

MINUTE ITEM

This Calendar Item No. 15
was approved as Minute Item
No. 15 for the State Lands
Commission by a vote of 2
to 0 at its 3/20/78
meeting.

MINUTE ITEM

3/78
Atkins

15. SELECTION OF A DEVELOPER FOR PROPERTY IN SEAL BEACH -
WP 4432.

During consideration of Calendar Item 15 attached, Mr. James F. Trout, explained the background of this item to the Commission and set forth the basis on which the proposals were evaluated.

Ms. Ann Russell, representing Peter Sanderson, a prospective developer, appeared. Ms. Russell requested that Mr. Sanderson be given another opportunity to make a new presentation since it was their opinion his file had not been correctly reviewed because the proposal had been disqualified due to its lateness. Mr. Trout stated if the Commission elected to grant Ms. Russell's request, it was his suggestion that the Commission allow the other people who had responded past the deadline to also submit their proposals. However, he stated that in spite of its lateness, the staff had reviewed Mr. Sanderson's proposal, had concluded that the proposal was the least economic, and therefore is recommending that the bid be awarded to Bruce Conn.

Ms. Betty Jo Smith then moved that the staff's recommendation be adopted.

Upon motion duly made and carried, the recommendation in Calendar Item 15 was approved as presented by a vote of 2-0.

Attachment: Calendar Item 15 (7 pages)

CALENDAR ITEM

15.

3/78
WP 4432
Atkins

SELECTION OF A DEVELOPER FOR PROPERTY IN SEAL BEACH

BACKGROUND:

The Commission, at its meeting on November 30, 1977 authorized the staff to seek proposals for development of the Commission's property located at the northeast corner of Pacific Coast Highway and First Street in Seal Beach; Orange County.

The Commission's Staff undertook an advertising campaign to seek developers, and many inquiries were received.

CURRENT SITUATION:

Staff has received 7 proposals for the development of the subject parcel. They are outlined as follows:

1. Seal Beach Park, Bruce Conn et al.
Project Facility:
 - A. Six tennis courts.
 - B. Eight racquetball/handball courts.
 - C. Six squash courts.
 - D. Tennis college.
 - E. Five teaching lanes with ball machines.
 - F. Two volleyball courts.
 - G. Two badminton courts.
 - H. Weightlifting and exercise apparatus.

This project will include a main building with locker room facilities, refreshment and rest area, common meeting area, gymnasium and offices. Parking will be provided with substantial landscaping. The facility will be open to the public on a pay as you play basis. Total capital investment to complete the project will be approximately \$804,250. Projected gross annual income \$738,000. The club's athletic director would be an individual experienced in the operation of this type of facility. The developers have been assured that financing is available for the project by a mortgage company.

A 73

S 36

CALENDAR ITEM NO. 15. (CONTD)

2. Office Building, George Murchison et al.
Project Facility:

34,000 square feet of rental space. The developer has a commitment for rental of 25,000 square feet at this time, and the remaining area should easily find tenants. The prospective tenants include a life insurance company, an accounting firm, legal offices, and a firm in the computer industry. The estimated cost to complete this development will be \$2,400,000. Projected annual gross income \$408,000. The partners in the project would invest \$600,000 of their own money and finance the remainder. The project would be tastefully landscaped.

3. Ronald Bennett et al. Project Facility:

Phase I (Racquetball-Health Club Center):

- A. Twelve handball-racquetball courts.
- B. Men and women's gym facility.
- C. Sauna, jacuzzi, steam and quiet rooms.
- D. A lounge, viewing area and 2 glass walled tournament courts.

The club would be run on a membership basis, by an experienced manager.

Project Facility Phase II (Skateboard Park).

The developer has proposed to include a skateboard park with facility discussed in Phase I.

Total development cost is projected to be \$712,000. Estimated annual gross income from the operation of both Phase I and II would be \$684,000. The 4 primary investors would each contribute \$100,000 with a loan of approximately \$350,000 from an institutional lender.

4. Mr. James R. Watson:

CALENDAR ITEM NO. 15. (CONTD)

This proposal is for a skateboard park including a machine arcade, restaurant and retail shops. The projected income from the park is in excess of \$1,000,000 a year. Mr. Watson is a very experienced developer in the Seal Beach Area.

5. Frank G. Marshall:

Mr. Marshall plans a 2 phase development of a racquetball sports complex which would be open to the public. Phase I would include a 10-court building with dressing facilities for men and women. There would be a jacuzzi and sauna bath. Phase II would be added within 2 years and would include 10 additional courts with facilities for men and women, with a lounge, indoor pool, jacuzzi and sauna bath. The Phase II development would be operated as a private membership club.

6. Peter Sanderson:

Mr. Sanderson plans a first-class tennis complex. His projected minimum annual gross income would be \$252,000. Mr. Sanderson is an experienced tennis professional, and has financial backing for his project.

The recommendation of the Commission's Staff is the selection of Seal Beach Park, Bruce Conn et al. as the developer for the parcel. This project would appeal to a wide spectrum of the population with the variety of sports offered. Facilities of this type have been very successful, and the fact that it is open to the public is appealing, in that the property is subject to the public trust. The development should easily provide the income to meet the State's minimum lease payment of \$38,000 a year. Staff will analyze and may recommend a percentage of gross income lease to the Commission, dependent upon which lease basis appears to be in the best interest of the State.

At such time as a lease package has been completed with the developer the Commission selects, the staff will then request Commission approval of the lease.

CALENDAR ITEM NO. 15. (CONTD)

EXHIBIT: A. Land Description.

