Section 18, T4S, R4W, MDM, which point of beginning is S 89° 43' 01" W 1,022.53 feet from the northeasterly corner of Block No. 9, as said Section line and said Block are shown on the Map entitled, "ANZA AIRPORT PARK - UNIT NO. 6", which was filed in Volume 70 of Subdivision Maps at page 33 on February 27, 1970, in the office of the Recorder of San Mateo County, California; thence from said point of beginning N 89° 43' 01" E along said north line 168.00 feet; thence leaving said north line S 0° 16' 59" E 342.49 feet; thence S 28° 58' 56" W 20.00 feet to a point on the northeasterly right-of-way line of Anza Pacific Blvd. (now known as Victoria Station Pl.), as said Blvd. is shown on said Map; thence northwesterly along said right-of-way line and extending beyond the northwesterly terminus of said right-of-way line, as said terminus is shown on said Map, along the arc of a curve to the left which is tangent to the course N 61° 01' 04" W at last said point, which said curve has a radius of 628.00 feet, through a central angle of 15° 33' 39", for an arc distance of 170.56 feet, thence leaving said northwesterly projection of said northeasterly right-of-way line, N 0° 16' 59" W 297.66 feet to the point of beginning.

END OF DESCRIPTION

REVISED JUNE 20, 1983 BY BOUNDARY AND TITLE UNIT, LEROY WEED, SUPERVISOR.

136

-2441-

EXHIBIT "A-2"

LAND DESCRIPTION

W 22539

PARCEL "567"

All that certain real property within the City of Burlingame, County of San Mateo, State of California, more particularly described as follows:

BEGINNING at the northeast corner of Block No. 9, as said Block is shown on the Map entitled, "ANZA AIRPORT PARK - UNIT NO. 6" which was filed in Volume 70 of Subdivision Maps at Page 33 on February 27, 1970, in the office of the Recorder of San Mateo County, California; thence from said point of beginning, along the most easterly line of said Block No. 9, S 0° 17' E 92.54 feet; thence leaving said easterly line S 89° 43' 01" W 96.56 feet; thence S 0° 17' E 266.63 feet to a point on the northerly right-of-way line of Airport Blvd., as said right-of-way line is shown on said Map; thence along said northerly right-of-way line West 75.22 feet; thence along a tangent curve to the left, with a radius of 643.50 feet through a central angle of 17° 08' 23", an arc distance of 192.50 feet; thence leaving said northerly right-of-way line N 0° 17' W 386.44 feet to a point on the northerly line of said Block 9; thence along said northerly line of Block 9 N 89° 43' 01" E 361.56 feet to the point of beginning.

END OF DESCRIPTION

REVISED JUNE 21, 1983 BY BOUNDARY AND TITLE UNIT, LEROY WEED, SUPERVISOR.

137
2442

EXHIBIT "A-3"

LAND DESCRIPTION

W 22539

PARCEL "H-2"

All that certain real property within the City of Burlingame, County of San Mateo, State of California, more particularly described as follows:

