MINUTE ITEM

4/4/74
GDG

29. APPROVAL OF PROPOSED SUBLEASE OF LEASE PRC 2546.1, TIDE AND SUBMERGED LAND SITUATE WEST OF CARQUINEZ BRIDGE, AT CROCKETT, CONTRA COSTA COUNTY; DOWRELIO BOAT WORKS - WP 2546, PRC 2546.1.

After consideration of Supplemental Calendar Item 27 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. DETERMINES THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC 21080, 14 CAL. ADM. CODE 15073, AND 2 CAL. ADM. CODE 2910.

2. AUTHORIZES THE APPROVAL BY ENDORSEMENT OF A 5-YEAR SUBLEASE BY AND BETWEEN DOWRELIO BOAT WORKS, A CALIFORNIA CORPORATION, AND THE HAYDEN COMPANY, A LIMITED PARTNERSHIP, ON FILE IN THE OFFICE OF THE STATE LANDS DIVISION AND BY REFERENCE MADE A PART HEREOF, WITH LESSEE'S OPTION TO RENEW FOR ONE ADDITIONAL PERIOD OF 5 YEARS; IN CONSIDERATION OF THE STATE OF CALIFORNIA'S SHARE OF THE ANNUAL RENTAL, BEING $762 ANNUALLY, AND THE PAYMENT OF THE STATE OF CALIFORNIA'S LAWFUL SHARE OF THE ANNUAL RENTAL, BEING $949 TO DATE, OF THE UNAPPROVED LEASE, EFFECTUATED SEPTEMBER 18, 1972, BY AND BETWEEN DOWRELIO BOAT WORKS AND ROLAND B. REGHADI AND NADINE REGHADI, DOING BUSINESS AS THE "LA BOUILLABAISSE" RESTAURANT, ON FILE IN THE OFFICE OF THE STATE LANDS DIVISION, AND BY REFERENCE MADE A PART HEREOF; WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF PUBLIC LIABILITY INSURANCE IN AMOUNTS OF $1,000,000/$3,000,000 FOR PERSONAL INJURY AND $50,000 FOR PROPERTY DAMAGE; FOR THE OPERATION OF AN EXISTING RESTAURANT ON THE LAND DESCRIBED IN THE SUBLEASE PREVIOUSLY APPROVED NOVEMBER 16, 1960, BY THE STATE LANDS COMMISSION IN PRC 2546.1, AND DELINEATED ON EXHIBIT "A", BOTH ON FILE IN THE OFFICE OF THE STATE LANDS DIVISION, AND BY REFERENCE MADE A PART HEREOF.

Attachment:
Supplemental Calendar Item 27 (3 pages)

A 10
S 7

SUPPLEMENTAL CALENDAR ITEM

3/74
GDG
WP 2546

27.

APPROVAL OF PROPOSED SUBLEASE OF LEASE PRC 2546.1

SUBLESSOR: Dowrelio Boat Works, a California corporation.

SUBLESSEE: The Hayden Company, a Limited Partnership, with L. Patrick Furlong and Duane L. Kime, II, both of Contra Costa County, as general partners and John W. Leuthold of Beverly Hills, as limited partner.

AREA, TYPE LAND AND LOCATION:
A portion of a 4.97-acre parcel of tide and submerged land situate west of Carquinez Bridge, adjacent to Carquinez Strait at Crockett, Contra Costa County.

LAND USE: Restaurant, including the sale of alcoholic beverages is contemplated by applicant who will furnish the State license.

TERMS OF MASTER LEASE:

Lessor:	State of California.
Lessee:	California and Hawaiian Sugar Company.
Initial period:	25 years, from August 20, 1960.
Renewal options:	2 additional periods of 10 years each.
Surety bond:	$5,000.
Consideration:	$3,330 per annum, payable to the State of California.

TERMS OF PREVIOUSLY APPROVED SUBLEASE:

Lessor:	California and Hawaiian Sugar Company.
Lessee:	Dowrelio Boat Works.
Initial period:	25 years, from August 30, 1960.
Renewal options:	2 additional periods of 10 years each.
Surety bond:	$5,000. Lessee agrees to take out and keep in force during term of sublease a policy of public liability insurance acceptable to California and Hawaiian Sugar Company.
Consideration:	$1,391 per annum, payable to California and Hawaiian Sugar Company.

