

MINUTE ITEM:
This Calendar Item No. 33
was approved as Minute Item
No. 33 by the State Lands
Commission by a vote of 3
to 0 at its 2/6/89

CALENDAR ITEM

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02/06/89
PRC 6015
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ASSIGNMENT AND AMENDMENT OF COMMERCIAL LEASE PRC 6015

ASSIGNEE:

River View Marina
c/o Edmund J. Coyne
901 Tamalpais Avenue, Suite 200
San Rafael CA, 94901

ASSIGNOR:

River View Marina Association
c/o Richard Delaney
Dolphin Real Estate Group
Investments, Inc.
601 Gateway Boulevard, Suite 1120
South San Francisco, CA 94080

AREA, TYPE LAND AND LOCATION:

A 3.85-acre parcel of tide and submerged land
in the bed of the Sacramento River, City of
Sacramento, Sacramento County

BACKGROUND:

In June of 1981 the Commission issued to River View Marina, a limited partnership, a commercial lease for a term of thirty (30) years to construct and operate a marina. This lease is a percentage of gross income lease. The marina was constructed and has been in operation for the past eight (8) years. The current owners wish to sell the operation and have located a buyer. The sale of the marina facilities requires the approval of an assignment of the current lease.

(ADDED 02/03/89)

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CURRENT SITUATION:

The buyers of the marina have requested an extension of the term of the current lease in order to restore the lease term to the full thirty (30) years. This term is needed for purposes of making the sale transaction acceptable to private financing. The buyer has also asked for a right to a ten-year (10 yr.) renewal of the lease at the end of the extended thirty-year (30 yr.) term.

The staff had no objections to granting the buyers requests provided that the buyer agreed to the following:

The State be compensated for the potential loss in rental return on the improvements that it would have been entitled to at the end of the current thirty-year (30 yr.) term.

The Commission have the right to reset the rental at the end of the extended thirty-year (30 yr.) term to reflect the ownership of those improvements located within the lease area for any period of renewal.

The Commission reserve the right to make a determination that the Public Trust uses of the site for the ten-year (10 yr.) renewal will not be hindered by the continuation of the use of the site as a marina.

The buyer has accepted the requirements of the Commission requesting only that any findings regarding the future Public Trust uses be made at a public hearing.

The general and special provisions of the current lease will be modified to reflect agreed upon terms of assignment. Special provisions will be inserted in the lease to clarify the intent of the parties with respect to the location and type of improvements that are to become the property of the State at the end of the extended thirty (30) year term. A provision will be included that will specify the circumstances under which a future Commission will consider any further extension of the lease term.

AB 884: N/A

(ADDED 02/03/89)

CALENDAR ITEM NO. 33 (CONT'D)

OTHER PERTINENT INFORMATION:

1. Staff has calculated the potential loss in revenue due the State for the time needed to extend the current lease term so that the lease will again have a full term of thirty (30) years. This amount of rent that the State would have been entitled to twenty-plus (20+) years from now has been estimated in today's dollars, as approximately \$18,000. The buyers have agreed to pay this amount to the Commission for the assignment and amendment of the current lease.
2. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the Staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities, 2 Cal. Code Regs 2905(a)(2)).

Authority: P.R.C. 21084, 14 Cal. Code Regs. 15300, and 2 Cal. Code Regs. 2905.

3. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. but will not affect those significant lands.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES, 2 CAL. CODE REGS. 2905(a)(2).
2. AUTHORIZE THE EXECUTION ON BEHALF OF THE COMMISSION OF AN ASSIGNMENT AND AMENDMENT OF LEASE PRC 6015 IN SUBSTANTIALLY THE FORM OF THAT ASSIGNMENT AND AMENDMENT WHICH IS ON FILE IN THE OFFICE OF THE COMMISSION.