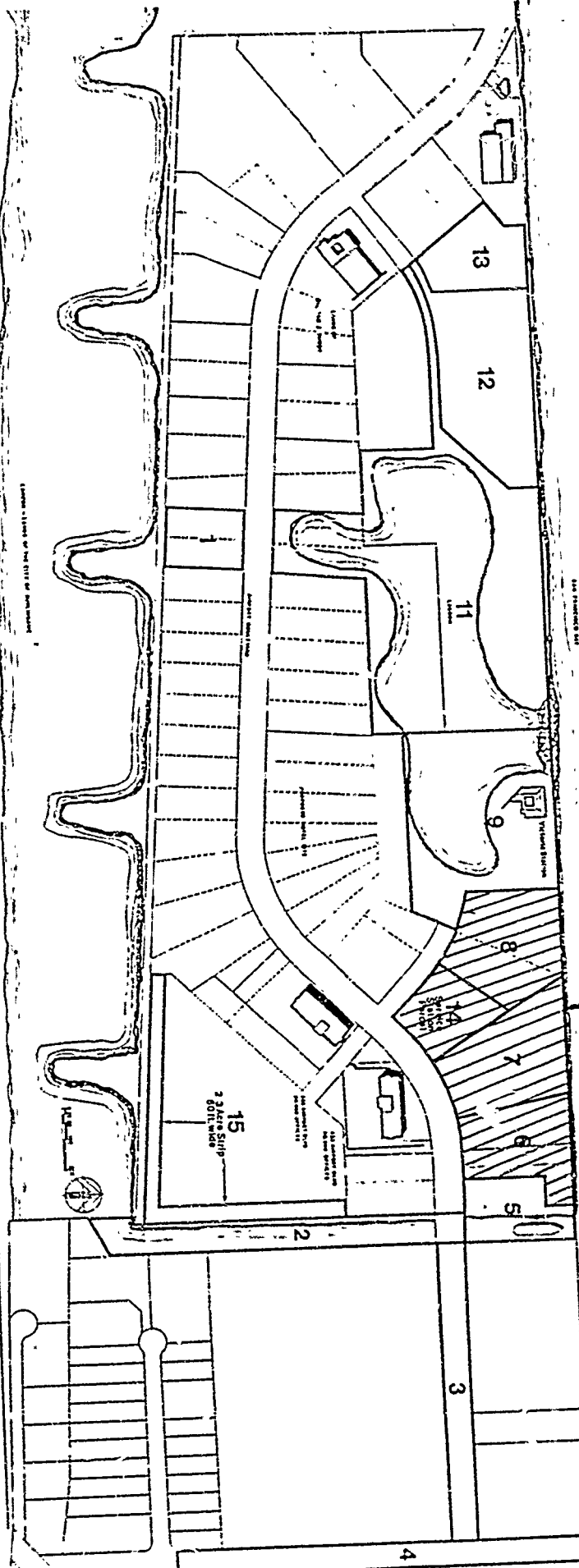
BEGINNING at a point on the northerly line of Block No. 9, which point of beginning is S 89° 43' 01" W, a distance of 361.56 feet from the northeasterly corner of said Block No. 9, said point of beginning being further described as being on the north line of Section 18, T4S, R4W, MDM, as said Block No. 9 and as north line of Section 18 are shown on the Map entitled, "ANZA AIRPORT PARK - UNIT NO. 6", which was filed in Volume 70 of Subdivision Maps at Page 33 on February 27, 1970, in the office of the Recorder of San Mateo County, California; thence from said point of beginning along said north line S 89° 43' 01" W 492.97 feet; thence leaving said north line S 0° 16' 59" E 342.49 feet; thence S 28° 58' 56" W 20.00 feet to a point on the northeasterly right-of-way line of Anza Pacific Blvd. (now known as Victoria Station Pl.), as said Blvd. is shown on said Map; thence southeasterly along said right-of-way line of Anza Pacific Blvd, along a curve to the right, which curve is tangent to the course S 61° 01' 04" E at last said point, with a curve radius of 628.00 feet through a central angle of 15° 01' 04", for an arc distance of 164.60 feet; thence S 46° 00' E 116.07 feet; thence along a tangent curve to the left with a radius of 20.00 feet, through a central angle of 88° 16' 22", for an arc distance of 30.81 feet to a point on the northwesterly right-of-way line of Airport Blvd. as said Airport Blvd. is shown on said Map; thence northeasterly, along said northwesterly right-of-way line of Airport Blvd., along a tangent curve to the right with a radius of 643.50 feet, through a central angle of 27° 07' 59", for an arc distance of 304.74 feet; thence leaving said right-of-way line of Airport Blvd., N 0° 17' W 386.44 to the point of beginning.

END OF DESCRIPTION

REVISED JUNE 20, 1983 BY BOUNDARY AND TITLE UNIT, LEROY WEED, SUPERVISOR.

138
2443

San Francisco, California, January 1, 1911



ANZA PACIFIC CORP.

