

**CALENDAR ITEM
C22**

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S 6

03/29/12
PRC 5065.1
V. Caldwell

REVISION OF RENT

LESSEES:

Robert L. Vellanoweth and Kelly A. Vellanoweth

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Sacramento River, adjacent to 674 Riverlake Way, near the city of Sacramento, Sacramento County.

AUTHORIZED USE:

Continued use and maintenance of an existing 24-foot by 46-foot floating boat dock with an 18-foot by 40-foot boathouse with second-story sundeck (having a floor elevation of 8.9-feet from the dock surface) and a three-foot high safety railing, boat lift, three steel pilings, gangway, and three wood pilings.

LEASE TERM:

10 years, beginning June 28, 2007.

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 rent be revised from \$1,300 per year to \$800 per year, effective June 28, 2012.

OTHER PERTINENT INFORMATION:

1. This lease was first brought to the May 10, 2007 Commission meeting (Item #88). The Commission discussed the proposed construction of this boathouse with sundeck and safety railing extensively in open session. The Commissioners agreed that sundecks could have no permanent recreation amenities. A railing could be retained for safety purposes only, rent would be charged, and that rent would be based on residential values. Ultimately, the Commission decided to continue the discussion at the June 28, 2007 meeting.

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2. On June 28, 2007 (Item#62), the Commission authorized a General Lease – Recreational Use, to Robert L. Vellanoweth and Kelly A. Vellanoweth for the construction, use, and maintenance of a 24-foot by 46-foot floating boat dock with an 18-foot by 40-foot boathouse with second-story sundeck (having a floor elevation of 8.9-feet from the dock surface) and a three-foot high safety railing, boat lift, three steel pilings, gangway, and three wood pilings. The lease will expire on June 27, 2017.
3. Under the terms of the lease, the sundeck is the only portion of the authorized improvements subject to annual rent. The sundeck is considered a residential use, which is not covered by the benchmark rental rate. Staff, therefore, conducted the five-year rent review called for in the lease and an updated appraisal determined that residential market values have declined. As a result, staff is now recommending that rent for the sundeck be reduced.
4. The staff recommends that the Commission find that the subject revision of rent does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

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

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

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

AUTHORIZATION:

Approve the revision of rent for Lease No. 5065.1 from \$1,300 per year to \$800 per year, effective June 28, 2012.

