

**CALENDAR ITEM  
C65**

A	56	06/19/14
		PRC 3448.9, PRC 9127.9, PRC 9128.1
S	40	R. Collins

**TERMINATION OF A GENERAL LEASE – PUBLIC AGENCY USE (PRC 3448.9)  
AND ISSUANCE OF A GENERAL LEASE – PUBLIC AGENCY USE (PRC 9127.9), A  
GENERAL LEASE – COMMERCIAL USE (PRC 9128.1), AND ENDORSEMENT OF A  
SUBLEASE OF THE GENERAL LEASE – COMMERCIAL USE (PRC 9128.1)**

**LESSEE:**

PRC 3448.9 County of Riverside

**APPLICANT/SUBLESSOR:**

PRC 9127.9 - City of Blythe, a California municipal corporation  
PRC 9128.1 – Riverside County Regional Park and Open Space District  
(Sublessor); Reynolds Resorts – Blythe, LLC (Sublessee)

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

Sovereign land in historic bed of the Colorado River, in the city of Blythe,  
Riverside County.

**AUTHORIZED USE:**

PRC 9127.9 - Use and maintenance of an existing boat launch.  
PRC 9128.1 -Operation, use, and maintenance of an existing recreational  
vehicle campground.

**LEASE TERM:**

PRC 9127.9 - 10 years, beginning July 1, 2014.

PRC 9128.1 - 30 years, beginning July 1, 2014.

**CONSIDERATION:**

PRC 9127.9 - Public use and benefit; with the State reserving the right at  
any time to set a monetary rent if the Commission finds such action to be  
in the State's best interest.

PRC 9128.1 - Annual Rent in the amount of \$6,288 for the period from  
July 1, 2014, to June 30, 2015; with the State adjusting the Annual Rent  
for each subsequent year by the application of the annual percentage

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change of the Consumer Price Index (CPI), provided that the adjusted Annual Rent will never be lower than \$6,288, and further providing that the State shall have the right to adjust the Annual Rent upon any amendment of the sublease between Lessee and Sublessee, with the first rent review occurring no later than two years from July 1, 2014. CPI adjustments will continue annually until each fifth anniversary of the Lease, when a new Annual Rent may be established as provided in the Lease.

**OTHER PERTINENT INFORMATION:**

1. On October 26, 1961, the California State Lands Commission (Commission) authorized a Life-of-Structure Permit, No. PRC 2799.9, to the County of Riverside for the construction and maintenance of a small boat marina on two parcels of sovereign land totaling 42.59 acres in the Colorado River. The Commission amended the permit on May 23, 1962 to add a 1.218-acre parcel of accreted lands lying southwesterly of the original parcels bringing the lease area to 43.808 acres.
2. On March 1, 1966, the Commission terminated the Life-of-Structure Permit No. PRC 2799.9 and authorized Lease No. PRC 3448.9, a 49-year General Lease – Public Agency Use, to the County of Riverside to allow the Lessee's concessionaire to obtain financing to construct additional campground improvements.
3. On October 5, 1998, the Lessee quitclaimed its interest in the adjacent lands to the Riverside County Regional Park and Open Space District (District). Neither the Lessee nor the District sought the Commission's consent to assign the lease to the District.
4. On April 4, 2012, the District recorded a lot line adjustment on a portion of the property which included the State's sovereign lands. Then, on December 12, 2012, the District conveyed a newly created parcel, encompassing sovereign land to the city of Blythe; all without the prior consent of the Commission.

**Termination of Lease No. PRC 3448.9:**

5. At the time Lease No. PRC 3448.9 was authorized; controversy existed as to claims of ownership between the State and County of Riverside. Lease No. PRC 3448.9 did not identify a specific State

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claim of ownership, but encompassed the larger 43.808 acre parcel. Staff has reviewed information pertaining to the Commission's jurisdiction at this site and, based on the information currently known to staff at this time, recommends termination of Lease No. PRC 3448.9.

6. The staff recommends that the Commission find that the termination of Lease No. PRC 3448.9 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 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.

**Issuance of a Lease PRC 9127.9:**

7. On December 12, 2012, the City of Blythe (City) acquired ownership of the upland adjoining the lease premises from the District without obtaining the Commission's consent to the assignment of the lease. This property, known as Quechan Park, is operated and maintained by the City as a municipal park open to the public. The City of Blythe has applied for a General Lease – Public Agency Use, for use of an existing boat launch at Quechan Park.
8. The staff recommends that the Commission find that this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, Title 14, section 15300 and California Code of Regulations, Title 2, section 2905.

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**Issuance of a Lease PRC 9128.1:**

9. The District owns the upland adjoining the lease premises.
10. The upland and adjoining lease premises are improved with a recreational vehicle campground with a convenience store, laundry, storage area, and a marina with fuel sales. The District has entered into a sublease with Reynolds Resorts – Blythe, LLC for the operation and maintenance of the campground. The term of the sublease expires on June 30, 2014 and includes three consecutive five-year extensions. The District and Reynolds Resorts – Blythe, LLC are currently in negotiations to renew the sublease. Staff recommends endorsement of the sublease between the District and Reynolds Resorts – Blythe, LLC for the remaining term of the sublease plus the three extension periods. If the negotiations for a new sublease result in a lease term or provisions substantially different than those in effect under the current lease, then staff will bring a new sublease for the Commission's consideration at a subsequent meeting.
11. The District has applied for a General Lease – Commercial Use, for use and maintenance of a recreational vehicle campground and sublease approval.
12. The staff recommends that the Commission find that this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, Title 14, section 15300 and California Code of Regulations, Title 2, section 2905.