SITE

EXHIBIT 'B'

Lot	Area	Square Feet	Acres	Less P.C.H.s
1	13287	54,000	1.2387	4821
2	21619	100,482	2.3169	4821
3	18915	82,355	1.9915	4821
4	23482	100,989	2.3482	4821
5	21588	91,812	2.1588	4821
6	26868	117,030	2.6868	4821
7	26136	113,839	2.6136	4821
8	60370	262,812	6.0370	4821
9	19,421	845,068	19.421	4821
10	1,761	180,521	4.141	4821
11	1,317	54,081	1.241	4821
12	1,878	81,182	1.878	4821
13	4821	200,701	4.621	4821
14	4821	200,701	4.621	4821
15	4821	200,701	4.621	4821
TOTAL	4821	200,701	4.621	4821

139
2444

EXHIBIT "C"

EXHIBIT B - NEGATIVE DECLARATION

Tentative Procedure
5/10/73, Subject to Revision



TO: STATE CLEARINGHOUSE
1409 - 10th Street
Sacramento, CA. 95814

444-480 AIRPORT BOULEVARD
Project Address or Location

File No. ND-345P

Date August 19, 1983

Project Title: BURLINGAME GROUP PROJECT

Type of Permit: Special Permit and Parking Variance

Legal Description: Lots 1-7 and Portion of Lot 8, Block 9, Anza Airport Park Unit #6

Zone: C-4

Property Owner:

Name: State Lands Commission/Anza
Shareholders' Liquidating Trust
Address: 300 North Bayshore Boulevard
San Mateo, CA 94401
Contact Person: David H. Keyston
Area Code: 415 Phone: 342-5711

Applicant:

Name: Burlingame Group, Ltd.
represented by Gale Kober Associates
Address: 170 Maiden Lane
San Francisco, CA 94103
Contact Person: Anthony Srba
Area Code: 415 Phone: 391-1080

PROJECT DESCRIPTION AND ENVIRONMENTAL SETTING:

The proposed project is located on an 8.8 acre site in the Anza Airport Park Subdivision of Burlingame. The lot is irregular in shape with frontage along San Francisco Bay and a small area of frontage on Sanchez Creek. Automobile access is via Airport Boulevard. The project consists of three structures, a 300 room hotel and two free-standing restaurants (one 14,000 SF and one 7,000 SF). The hotel entry will be off Airport Boulevard and Victoria Station Place. The entry to the larger of the two restaurants will be off Airport Boulevard. The smaller restaurant will gain access from Victoria Station Place. The restaurant buildings will be 35' high from top of curb, the hotel will be 44' high from top of curb. The project covers 24% of the site. Seventy-five percent of the BCDC setback area is landscaped.

Currently the site is vacant. It is in an area of bayfill on baymud. The area was filled in the late 1960's. Existing vegetation on the site is volunteer and sparse. The property is owned by the State Lands Commission with a private developer owning a long term leasehold.

The Initial Study and responses to the Notice of Preparation for the proposed project indicate the need to address the following items to determine the project's impact on them: compaction of the soil, exposure to neologic hazards, ambient air quality, flow of flood

The City of Burlingame by MARGARET MORRIS on August 19, 1983
completed a review of the proposed project and determined that:

() It will not have a significant effect on the environment.

(XX) No Environmental Impact Report is required.

40
245

PROJECT DESCRIPTION AND ENVIRONMENTAL SETTING (CONTINUED):

waters, exposure to tidal wave, increase in existing noise levels, exposure to severe noise levels, traffic generation, impact on transportation systems, impact on patterns of circulation, increased traffic hazards, police protection, effect on sewer system, effects on views, effect on recreation opportunity, and cumulative impacts. From the letters of response the following additional concerns were identified: compliance with BCDC Guidelines, determination if a permit is necessary from the Army Corps of Engineers, A.M. and P.M. peak hour volumes for 101 interchanges including turning movements and future conditions, identification of modal alternatives and highway improvements, storm drainage, impact on shellfish beds, and noise impacts from the airport.

