

**CALENDAR ITEM
C48**

A 54
S 27

01/26/12
PRC 3639.1
K. Foster

**REVISION OF RENT AND
AUTHORIZATION TO CORRECT LAND DESCRIPTION**

LESSEES:

Santa Catalina Island Company
P.O. Box 737
Avalon, CA 90704

Santa Catalina Island Conservancy
P.O. Box 2739
Avalon, CA 90704

AREA, LAND TYPE, AND LOCATION:

335 acres, more or less, of sovereign land in the Pacific Ocean, divided among eleven parcels (as shown on Exhibit B) around Santa Catalina Island, Los Angeles County.

AUTHORIZED USE:

Continued use and maintenance of 720 revenue-producing moorings, 32 non-revenue producing moorings for administrative purposes, and six revenue producing stringlines.

LEASE TERM:

20 years, beginning January 1, 2002.

CONSIDERATION:

This lease provides that Lessor may modify the amount or rate of consideration effective only on the anniversary of the beginning date of the Lease, or if not on the 10th anniversary, on any one, but only one, of the next nine anniversaries following the 10th anniversary. Pursuant to this provision, staff conducted a review of the rent under this lease, and recommends that the rent be revised from a minimum annual rent of \$210,000, against the following percentages of gross income, to a minimum annual rent of \$324,800. The minimum annual rent is payable in two equal installments on or before March 1 and August 31 of each year of the lease term, effective January 1, 2012:

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Mooring Subleases and Overnight Stay Charges	25%
Towing, Mechanical Service, Boat and Mooring Repairs	4%
Diving Services	5%
All Other Revenue	10%

The remaining rent, which is the percentage of gross income minus the two minimum rent payments, is due on March 1 of the following year.

OTHER PERTINENT INFORMATION:

1. On November 26, 2001, the Commission authorized the issuance of Lease No. PRC 3639.1, a General Lease – Commercial Use, for 720 revenue-producing moorings and six revenue-producing stringlines at various locations around Santa Catalina Island to the Lessees for a 20-year term beginning January 1, 2002.
2. On October 20, 2005, the Commission authorized an amendment to the Lease to allow the Lessees to add 32 additional moorings to the 720 existing moorings already authorized under the Lease. The additional moorings were added to allow the Lessees to maintain the 720 revenue-producing moorings required under the Lease, and to utilize the additional moorings for boats involved in non-revenue-producing administrative functions.
3. Upon issuance of the lease, the split between the annual minimum rent and percentage of gross rent payments received was approximately equal. However, over the last 10 year period, revenues have increased, causing the ratio of minimum rent payments versus percentage of gross income rent payments received to become skewed, with the current minimum annual rent paid being equal to approximately 30% of the total annual rent paid in the 2011 lease year. A revision of the minimum rent amount will adjust the payment schedule to reflect a more equal division of future minimum rent payments against percentage of gross income rent payments.
4. When the Commission authorized the issuance of the Lease in 2001, the Land Description included and authorized in the Calendar Item (Item #87, Exhibit C) differed significantly from the description included in the executed Lease under Section 3, Land Description. Staffs review of the Lease and the two descriptions identified the description shown under Lease Section 3 as being the correct version. The difference in land descriptions does not affect the rental calculation method or the amount of rent owed. Also, as this description is already included in the Lease, no amendment is required. The correct Land Description for Lease No. PRC 3639.1 is set forth in Exhibit A.

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5. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15060, subd. (c)(3)), the staff has determined that this activity is not subject to the provisions of CEQA because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

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

This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. 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.

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Revision of Rent and Authorization to Correct the Land Description:

Find that the activity is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

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:

1. Approve the revision of rent for Lease No. PRC 3639.1 from a minimum annual rent of \$210,000, against percentages of gross income as defined in the lease, to a minimum annual rent of \$324,800, due and payable in two equal installments of \$162,400 on or before March 1 and August 31 of

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each year of the lease term, against percentages of gross income as defined in the lease, effective January 1, 2012;

2. Correct the Land Description as shown in Exhibit A.

EXHIBIT A**LAND DESCRIPTION****Parcel 1 – Gallagher Beach**

All of those tide and submerged lands in the bed of the Pacific Ocean on the easterly side of Santa Catalina Island, Los Angeles County, State of California, lying adjacent to Gallagher Beach and lying landward or westerly of a line being more particularly described as follows:

BEGINNING at a point on the easterly shoreline of Santa Catalina Island from which a NGS monument "Channel 1933" bears North $54^{\circ}13'07''$ West 47,538 feet, said monument having California Coordinate System 1927, Zone 6, coordinates of $X = 1,320,625.26$ feet and $Y = 472,983.28$ feet, thence South $65^{\circ}06'36''$ East 781 feet; thence South $16^{\circ}17'48''$ East 562 feet to a point having CCS 27, Zone 6, coordinates of $X = 1,360,056$ feet and $Y = 444,320$ feet, said point being on the easterly shoreline of said Island at the southeasterly extremity of land adjoining Gallagher Beach.

