

MINUTE ITEM

This Calendar Item No. C15 was approved as
Minute Item No. 15 by the California State Lands
Commission by a vote of 3 to 0 at its 12-09-03
meeting.

CALENDAR ITEM

C15

A 5, 9

PRC 5167

12/09/03

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WP 5167.1

D. Jones

**ASSIGNMENT OF COMMERCIAL LEASE PRC 5167.1 AND
APPROVAL OF SUBLEASE**

LESSEE/ASSIGNOR/SUBLESSEE:

The Virgin Sturgeon, Inc.
1577 Garden Highway
Sacramento, California 95833

ASSIGNEE/SUBLESSOR:

Buffer Properties, LLC
1577 Garden Highway
Sacramento, California 95833

AREA, LAND TYPE, AND LOCATION:

One acre, more or less, of sovereign lands in the Sacramento River, near the city
of Sacramento, Sacramento County.

AUTHORIZED USE:

Commercial marina and restaurant.

LEASE TERM:

Originally issued for 15 years, beginning June 18, 1976, with one ten year
renewal option. Ten year renewal option approved, effective June 18, 1991;
lease extended to terminate June 17, 2025.

CONSIDERATION:

Minimum annual rental, against a percentage of gross income per year,
whichever is greater, with the State reserving the right to fix a different rent
periodically during the lease term, as provided in the lease.

CALENDAR ITEM NO. **C15** (CONT'D)

OTHER PERTINENT INFORMATION:

1. Lessee owns the uplands adjoining a portion of its lease premises and is the best qualified applicant as to the remainder of the lease premises. Lessee is the best qualified applicant because it has long-standing improvements on the sovereign lands, which have provided recreational opportunities to the public for over 20 years.
2. Lessee, Virgin Sturgeon, Inc., a California corporation, is reorganizing its business and desires to assign Lease PRC 5167.1 to Buffer Properties, LLC, a California limited liability company. Following the assignment, the new assignee, Buffer Properties, LLC, desires to sublease the lease back to Virgin Sturgeon, Inc. No other changes are proposed. Staff has reviewed the proposed Sublease and has determined it is consistent with Lease PRC 5167.1. This transaction authorizes both the assignment and the sublease.
3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060(c)(3) and 15378.

4. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBIT:

- A. Location Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

CALENDAR ITEM NO. **C15** (CONT'D)

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

1. AUTHORIZE THE ASSIGNMENT OF LEASE NO. PRC 5167.1, A GENERAL LEASE - COMMERCIAL USE, OF SOVEREIGN LANDS SHOWN ON EXHIBIT A, ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, FROM THE VIRGIN STURGEON, INC. TO BUFFER PRPERTIES, LLC; EFFECTIVE DECEMBER 1, 2003.
2. AUTHORIZE, BY ENDORSEMENT, A SUBLEASE FROM BUFFER PROPERTIES, LLC. TO THE VIRGIN STURGEON, INC. OF LEASE PRC 5167.1, AS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; SAID SUBLEASE IS ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF.

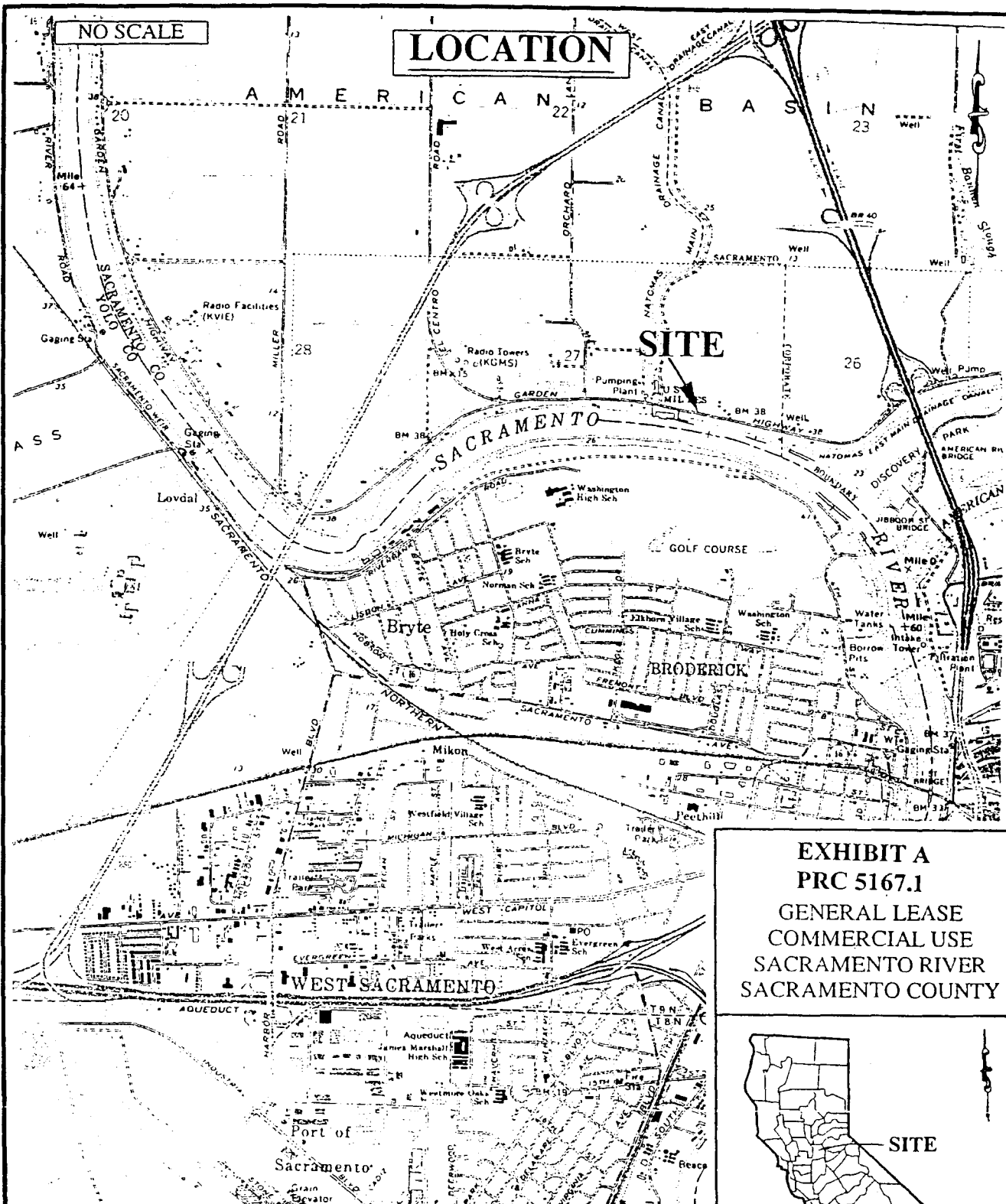


EXHIBIT A
PRC 5167.1
 GENERAL LEASE
 COMMERCIAL USE
 SACRAMENTO RIVER
 SACRAMENTO COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any state interest in the subject or any other property.

JAK 05/02