IT IS RECOMMENDED THAT THE COMMISSION SELECT BRUCE CONN ET AL. (SEAL BEACH PARK), AS THE DEVELOPER FOR THE PARCEL DESCRIBED IN EXHIBIT A, ATTACHED HERETO, SUBJECT TO APPROPRIATE LEASE AND ENVIRONMENTAL DOCUMENTATION, AS WELL AS REVIEW BY THE STATE ATTORNEY GENERAL'S OFFICE. THE FINAL LEASE PACKAGE SHALL BE APPROVED BY THE COMMISSION AT A FUTURE DATE.

Attachment: Exhibit "A"

EXHIBIT "A"

WP 4432

Three parcels (Parcel 1, Parcel 2, and Parcel 3) of State owned land, situated in the County of Orange, California, described in Book 9272 page 219, Official Records of Orange County, said parcels more particularly described as follows:

Basis of bearings for Parcels 1, 2 & 3.
(The bearing of N 37° 52' 11.9" W, for the line between stations 50 and 51 of the Rancho Los Alamitos, a portion of which line is also the centerline of Pacific Coast Highway, based on California Grid System, Zone 7, Status of 1962 Supplemented 1965, being the Basis of Bearings as per C.L.B. DRG E243.03 filed in the City Engineers Office of the City of Long Beach, California, certified by Francois D. Uzes, L.S.)

Parcel 1

That portion of the area labeled San Gabriel River and those portions of Lots 1 and 2 of the San Gabriel Extension of Naples, in the City of Seal Beach, County of Orange, State of California as per map recorded in Book 7, page 31 of Miscellaneous Maps in the Office of the County Recorder of said county, described as a whole as follows:

BEGINNING at a point on the boundary line of the Rancho Los Alamitos between stations 50 and 51, said point being N 37° 52' 11.9" W, 100.09 feet from said station 50; thence N 37° 52' 11.9" W, 115.26 feet; thence S 47° 51' 19" W, 97.40 feet; thence N 70° 54' 26" W, 164.98 feet; thence N 50° 24' 11" W, to its intersection with the boundary line between Los Angeles County and Orange County as delineated on a map filed in Book 90, pages 23-30 inclusive of record of Surveys of said county; thence along said boundary line S 56° 59' 37" W, to its intersection with the curved east line of the Pacific Coast Highway, 100 feet wide, said curve being concave to the west with a radius of 2050 feet, as described in deed to the State of California recorded December 2, 1929, in Book 332, page 237 of Official Records; thence southerly along said curve to the southerly terminus thereof; thence S 1° 25' 35" E, 15.96 feet along the east line of said Pacific Coast Highway to a point that bears

S 73° 26' 04" E, 38.76 feet from the southerly terminus of that certain line shown on said C.L.B. DRG E243.03 as "N 46° 24' 00" W, 988.60"; thence S 73° 26' 04" E, 271.11 feet; thence S 85° 56' 46" E, to its intersection with a line Parallel with and 100.00 feet northwesterly from the line between stations 49 and 50 of said Rancho; thence N 54° 37' 35" E, along said Parallel line to the point of beginning.

EXCEPTING THEREFROM the northwesterly 100.00 feet.

Parcel 2

That portion of the area labeled San Gabriel River and of Lot 1 of the San Gabriel Extension of Naples, in the City of Seal Beach County of Orange, State of California, as per map recorded in Book 7, page 31 of Miscellaneous Maps, in the office of the county recorder of said county, described as a whole as follows:

BEGINNING at a point on the boundary line of the Rancho Los Alamitos between stations 50 and 51, said point being N 37° 52' 11.9" W, 215.35 feet from said station 50; thence S 47° 51' 19" W, 97.40 feet; thence N 70° 54' 26" W, 164.98 feet; thence N 50° 24' 11" W to its intersection with the boundary line between Los Angeles County and Orange County as delineated on a map filed in Book 90, pages 23-30 inclusive of Record of Surveys of said county thence along said boundary line N 56° 59' 37" E to its intersection with said Rancho line; thence S 37° 52' 11.9" E, to the point of beginning.

EXCEPTING THEREFROM the northwesterly 100.00 feet.

Parcel 3

That portion of the area labeled San Gabriel River and of Lot 2 of the San Gabriel Extension of Naples, in the City of Seal Beach, County of Orange, State of California, as per map recorded in Book 7, page 31 of Miscellaneous Maps, in the office of the county recorder of said county, described as a whole as follows:

BEGINNING at said station 50; thence S 54° 37' 35" W, 613.45 feet along the line between stations 49 and 50 of said rancho to the Pacific Coast Highway, 100 feet wide, as described in Deed to the State of California, recorded December 2, 1929 in book 332, page 237 of Official Records; thence along said highway N 1° 25' 35" W, 425.05 feet to a point on a line that bears S 73° 26' 04" E, 38.76 feet from the southerly terminus of that certain line shown on said C.L.B. DRG E243.03 as "N 46° 24' 00" W, 988.60"; thence S 73° 26' 04" E, 271.11 feet;

thence S 85° 56' 46" E, 197.84 feet; thence N 55° 17' 27" E,
49.89 feet to said first mentioned rancho line; thence
S 37° 52' 11.9" E, 17.89 feet to the point of beginning.

EXCEPTING THEREFROM that portion lying southeasterly of a line
parallel with and 100.00 feet northwesterly of the rancho line
between said stations 49 and 50.

Said three parcels of land are included within the area shown on a map
filed in the office of the County Recorder of said Orange County, in
Book 90, page 28, Record of Surveys.

END OF DESCRIPTION

Prepared

M. J. Shahan

Checked

Neil Hoff

Reviewed

John F. Runnecke

Date

9/29/76