A 10
S 7

307

TERMS OF PROPOSED SUBLEASE:

Initial period: 5 years, from April 1, 1974.

Renewal options: 1 additional period of 5 years.

Public liability insurance:
$1,000,000/$3,000,000 for personal injury and $50,000 for property damage.

CONSIDERATION: To Sublessor: $6,000 per annum of which $762 per annum is payable to the State of California, with the State reserving the right to fix a different share of the rental on each fifth anniversary of the lease.

BASIS FOR CONSIDERATION:
50% of the net value of the income, pursuant to 2 Cal. Adm. Code 2014.

STATUTORY AND OTHER REFERENCES:

a. Public Resources Code: Div. 6, Parts 1 and 2.
b. Administrative Code: Title 2, Div. 3, Arts. 1, 2 and 10.

OTHER PERTINENT INFORMATION:

1. On September 18, 1972, a sublease without State Lands Commission approval was effectuated by and between Dowrelio Boat Works and Roland B. Reghadi and Nadine Reghadi; doing business as the "La Bouillabaisse" restaurant on the subject site. This lease is conditioned to terminate by agreement at the time the State Lands Commission authorizes its approval by endorsement of the subject proposed sublease. The State of California has not received any portion of its lawful share of the agreed annual rental ($5,100) pursuant to 2 Cal. Adm. Code 2014 which has been paid to Dowrelio Boat Works, nor has the State Lands Commission ever approved the sublease. It is recommended at this time, that reparation of the monetary loss to the State for use of State-owned land be made and that the payment of reparation be supplemental consideration to the Commission's approval of the subject proposed sublease pursuant to 2 Cal. Adm. Code 2014.

   The amount of $312 is computed to be the State's lawful annual share of the agreed annual rental. The total amount of said share, which is pro-rated and due and payable to date, is $494.

2. An environmental impact report has not been prepared for this transaction as the activity has no plan for any

physical structure, improvement or change which in the whole will result in a significant physical impact on the environment, pursuant to PRC 21080, 14 Cal. Adm. Code 15073, and 2 Cal. Adm. Code 2910.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC 21080, 14 CAL. ADM. CODE 15073, AND 2 CAL. ADM. CODE 2910.

2. AUTHORIZE THE APPROVAL BY ENDORSEMENT OF A 5-YEAR SUBLEASE BY AND BETWEEN DOWRELIO BOAT WORKS, A CALIFORNIA CORPORATION, AND THE HAYDEN COMPANY, A LIMITED PARTNERSHIP, ON FILE IN THE OFFICE OF THE STATE LANDS DIVISION AND BY REFERENCE MADE A PART HEREOF, WITH LESSEE'S OPTION TO RENEW FOR ONE ADDITIONAL PERIOD OF 5 YEARS; IN CONSIDERATION OF THE STATE OF CALIFORNIA'S SHARE OF THE ANNUAL RENTAL, BEING $762 ANNUALLY, AND THE PAYMENT OF THE STATE OF CALIFORNIA'S LAWFUL SHARE OF THE ANNUAL RENTAL, BEING $494 TO DATE, OF THE UNAPPROVED LEASE, EFFECTUATED SEPTEMBER 18, 1972, BY AND BETWEEN DOWRELIO BOAT WORKS AND ROLAND B. REGHADI AND NADINE REGHADI, DOING BUSINESS AS THE "LA BOUILLABAISSE" RESTAURANT, ON FILE IN THE OFFICE OF THE STATE LANDS DIVISION, AND BY REFERENCE MADE A PART HEREOF; WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF PUBLIC LIABILITY INSURANCE IN AMOUNTS OF $1,000,000/$3,000,000 FOR PERSONAL INJURY AND $50,000 FOR PROPERTY DAMAGE; FOR THE OPERATION OF AN EXISTING RESTAURANT ON THE LAND DESCRIBED IN THE SUBLEASE PREVIOUSLY APPROVED NOVEMBER 16, 1960, BY THE STATE LANDS COMMISSION IN PRC 2546.1, AND DELINEATED ON EXHIBIT "A", BOTH ON FILE IN THE OFFICE OF THE STATE LANDS DIVISION, AND BY REFERENCE MADE A PART HEREOF.