EXCEPTING THEREFROM any portion of said land lying landward of the ordinary high water mark.

ALSO EXCEPTING THEREFROM all those tide and submerged lands lying beneath an existing pier located at Gallagher Beach; together with a necessary use area extending 10 feet from the extremities of said pier.

Parcel 2 – Toyon Bay

All of those tide and submerged lands in the bed of the Pacific Ocean on the easterly side of Santa Catalina Island, Los Angeles County, State of California, lying adjacent to Toyon Bay, Banning Beach and lying landward or westerly of a line being more particularly described as follows:

BEGINNING at a point on the easterly shoreline of Santa Catalina Island from which a NGS monument "Channel 1933" bears North $54^{\circ}52'45''$ West 47,475 feet, said monument having California Coordinate System 1927, Zone 6, coordinates of $X = 1,320,625.26$ feet and $Y = 472,983.28$ feet, thence South $79^{\circ}23'07''$ East 343 feet; thence South $48^{\circ}53'46''$ East 436 feet; thence South $23^{\circ}21'25''$ East

808 feet to a point having CCS 27, Zone 6, coordinates of X = 1,358,807 feet and Y = 445,729 feet, said point being on the easterly shoreline of said Island at the southeasterly extremity of land adjoining Banning Beach.

EXCEPTING THEREFROM any portion of said land lying landward of the ordinary high water mark.

ALSO EXCEPTING THEREFROM all those tide and submerged lands lying beneath an existing pier located in Toyon Bay, together with a necessary use area extending 10 feet from the extremities of said pier.

Parcel 3 – Whites Cove

All of those tide and submerged lands in the bed of the Pacific Ocean on the easterly side of Santa Catalina Island, Los Angeles County, State of California, lying adjacent to Button Shell Beach, Hen Rock, Whites Cove and Moonstone Beach and lying landward or westerly of a line being more particularly described as follows:

BEGINNING at a point on the easterly shoreline of Santa Catalina Island from which a NGS monument "Channel 1933" bears North $57^{\circ}07'31''$ West 40,715 feet, said monument having California Coordinate System 1927, Zone 6, coordinates of X = 1,320,625.26 feet and Y = 472,983.28 feet, thence North $03^{\circ}36'07''$ West 6,712 feet more or less to the center of Long Point Lighthouse a NGS horizontal control station having CCS 27 coordinates of X = 1,354,398.66 feet and Y = 457,581.34 feet, said lighthouse is located on the easterly shoreline of said Island at Long Point the northeasterly extremity of land adjoining Button Shell Beach.

EXCEPTING THEREFROM any portion of said land lying landward of the ordinary high water mark.

ALSO EXCEPTING THEREFROM all those tide and submerged lands lying beneath three existing piers located in Button Shell Beach, White's Landing and Moonstone Cove, together with a necessary use area extending 10 feet from the extremities of said piers.

Parcel 4 – Cabrillo/Goat Harbor

All of those tide and submerged lands in the bed of the Pacific Ocean on the easterly side of Santa Catalina Island, Los Angeles County, State of California, lying adjacent to Cabrillo Harbor, Goat Harbor and lying landward or westerly of a line being more particularly described as follows:

BEGINNING at a point on the easterly shoreline of Santa Catalina Island known as Little Gibraltar from which a NGS monument "Channel 1933" bears North $66^{\circ}36'19''$ West 23,866 feet, said monument having California Coordinate System 1927, Zone 6, coordinates of $X = 1,320,625.26$ feet and $Y = 472,983.28$ feet, thence South $72^{\circ}22'02''$ East 5,449 feet to a point having CCS 27, Zone 6, coordinates of $X = 1,347,723$ feet and $Y = 461,856$ feet, said point being on the easterly shoreline of said Island at a extremity of land referred to as Twin Rocks adjoining Goat Harbor.

EXCEPTING THEREFROM any portion of said land lying landward of the ordinary high water mark.

