MINUTE ITEM

This Calendar Item No \bigcirc was approved as Minute Item No. \bigcirc by the California State Lands Commission by a vote of \bigcirc to \bigcirc at its \bigcirc \bigcirc \bigcirc \bigcirc \bigcirc meeting.

CALENDAR ITEM

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- S 3

04/05/04 PRC 5650.1 N. Quesada

REVISION OF RENT

LESSEE:

Port Sonoma Associates, LLC 3333 Mendocino Avenue, Suite 200 Santa Rosa, CA 95403

AREA, LAND TYPE, AND LOCATION:

1.55 acres, more or less, of sovereign lands in the Petaluma River, near Blackpoint, Marin and Sonoma counties.

AUTHORIZED USE:

Continued use and maintenance of a 2.5-inch diameter water line and public access easement.

LEASE TERM:

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49 years, beginning April 1, 1979.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that the rent be revised from \$3,107 per year to \$3,542 per year, effective April 1, 2004.

The recommended rent is based on adjustment of the prior rent by application of the Consumer Price Index (CPI). The adjustment does not obligate the Commission to use the CPI to adjust future rents.

OTHER PERTINENT INFORMATION:

1. On April 26, 1979, the Commission authorized a General Lease – Right of Way Use to Shellmaker, Inc. for the construction, use, and maintenance of a 2.5-inch diameter water line to supply potable water. Subsequently, the General Lease was amended by Commission approval on April 26, 1989, and June 06, 1990.

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CALENDAR ITEM NO. C27 (CONT'D)

On February 8, 2000, the Commission authorized an Assignment and Amendment of Lease PRC 5650.1 from Desert Aggregates, Inc. to Sonoma Associates, LLC, for the continued use and maintenance of a 2.5-inch diameter water line and public access easement occupying 1.55 acres of sovereign lands in the Petaluma River, near Blackpoint, Marin and Sonoma counties.

2. The pipeline supplies potable water from the North Marin County Water District to the Port Sonoma Marina, which is located outside the Commission's leasing jurisdiction.

The public access easement is located on filled sovereign land and is for use by the public to walk, sit, view, fish and engage in other related purposes and was required by the San Francisco Bay Conservation and Development Commission Permit 7-78, Amendment 8, dated March 3, 1988.

EXHIBIT:

A. Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

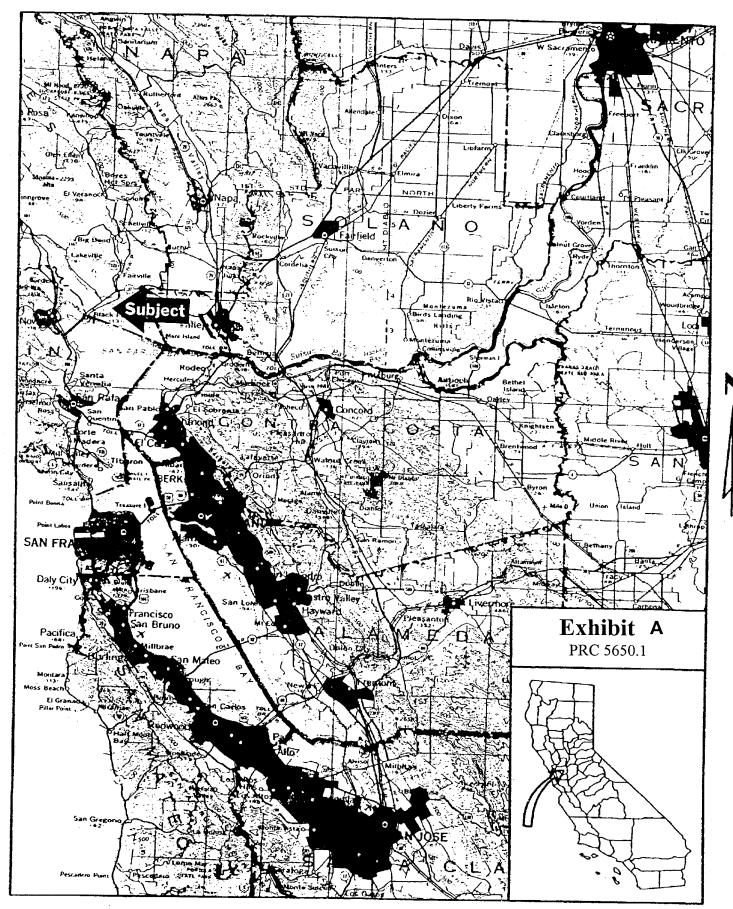
FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

APPROVE THE REVISION OF RENT FOR LEASE NO. PRC 5650.1 FROM \$3,107 PER YEAR TO \$3,542 PER YEAR, EFFECTIVE APRIL 1, 2004.

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