**Endorsement of a Sublease PRC 9128.1:**

13. The staff recommends that the Commission find that the subject endorsement of a sublease does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical

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change in the environment, and is, therefore, not a project in accordance with CEQA.

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

14. 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:**

PRC 9127.9

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

PRC 9128.1

- C. Land Description
- D. Site and Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

**Lease Termination:** Find that the subject lease termination 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.

**Issuance of lease PRC 9127.9 to the city of Blythe:** Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

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**Issuance of Lease PRC 9128.1 to the Riverside County Regional Park and Open Space District:** Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

**Endorsement of a Sublease:** Find that the subject endorsement of a sublease 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.

**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. Authorize the termination, effective June 30, 2014, of Lease No. PRC 3448.9 a General Lease – Public Agency Use, issued to the County of Riverside.
2. Authorize issuance of a Lease No. PRC 9127.9, a General Lease – Public Agency Use, to the City of Blythe, a California municipal corporation beginning July 1, 2014, for a term of 10 years, for the use and maintenance of an existing boat launch as shown on Exhibit A (for reference purposes only), and as described in Exhibit B attached and by this reference made a part hereof; consideration being the public use and benefit, with the State reserving the right, at any time, to set a monetary rent as specified in the lease if the Commission finds such action to be in the State's best interest.
3. Authorize issuance of Lease No. PRC 9128.1, a General Lease – Commercial Use, to the Riverside County Regional Park and Open Space District beginning July 1, 2014, for a term of 30 years, for the use and maintenance of an existing recreational vehicle campground as shown on Exhibit C (for reference purposes only), and as described in Exhibit D attached and by this reference made a part hereof; rent in the amount of

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\$6,288 for the period from July 1, 2014, to June 30, 2015; with the State adjusting the annual rent for each subsequent year by the application of the annual percentage change of the Consumer Price Index (CPI), provided that the adjusted annual rent will never be lower than \$6,288, and further providing that the State shall have the right to adjust the Annual Rent upon any amendment of the sublease between Lessee and Sublessee, with the first rent review occurring no later than two years from July 1, 2014, with CPI adjustments continuing annually until each fifth anniversary of the Lease

4. Endorsement of a Sublease of Lease No. PRC 9128.1, effective July 1, 2014, from Riverside County Regional Park and Open Space District to Reynolds Resorts – Blythe, LLC, of a portion of Lease No. PRC 9128.1, as shown on Exhibit C (for reference purposes only), and as described in Exhibit D attached and by this reference made a part hereof, for the remaining term ending June 30, 2029.

## EXHIBIT A

PRC 9127.9

### LAND DESCRIPTION

A parcel of State owned sovereign land situate in the historic channel and existing bed of the Colorado River, County of Riverside, State of California and more particularly described as follows:

COMMENCING at a 1¼ inch iron pipe tagged "COUNTY SURVEYOR" having CCS 83 Zone 6 coordinates of Northing (y)=2167616.07 feet and Easting (x)=7083550.86 feet which bears South 74° 49' 58" West 1584.46 feet from NGS monument "EHREN" (PID DW1289) having CCS 83 Zone 6 published coordinates of Northing (y)=2168030.63 feet and Easting (x)=7085080.13 feet, said iron pipe also being the common corner of Sections 35 and 36 T.6 S., R. 23 E. and Sections 1 and 2 T.7 S., R. 23 E. S.B.M. as shown on that Record of Survey, filed on June 29, 1961 in Book 34 at pages 36 and 37 Riverside County Recorder's Office; thence along the west line of the southwest quarter of said Section 36 North 01° 53' 08" West 200.32 feet to a point on a right bank of the historic channel of said Colorado River; thence leaving said section line and along said right bank of said historic channel North 64° 14' 00" East 727.56 feet; thence North 63° 57' 00" East 330.40 feet to a point on the northerly line of the right-of-way of California State Highway Route 64 (U.S. No. 60), as per California State Highway Right-of-Way Map XI-Riv.-64-F, Colorado River Bridge Plans, said point also being the POINT OF BEGINNING; thence continuing along said right bank of said historic channel North 63° 57' 00" East 769.34 feet to a point on the existing right bank of said Colorado River; thence leaving said right bank of said historic channel and northeasterly along said existing right bank of said river North 17° 26' 56" East 465.25 feet; thence North 47° 41' 24" East 303.80 feet; thence North 58° 27' 20" East 420.67 feet to a point on the north line of that Parcel "A" as described in Lot Line Adjustment No. 2012-02 recorded in Document No. 2012-0154427 on April 4, 2014 Riverside County Recorder's Office; thence leaving said existing right bank of said river and along said Parcel "A" North 89° 02' 42" East 87.73 feet; thence South 64° 58' 42" West 91.39 feet; thence South 32° 09' 32" West 1334.28 feet to a point on the historic center line of said Colorado River; thence leaving said Parcel "A" and along said historic center line South 60° 15' 36" West 387.87 feet to a point on the



northerly line of said right-of-way; thence along said northerly line of said right-of-way North 74° 47' 28" West 139.88 feet; thence North 60° 33' 28" West 203.35 feet; thence North 74° 47' 28" West 61.90 feet to the POINT OF BEGINNING.