Parcel 5 – Ripper's Cove

All of those tide and submerged lands in the bed of the Pacific Ocean on the easterly side of Santa Catalina Island, Los Angeles County, State of California, lying adjacent to Ripper's Cove and lying landward or westerly of a line being more particularly described as follows:

BEGINNING at a point on the easterly shoreline of Santa Catalina Island from which a NGS monument "Channel 1933" bears North $61^{\circ}02'37''$ West 13,827 feet, said monument having California Coordinate System 1927, Zone 6, coordinates of $X = 1,320,625.26$ feet and $Y = 472,983.28$ feet, thence South $82^{\circ}01'28''$ East 2,695 feet to a point having CCS 27, Zone 6, coordinates of $X = 1,335,392$ feet and $Y = 465,915$ feet, said point being on the easterly shoreline of said Island at a extremity of land adjoining Ripper's Cove.

EXCEPTING THEREFROM any portion of said land lying landward of the ordinary high water mark.

Parcel 6 – Isthmus Cove

All of those tide and submerged lands in the bed of the Pacific Ocean on the northeast side of Santa Catalina Island, Los Angeles County, State of California, lying adjacent to Isthmus Cove, Fisherman's Cove, Fourth of July Cove and

Cherry Cove and lying landward or westerly of a line being more particularly described as follows:

BEGINNING at a point on the easterly shoreline of Santa Catalina Island northeast of Fisherman's Cove from which a NGS monument "Channel 1933" bears South $89^{\circ}53'28''$ West 2,114 feet, said monument having California Coordinate System 1927, Zone 6, coordinates of $X = 1,320,625.26$ feet and $Y = 472,983.28$ feet, thence North $63^{\circ}44'15''$ West 5,548 feet to NGS horizontal control station "Cherry2 1933" having a CCS 27, Zone 6, coordinates of $Y = 475,442.21$ feet and $X = 1,313,536.29$ feet, said point being on the easterly shoreline of said Island at a extremity of land known as Lion Head adjoining Cherry Cove.

EXCEPTING THEREFROM any portion of said land lying landward of the ordinary high water mark.

ALSO EXCEPTING THEREFROM all those tide and submerged lands lying beneath four existing piers located in Isthmus Cove, Fisherman's Cove Fourth of July Cove, and Cherry Cove, together with a necessary use area extending 10 feet from the extremities of said piers.

ALSO EXCEPTING THEREFROM all those tide and submerged lands lying beneath an existing freight ramp and two existing launching ramps located in Isthmus Cove.

Parcel 7 – Howland's Landing

All of those tide and submerged lands in the bed of the Pacific Ocean on the easterly side of Santa Catalina Island, Los Angeles County, State of California, lying adjacent to Howland's Landing, Sullivan's Beach, Big Geiger Cove, and Little Geiger Cove and lying landward or westerly of a line being more particularly described as follows:

BEGINNING at a point on the easterly shoreline of Santa Catalina Island from which a NGS monument "Channel 1933" bears South $70^{\circ}11'09''$ East 11,027 feet, said monument having California Coordinate System 1927, Zone 6, coordinates of $X = 1,320,625.26$ feet and $Y = 472,983.28$ feet, thence North $40^{\circ}18'09''$ West 4,358 feet to a point having CCS 27, Zone 6, coordinates of $X = 1,307,432$ feet and $Y = 480,045$ feet, said point being on the easterly shoreline of said Island at the northeasterly extremity of land adjoining Howland's Landing.

EXCEPTING THEREFROM any portion of said land lying landward of the ordinary high water mark.

ALSO EXCEPTING THEREFROM all those tide and submerged lands lying beneath an existing pier located in Howland's Landing, together with a necessary use area extending 10 feet from the extremities of said pier.

Parcel 8 – Emerald Bay

All of those tide and submerged lands in the bed of the Pacific Ocean on the easterly side of Santa Catalina Island, Los Angeles County, State of California, lying adjacent to Emerald Bay, Johnson's Landing, and Doctor's Cove and lying landward or westerly of a line being more particularly described as follows:

BEGINNING at a point on the easterly shoreline of Santa Catalina Island said point also being the termination point of the lease line as described in Parcel 7, Howland's Landing, from which a NGS monument "Channel 1933" bears South 61°50'31" East 14,964 feet, said monument having California Coordinate System 1927, Zone 6, coordinates of X = 1,320,625.26 feet and Y = 472,983.28 feet, thence North 41°24'48" West 1,468 feet; thence North 53°15'37" West 2,709 feet to a point having CCS 27, Zone 6, coordinates of X = 1,304,290 feet and Y = 482,767 feet, said point being on the easterly shoreline of said Island at point of land northwesterly of Doctor's Cove.

