

MINUTE ITEM

7/79
Scott

2. AUTHORIZATION TO TERMINATE LEASE PRC 5257.1

Calendar Item 2. attached was pulled from the agenda prior to the meeting.

Attachment: Calendar Item 2. (3 Pages)

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| CALENDAR PAGE | |
| MINUTE PAGE | 1203 |

CALENDAR ITEM

2.

7/79
W 21082
PRC 5257.1
Scott

AUTHORIZATION TO TERMINATE
LEASE PRC 5257.1

APPLICANT: Walter M. Harvey
P. O. Box 1222
Sacramento, California 95806

AREA, TYPE LAND AND LOCATION:
A 0.429 acre parcel of tide and submerged
land in the Sacramento River adjacent to
Old Sacramento Development, City and County
of Sacramento.

LAND USE: Maintenance of one stern wheeled steamboat
with ramp and floating dock to be used
as a restaurant, lounge and bar.

BACKGROUND: At its meeting on February 24, 1977 as
Calendar Item 21, the Commission authorized
the issuance of a Commercial Lease to Walter M.
Harvey, for the placement of a steamboat,
to be used as a restaurant, lounge and
bar, in the Sacramento River adjacent to
the City of Sacramento's Old Sacramento
Development. The approved lease required
the payment of a minimum rental on February 1,
1978 plus a percentage of the Gross Income
at the end of each year. Due to circumstances
which appeared to be beyond the control
of the lessee and at the lessee's request,
the Commission as Calendar Item 24 of its
February 23, 1978 meeting, approved an
amendment of this lease changing the date
at which the first minimum rental payment
would become due from February 1, 1978
to February 1, 1979.

CURRENT SITUATION:

In accordance with staff practice the lease
was invoiced on January 1, 1979, 30 days
in advance of the rental due date. When
payment or correspondence was not received,
staff sent follow-up requests advising
lessee of penalty and interest accruing

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CALENDAR ITEM NO. 2. (CONTD)

on the rental payment. These follow-ups were mailed on March 21, 1979; April 11, 1979 and May 23, 1979. The last follow-up letter, sent by certified mail, advised the lessee that if the rental payment was not received within 30 days of the date of the letter that staff would take legal steps to terminate the lease. As of this date lessee has failed to correspond in any way. The leased area is not presently occupied by any physical facilities and lessee has also failed to secure agreement for use of the adjoining upland from the City of Sacramento. At this time the Commission must decide whether it wants to terminate the lease or approve an amendment of the lease extending the time when the first rental payment is due. The effect of the later provision is to give Mr. Harvey an additional option to the upland in question without making any rental payments.

EXHIBIT:

A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE STAFF AND/OR THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL STEPS NECESSARY, INCLUDING LITIGATION IN ORDER TO TERMINATE LEASE PRC 5257.1, WAIVER OF THE ANNUAL RENTAL WHICH WAS DUE ON FEBRUARY 1, 1979 IS RECOMMENDED.

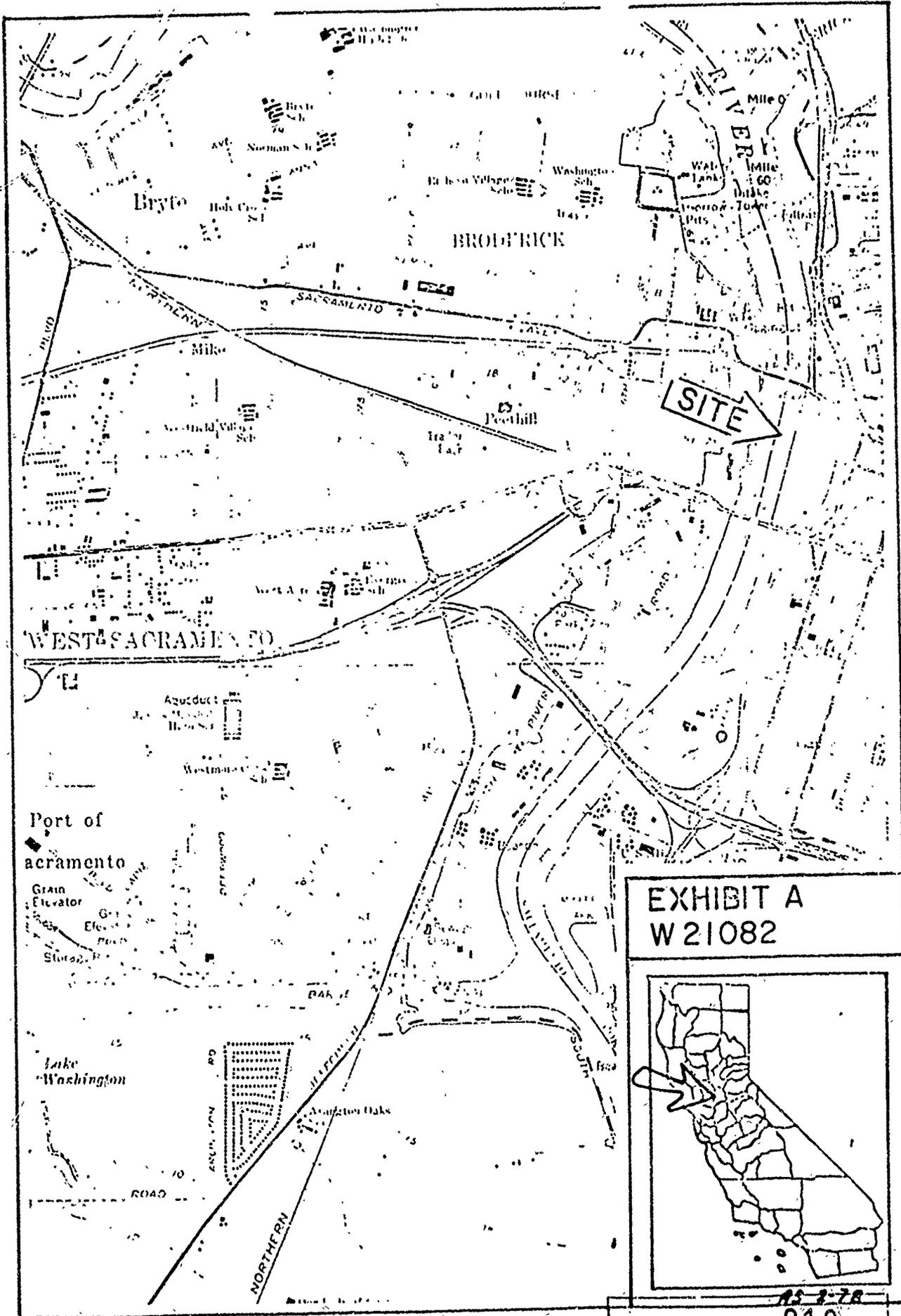


EXHIBIT A
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