(ADDED 02/03/89)

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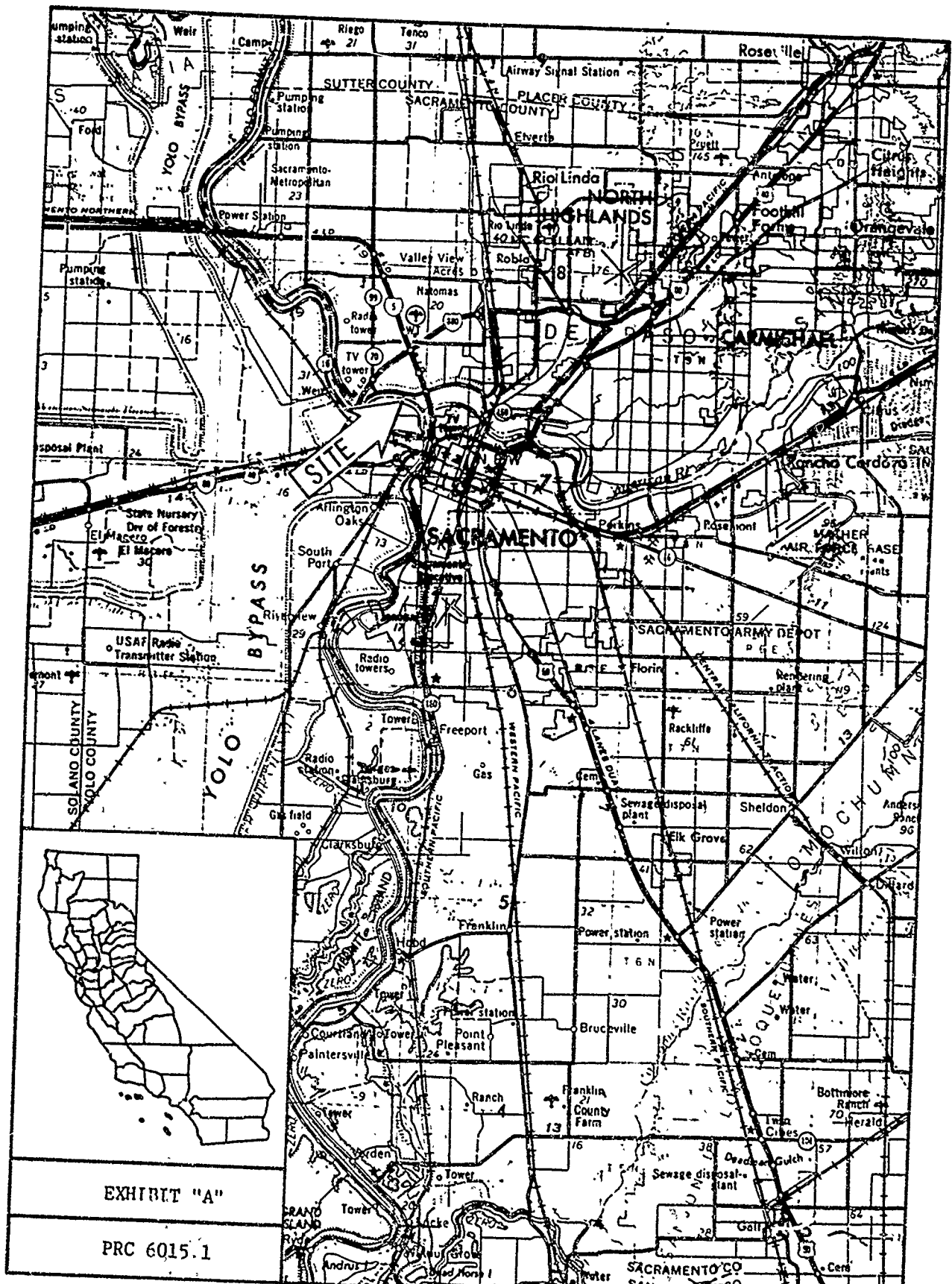


EXHIBIT "A"

PRC 6015.1