EXCEPTING THEREFROM any portion of said land lying landward of the ordinary high water mark.

ALSO EXCEPTING THEREFROM all those tide and submerged lands lying beneath two existing piers located in Emerald Bay, together with a necessary use area extending 10 feet from the extremities of said piers.

Parcel 9 – Parson's Landing

All of those tide and submerged lands in the bed of the Pacific Ocean on the northerly side of Santa Catalina Island, Los Angeles County, State of California, lying adjacent to Parson's Landing and lying landward or southerly of a line being more particularly described as follows:

BEGINNING at a point on the northerly shoreline of Santa Catalina Island from which a NGS monument "Channel 1933" bears South 62°20'20" East 23,191 feet, said monument having California Coordinate System 1927, Zone 6, coordinates of X = 1,320,625.26 feet and Y = 472,983.28 feet, thence South 75°24'07" West 2,089 feet

to a point having CCS 27, Zone 6, coordinates of X = 1,298,063 feet and Y = 483,223 feet, said point being on the northerly shoreline of said Island at point of land northwesterly of Parson's Landing.

EXCEPTING THEREFROM any portion of said land lying landward of the ordinary high water mark.

Parcel 10 – Catalina Harbor

All those tide and submerged lands in the bed of the Pacific Ocean on the southwest side of Santa Catalina Island, Los Angeles County, State of California, lying adjacent to Catalina Harbor and landward or easterly of a line being more particularly described as follows:

BEGINNING at a NGS monument " Harbor 1933" having California Coordinate System 1927, Zone 6, coordinates of X = 1,311,829.67 and Y = 466,341.40, thence South 41° 44' 41" West 2920 feet to the westerly shoreline of said Island at the southerly extremity of Catalina head.

EXCEPTING THEREFROM any portion of said land lying landward of the ordinary high water mark.

ALSO EXCEPTING THEREFROM that portion of tideland owned by the Santa Catalina Island Company in Catalina Harbor containing 12.8 acres more or less lying between the ordinary high water mark and ordinary low water mark as described in Tideland Location No. 197 patented October 26, 1899 and filed in the office of the California State Lands Commission, Sacramento, California.

ALSO EXCEPTING THEREFROM all those tide and submerged lands lying beneath three existing dingy piers and one existing commercial pier together with a necessary use area extending 10 feet from the extremities of said dingy piers and commercial pier.

ALSO EXCEPTING THEREFROM all those tide and submerged lands lying beneath two existing ramps.

Parcel 11 – Little Harbor

All of those tide and submerged lands in the bed of the Pacific Ocean on the westerly side of Santa Catalina Island, Los Angeles County, State of California,

lying adjacent to Little Harbor and lying landward or easterly of a line being more particularly described as follows:

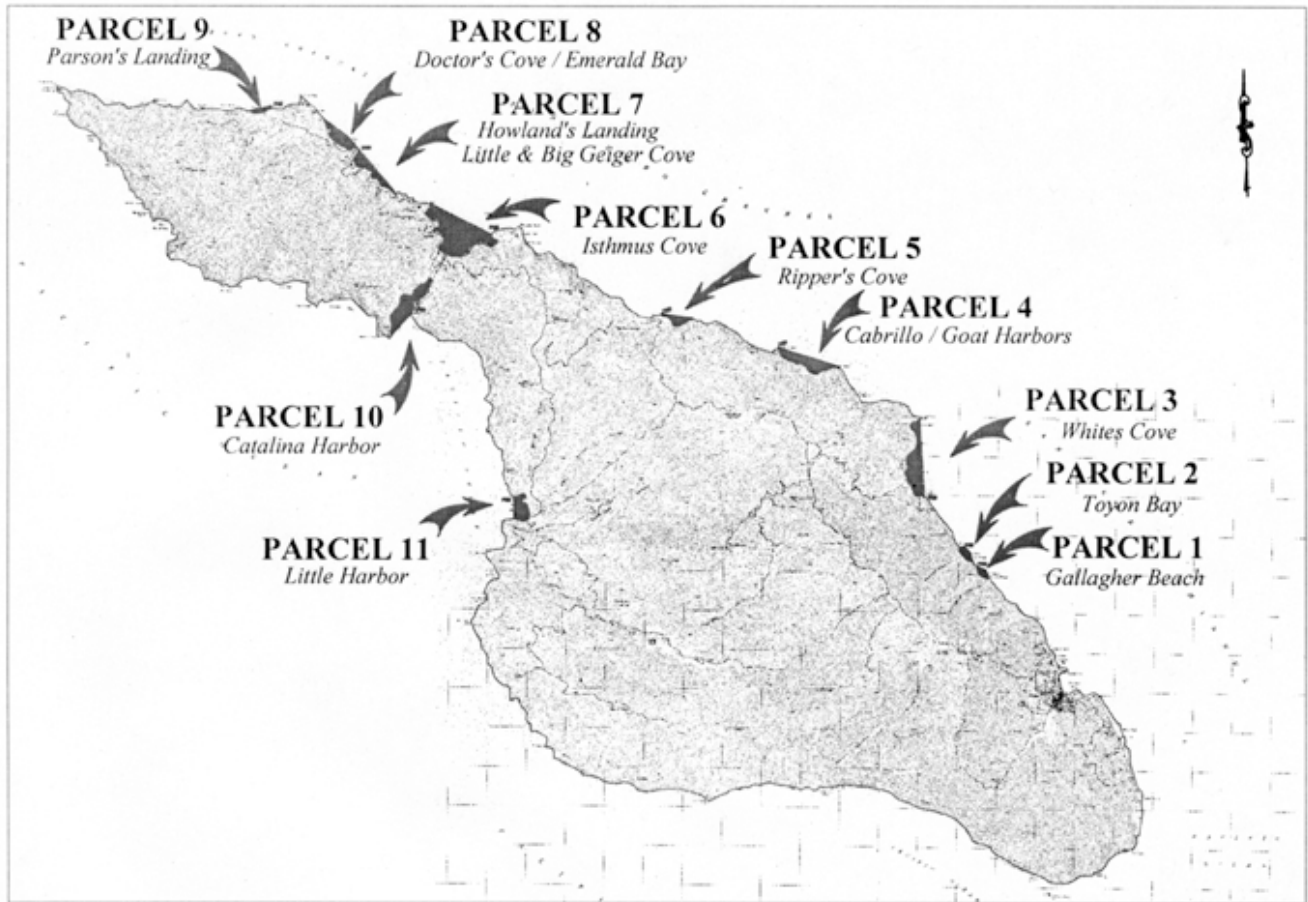
BEGINNING at a point on the westerly shoreline of Santa Catalina Island from which a NGS monument "Channel 1933" bears North $00^{\circ}33'33''$ East 22,226 feet, said monument having California Coordinate System 1927, Zone 6, coordinates of X = 1,320,625.26 feet and Y = 472,983.28 feet, thence South $00^{\circ}39'47''$ East 1,616 feet to a point having CCS 27, Zone 6, coordinates of X = 1,320,427 feet and Y = 449,142 feet, said point being on the westerly shoreline of said Island at point of land southerly of Little Harbor.

EXCEPTING THEREFROM any portion of said land lying landward of the ordinary high water mark.

The basis of bearings and coordinates for this description is the California Coordinate System 1927, Zone 6. All distances are grid and in feet.

END OF DESCRIPTION

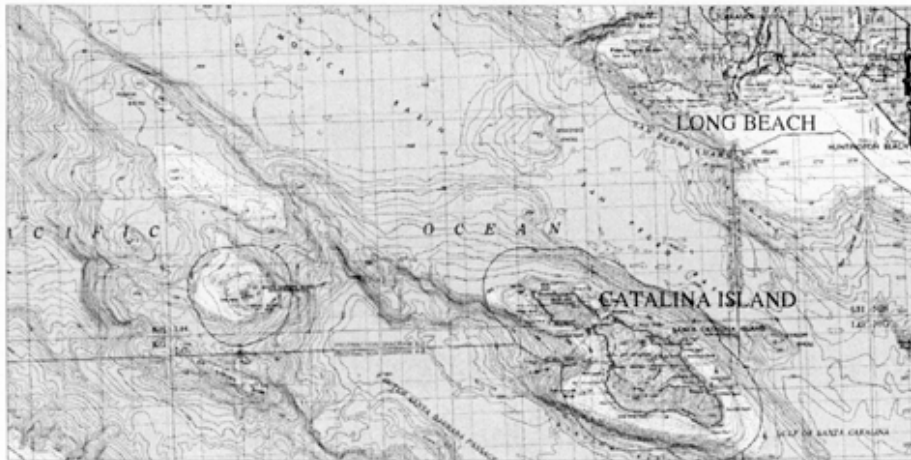
SITE



CATALINA ISLAND

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

WP 3639.1
SANTA CATALINA ISLAND
CO./CONSERVANCY
GENERAL LEASE -
COMMERCIAL
LOS ANGELES COUNTY



SCL 12/22/11

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.