

**CALENDAR ITEM  
C32**

A 8, 15  
S 5, 14

03/25/08  
PRC 8007.1  
M. Clark

**REVISION OF RENT**

**LESSEE:**

Walnut Grove Homeowners and Merchants Association  
P.O. Box 844  
Walnut Grove, CA 95690-0844

**AREA, LAND TYPE, AND LOCATION:**

0.19 acres, more or less, of sovereign lands in the Sacramento River, city of Walnut Grove, Sacramento County.

**AUTHORIZED USE:**

Continued use and maintenance of a 250 foot long commercial guest dock, a five foot by 60 foot gangway, concrete access ramps, and landings as shown on the attached Exhibit A.

**LEASE TERM:**

20 years, beginning February 20, 1998.

**CONSIDERATION:**

Pursuant to Section 4, paragraph 2(b) of this lease, Lessor may modify the method, amount or rate of consideration effective on each fifth anniversary of the beginning date of this lease. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that the annual rent be revised from \$645 to a minimum of \$287 against five percent of annual gross income derived on the lease premises, effective February 20, 2008. Lessee shall submit to Lessor a report of annual gross income by March 15 of each Lease year accompanied by any additional rent due with the first annual report due March 15, 2009. In the event the Lessee discontinues the current practice of allowing the public to use the dock free of charge between the hours of 6 a. m. to 9 p.m., Lessee shall immediately advise Lessor who may immediately modify the method, amount or rate of consideration.

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**OTHER PERTINENT INFORMATION:**

1. On February 27, 1998, the Commission authorized a General Lease – Commercial Use to the Walnut Grove Homeowners and Merchants Association. That lease will expire on February 19, 2018.
2. The dock is open to the public free of charge between the hours of 6 a.m. to 9 p.m. daily and the Lessee only charges rent for vessels moored overnight.
3. The existing bank protection adjacent to the Lease Premises was placed by the Reclamation Board and authorized under Lease No. PRC 7203.9.

**EXHIBIT:**

- A. Site and 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 ANNUAL RENT FOR LEASE NO. PRC 8007.1 FROM \$645 PER YEAR TO A MINIMUM OF \$287 PER YEAR AGAINST FIVE PERCENT OF ANNUAL GROSS INCOME DERIVED ON THE LEASE PREMISES, EFFECTIVE FEBRUARY 20, 2008; THE SUBMISSION BY LESSEE TO LESSOR OF A REPORT OF ANNUAL GROSS INCOME BY MARCH 15 OF EACH YEAR, WITH THE FIRST ANNUAL REPORT DUE MARCH 15, 2009. IN THE EVENT THE LESSEE DISCONTINUES THE CURRENT PRACTICE OF ALLOWING THE PUBLIC TO USE THE DOCK FREE OF CHARGE BETWEEN THE HOURS OF 6 A. M. TO 9 P.M., LESSEE SHALL IMMEDIATELY ADVISE

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LESSOR WHO MAY IMMEDIATELY MODIFY THE METHOD, AMOUNT  
OR RATE OF CONSIDERATION.

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