BASIS OF BEARINGS for this description is CCS83 Zone 6 (Epoch 1992). All distances are grid distances.

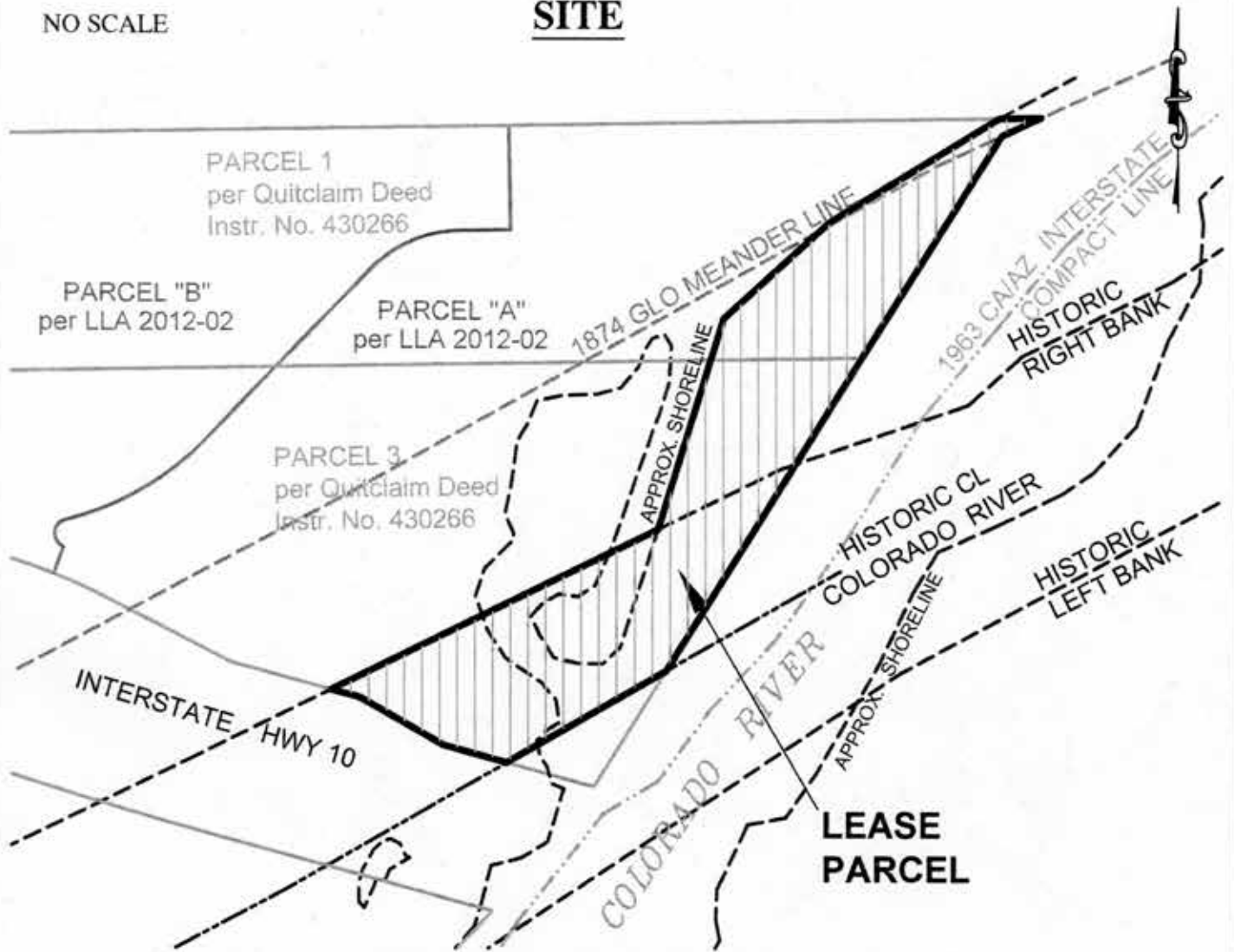
**END OF DESCRIPTION**

Prepared 05/16/14 by the California State Lands Commission Boundary Unit



NO SCALE

# SITE



GL 6 SEC. 36, T6S, R23E, SBM, CITY OF BLYTHE, COLORADO RIVER

NO SCALE

# LOCATION



## Exhibit B

PRC 9127.9  
 CITY OF BLYTHE  
 APN 833-310-017  
 GENERAL LEASE-  
 PUBLIC AGENCY USE  
 RIVERSIDE COUNTY



TS 05/16/14

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.