The attached Environmental Assessment addresses the above issues. The Environmental Assessment indicates that the following mitigations incorporated into the design, construction and operation of the project would mitigate the potential environmental effects of the project to a point where no significant environmental effects would occur from the project.

MITIGATIONS:

1. Conduct a site specific soils investigation for each structure and based on the conclusions determine settlement for new fill and structural needs of building loads; plan for post construction settlement and design fill and structures with settlement in mind; consider differential settlement between structure and surrounding ground in design of utilities and entrances to buildings; each foundation system shall be determined by a licensed soils engineer in consultation with a structural engineer; ground shaking hazards shall also be addressed.
2. Bay levee shall be raised to 9' MSL and buildings set back 50' from the bay and channel shorelines to protect for earthquake and tidal wave impacts; levee shall be stabilized by placement of smaller riprap between larger rubble-concrete blocks and/or placement of concrete slurry; occupied floors of all structures shall be above 9' MSL.
3. Underground utilities shall be placed in nonferrous pipes or coated or encased steel pipes.
4. The developer shall participate in an assessment district to provide transit link between the Anza Area and mass transit services on the west side of 101.
5. During site preparation the site shall be sprinkled twice daily to control dust; site preparation and grading shall be done during the dry season.
6. Landscaping shall be designed to control runoff into adjacent water bodies; sand and oil separator system shall be installed to trap pollutants before they reach the city's storm drainage system or bay/channel waters; site shall be designed so drainage from all paved areas and from structures shall drain into the Airport Boulevard storm sewer.
7. Landscaping shall be done with plant species suited to the environment and which require minimal fertilization and pest control; a landscape architect shall establish guidelines for proper fertilization and pest/weed control to minimize application of chemicals; on-going maintenance of all public areas shall be provided by the developer.
8. Buildings shall be designed to comply with Title 24 and shall use building materials to maximize attenuation of aircraft and traffic noise; interior noise levels shall not exceed 45 dBA.

141
2446

9. If soils and engineering analyses determine piles to be necessary, pile drivers shall be equipped with noise shields; piles and other construction work shall take place only during hours approved by the city; adjacent property owners shall be notified of pile driving schedule; a solid construction fence shall be provided during hotel construction to reduce ground level noise transmission.
10. The driveway connection from the 14,000 SF restaurant to Airport Boulevard shall be built with two outbound lanes; this driveway shall also provide access to the adjacent property fronting on the channel; the curb line between the bridge over the channel and the curb cut for the 14,000 SF restaurant/channel frontage property shall be modified as necessary to maintain a smooth alignment for westbound Airport Boulevard traffic.
11. To address cumulative traffic impacts the developer shall pay the Bayfront Development Fee as his contribution to necessary roadway improvement generated by this project.
12. Private security guards shall be provided to patrol the buildings and public access areas and pathways; public access pathways shall be 8' wide; controlled access shall be provided to the hotel parking area; the hotel parking shall be designed to allow easy police surveillance from Airport Boulevard; public access area and pathways shall be designed to connect with those on adjacent properties.
13. The developer shall pay the required Sewer Improvement Fee based on proposed uses; on-site pretreatment facilities shall be provided for all areas where food is prepared; the project shall include low flow water fixtures.
14. The hotel shall not exceed 40' in height to protect views from existing structures; landscaping shall be generous in the foreground and within the parking areas to offset large parking areas; parking for the hotel shall be below grade; at least 83% of the ECDC jurisdiction shall remain open and landscaped; the front setback shall be landscaped.

Unless appealed within 10 days hereof the date posted, the determination shall be final.

Date Posted: Aug 19, 1983

DECLARATION OF POSTING

I declare under penalty of perjury that I am City Clerk of the City of Burlingame and that I posted a true copy of the above Negative Declaration at the City Hall of said City near the doors to the Council Chambers.

