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CALENDAR ITEM

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W 503.785  
Lindfeldt  
PRC 5441

SETTLEMENT OF LITIGATION AND ISSUANCE  
OF COMMERCIAL LEASE

In March of 1975, Staff Counsel of the State Lands Commission filed a lawsuit in the case of State of California v. Halvor G. Schultz, and Does One through One Hundred, Yolo County Superior Court No. 32197; seeking damages and ejection for the occupation and use of the sovereign lands of the State. Negotiations with the parties and their attorney have resulted in a settlement of the lawsuit. The defendants have executed a State Lands Commission lease and have agreed to a settlement of back rent owed. Said lease and agreement are on file in the Office of the State Lands Commission and are incorporated by reference. The lease provisions are summarized as follows:

APPLICANT: Halvor G. Schultz  
Box 635  
Broderick, California 95605

AREA, TYPE LAND AND LOCATION:  
A 2.623 acre parcel of tide and submerged land in the Sacramento River, Yolo County.

LAND USE: Continued operation of a commercial marina.

TERMS OF PROPOSED LEASE:  
Initial period: 15 years from January 1, 1978.  
Renewal options: 2 successive periods of 10 years.  
Surety bond: \$15,000  
Public liability insurance: \$1,000,000 combined single limit for bodily injury and property damage.

CONSIDERATION: \$450 per year payable in advance on the beginning date of this lease and each anniversary thereafter or 5% of gross annual income derived from the berthing and dock facilities paid quarterly, whichever is the greater.

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Lessee shall be allowed to reduce the rental owed under the percentage of gross income calculations by the \$450 minimum paid in advance.

PREREQUISITE TERM:

Applicant is owner of upland.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code: Div. 6, Parts 1 & 2.
- B. Administrative Code: Title 2, Div. 3, Arts. 1, 2, 10 & 11.

OTHER PERTINENT INFORMATION:

1. This is an existing facility which is maintained in an acceptable manner and which has not caused any adverse effects to the environment.
2. This project is situated on State land identified as possessing significant environmental values pursuant to Public Resources Code 6370.1, and is classified in a significant use category, Class B.

Staff review indicates that there will be no significant effect upon the identified environmental values. This is an existing facility for which no adverse comments have been received.

3. An EIR is not required. This transaction is within the purview of 2 Cal. Adm. Code 2907(a) which exempts an existing structure or facility that is in an acceptable state of repair and there is no evidence of record to show injury to adjacent property, shoreline erosion, or other types of environmental degradation.

EXHIBITS:

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

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC 21085, 14 CAL. ADM. CODE 15100, ET SEQ., AND 2 CAL. ADM. CODE 15100 ET SEQ., AND 2 CAL. ADM. CODE 2907.

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2. FIND THAT GRANTING OF THE APPLICATION WILL HAVE NO SIGNIFICANT EFFECT UPON ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1, ET SEQ. OF THE PUBLIC RESOURCES CODE.
3. AUTHORIZE ISSUANCE TO HALVOR G. SCHULTZ OF A 15-YEAR COMMERCIAL LEASE FROM JANUARY 1, 1978, WITH LESSEE'S OPTION TO RENEW FOR 2 SUCCESSIVE PERIODS OF 10 YEARS; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$450 PER YEAR PAYABLE IN ADVANCE ON THE BEGINNING DATE OF THIS LEASE AND EACH ANNIVERSARY THEREAFTER OR 5% OF GROSS ANNUAL INCOME DERIVED FROM THE BERTHING AND DOCK FACILITIES PAID QUARTERLY, WHICHEVER IS THE GREATER. LESSEE SHALL BE ALLOWED TO REDUCE THE RENTAL OWED THE PERCENTAGE OF GROSS INCOME CALCULATIONS BY THE \$450 MINIMUM PAID IN ADVANCE, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$15,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE IN AMOUNTS OF \$1,000,000 COMBINED SINGLE LIMIT FOR BODILY INJURY AND PROPERTY DAMAGE; FOR THE CONTINUED OPERATION AND MAINTENANCE OF A COMMERCIAL MARINA ON THE LAND DESCRIBED IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.
4. AUTHORIZE THE FILING OF A DISMISSAL IN THE MATTER OF STATE OF CALIFORNIA v. HALVOR G. SCHULTZ, YOLO COUNTY SUPERIOR COURT NO. 32197.

Attachment: Exhibit "A"