

This Calendar Item No. C26 was approved as Minute Item No. 26 by the California State Lands Commission by a vote of 3 to 0 at its 2-17-04 meeting.

**CALENDAR ITEM
C26**

A 78

02/17/05

S 39

PRC 8593

W 26044

J. Lucchesi

DREDGING LEASE

APPLICANT:

Koehler Kraft Company, Inc.
2304 Shelter Island Drive
San Diego, CA 92106

AREA, LAND TYPE, AND LOCATION:

Legislatively granted sovereign lands, with minerals reserved to the State, at the Koehler Kraft boatyard, located at 2302 Shelter Island Drive, San Diego Bay, San Diego County.

AUTHORIZED USE:

Dredge approximately 2,700 cubic yards of sediment in order to create the footing for the construction of a 180-foot long, steel-sheet pile retaining wall to replace the existing riprap and seawall; Dredged material will be disposed of at the upland Otay Class III Landfill facility located in Chula Vista.

LEASE TERM:

Five years, beginning January 21, 2005.

CONSIDERATION:

No royalty will be charged, as the project will result in a public benefit. Dredged material may not be sold.

OTHER PERTINENT INFORMATION:

1. The subject project is located within sovereign tide and submerged lands legislatively granted to the San Diego Unified Port District, pursuant to Chapter 67, Statutes of 1962 and as amended, with minerals reserved to the State.
2. In addition to the construction of the retaining wall and the dredging necessary to facilitate it, a new floating dock, covering 4,100 square feet of bay will be installed, replacing existing floating docks. Dock

CALENDAR ITEM NO. C26 (CONT'D)

coverage of the bay will be reduced by approximately 30 square feet. Existing rail pilings for the docks will be replaced with new pre-cast concrete piles. A new 10,800 square foot marine industrial building, with marine orientated boat repair, office and retail space, will be constructed, allowing vessels to be moved into a contained space for boat repair. On April 13, 2004, the District determined that the Koehler Kraft Company, Inc. Redevelopment Project, describe above, was exempt from the requirements of the CEQA as a categorically exempt project, Class 2, Replacement or Reconstruction.

3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulation, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project a categorically exempt project. The project is exempt under Class 4, Minor Alterations to Land; Title 14, California Code of Regulations, section 15304 (g).

Authority: Public Resource Code section 21804 and Title 14, California Code of Regulations, section 15300.

4. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Codes section 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.

APPROVALS OBTAINED:

Army Corps of Engineers; Regional Water Quality Control Board; San Diego Unified Port District.

FURTHER APPROVALS REQUIRED:

None.

EXHIBIT:

- A. Location and Site Map

CALENDAR ITEM NO. C26 (CONT'D)

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 4, MINOR ALTERATIONS TO LAND; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15304 (g).

SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTION 6370, ET SEQ.

AUTHORIZATION:

AUTHORIZE THE ISSUANCE OF A DREDGING LEASE TO KOEHLER KRAFT COMPANY, INC. BEGINNING JANUARY 21, 2005, FOR A TERM OF FIVE YEARS, FOR DREDGING APPROXIMATELY 2,700 CUBIC YARDS FROM THE LANDS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; SUCH PERMITTED ACTIVITY IS CONTINGENT UPON APPLICANT'S COMPLIANCE WITH APPLICABLE PERMITS, RECOMMENDATIONS, OR LIMITATIONS ISSUED BY FEDERAL, STATE AND LOCAL GOVERNMENTS. NO ROYALTY SHALL BE CHARGED, AS THE PROJECT WILL RESULT IN A PUBLIC BENEFIT; DREDGED MATERIAL MAY NOT BE SOLD.

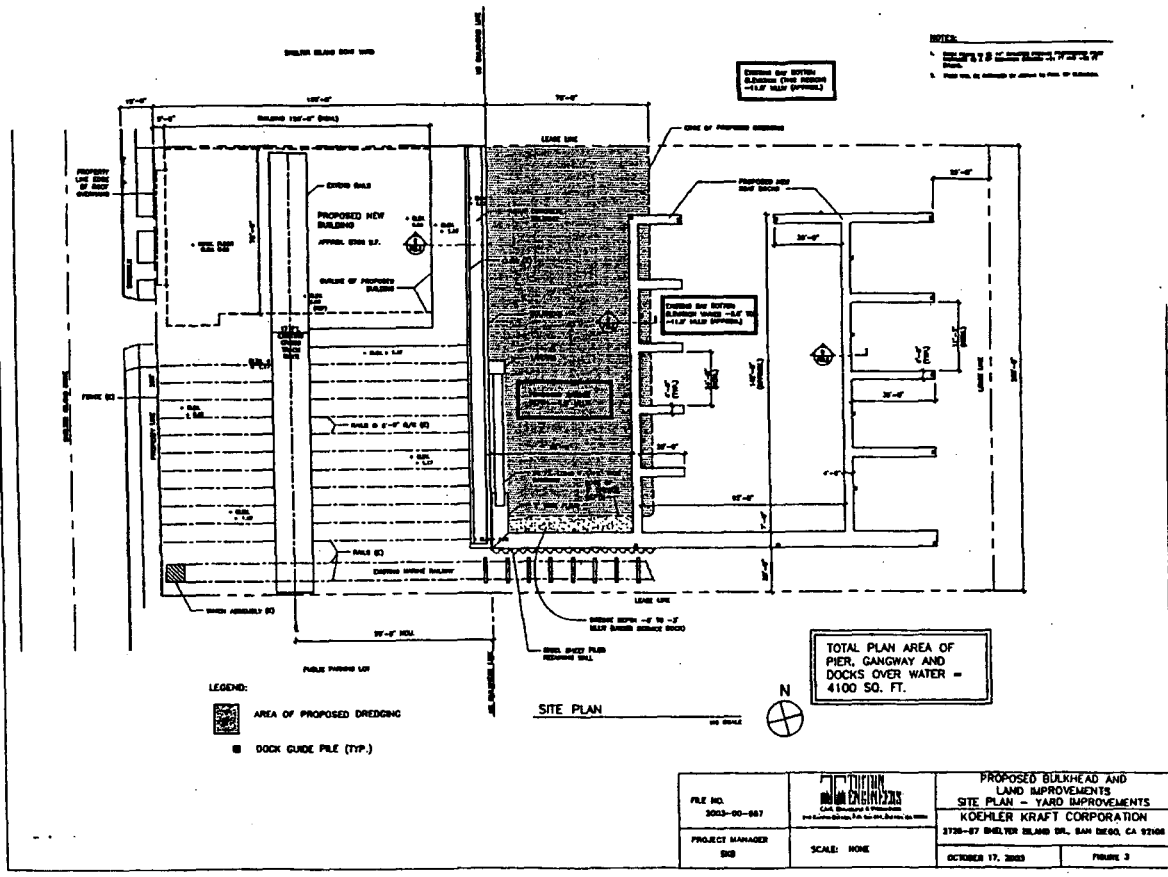
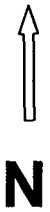


Exhibit A
Location and Site Map

LOCATION AND SITE MAP
 W26044
 Koehler Kraft Company, Inc.
 Dredging Lease
 Koehler Kraft Boatyard, Shelter Island
 San Diego Bay
 County of San Diego



This Exhibit is solely for purpose of generally defining the project area, is based on unverified information provided by 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.

000112

000100

J.L. 02/15/05