Executed at Burlingame, California on Aug. 19, 1983

Appealed: () Yes () No

Judith A. Macfadyen - Deputy
EVELYN H. HILL, CITY CLERK
CITY OF BURLINGAME

142
2447

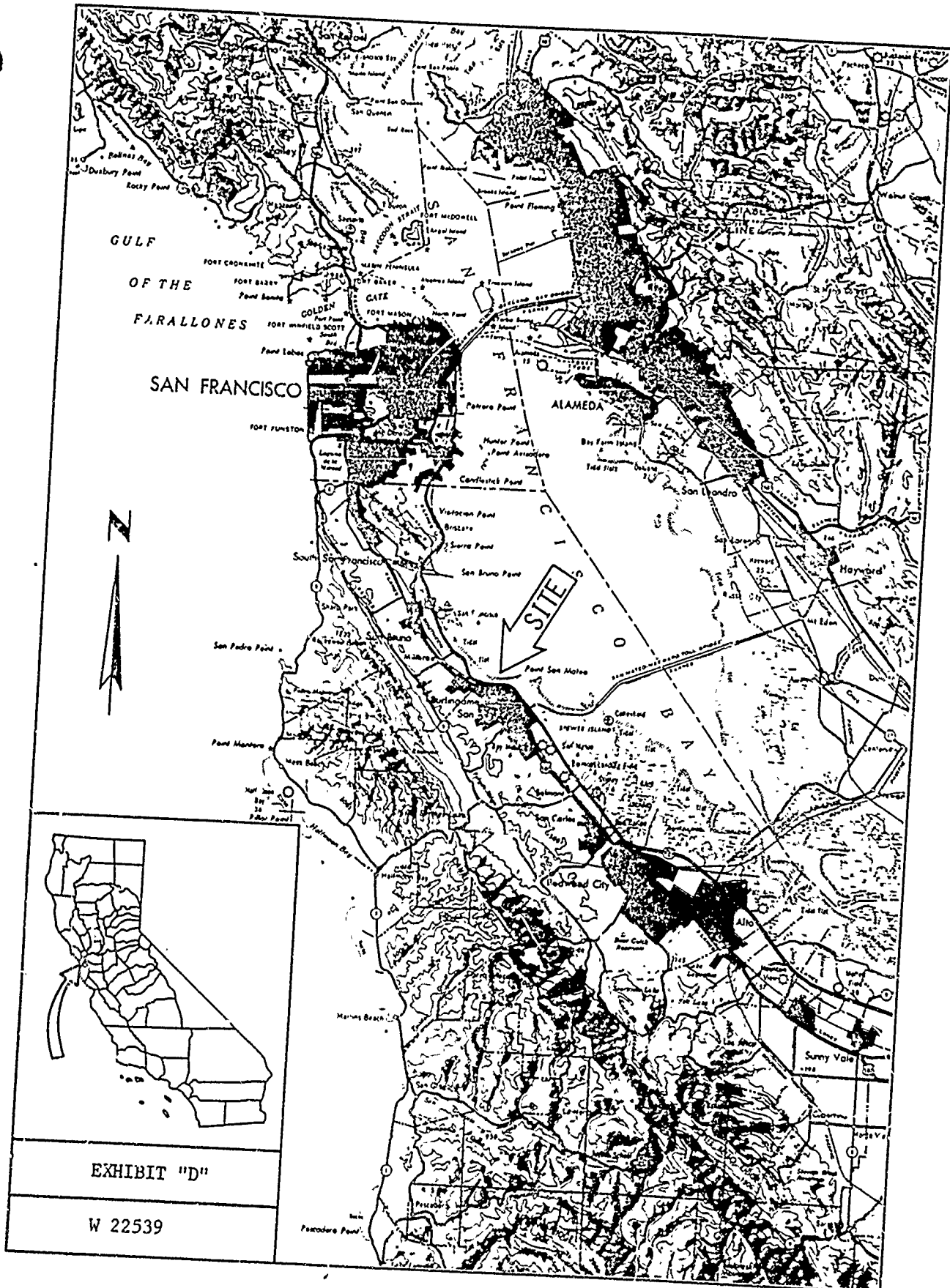


EXHIBIT "D"

W 22539

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2448