

MINUTE ITEM

This Calendar Item No. 23.  
was approved as Minute Item  
No. 23 by the State Lands  
Commission by a vote of 3  
to 0 at its 1-24-80  
meeting.

CALENDAR ITEM

23.

1/80  
WP 4485  
De La Cruz  
TRC 4485

AMENDMENT OF A GENERAL LEASE - COMMERCIAL USE

APPLICANT: 4-Jay Investment, Inc.  
dba Rio Ramaza Marina  
10,000 Garden Highway  
Sacramento, California 95837

AREA, TYPE LAND AND LOCATION:  
A 3.25 acre parcel of tide and submerged  
land in the Sacramento River near Verona,  
Sutter County.

LAND USE: Operation and maintenance of an existing  
commercial marina.

TERMS OF ORIGINAL LEASE:

Initial period: 25 years from November 21,  
1969.

Surety bond: \$5,000.

Public Liability insurance: \$300,000/600,000  
per occurrence for bodily  
injury and \$100,000 for  
property damage.

Consideration: \$3,400, 5-year review.

TERMS OF AMENDED LEASE:

Initial period: 20 years from August 1,  
1979.

Surety bond: \$5,000.

Public liability insurance: Combined single  
limit coverage of \$500,000.

CONSIDERATION: \$1,032 as rental for the period November 21,  
1978, (date of 2nd five year rent review  
period) through July 31, 1979; and beginning  
August 1, 1979, 5% of gross revenue for  
berthing, launching and the sales price  
of all goods sold on State land, against

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CALENDAR PAGE	111
MINUTE PAGE	117

CALENDAR ITEM NO. 23. (CONTD)

a \$1,500 minimum annual rental paid in advance on August 1, of each year of the lease; one (1) cent per gallon of fuel sold, up to and including 100,000 gallons, and one and one half (1½) cents per gallon in excess of 100,000 gallons.

BASIS FOR CONSIDERATION:

Title 2, Div. 3, Cal. Adm. Code.

PREREQUISITE TERMS, FEES AND EXPENSES:

Applicant is owner of upland.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 & 2.

B. Cal. Adm. Code: Title 2, Div. 3.

OTHER PERTINENT INFORMATION:

1. The lease is being amended to reflect the following:
  - a. Up-dated lease form,
  - b. Revised rental,
  - c. Revision in the rental consideration,
  - d. Generally to bring the lease within current leasing format.
  
2. In March of 1978, Louis and Marian Halasz purchased, through a stock purchase and deed back agreement, 4-Jay Investment, Inc. The purchase consisted of the acquisition of Rio Ramaza Marina and an approximate 600 foot strip of upland adjacent to the Marina.
  
3. The sole source of income to the marina operation is generated from facilities located on the State-owned land. There are no improvements on the uplands. They are primarily used for boat-trailer parking.
  
4. The current annual rental (\$3,400) is based on 8% of the appraised upland value. Mr. Halasz has stated that the facilities do not generate sufficient income to produce the annual rental without placing their business in financial difficulty.

CALENDAR ITEM NO. 23. (CONTD)

5. Subsequently, Mr. Halasz has allowed the staff to review his income statements. Based upon this review, staff is recommending, that as an economically viable alternative for the continued operation of Mr. Halasz' marina that the basis for consideration be converted to (%) percentage of gross income.
6. The Commission's staff recommends that the annual rental be based upon 5% of gross income less a \$1500 minimum annual rental paid in advance on August 1, for each year of this lease with additional rental to be derived from fuel sales.
7. The Commission's standard lease form has been modified in order to incorporate special language necessary to implement rental based on a percentage of gross income. Also, certain paragraphs which are relevant to this proposed lease amendment, contained in Section 5, Standard Covenants, have been deleted.
8. Because the annual rental will be based on a percentage of gross income and not on appraised land value, the staff recommends that the standard 5-year rent review provision be waived.
9. Special provisions have been incorporated into the lease form regarding the maintenance by lessee of records and books subject to staff review in order to assure the proper reporting of gross income by lessee.
10. The only exception to gross income derived from the leased area being subject to percentage rental is fuel sales. Fuel sales will have rental calculated based on annual volume; at one (1) cent per gallon for the first 100,000 gallons and one and one-half (1½) cents per gallon for all fuel sold over 100,000 gallons.

CALENDAR ITEM NO. 23.-(CONTD)

11. This project is exempt from CEQA because this transaction is not considered a project within the meaning of CEQA and implementing guidelines.

Authority: 2 Cal. Adm. Code 2903(d).

12. This project is situated on State land identified as possessing significant environmental values pursuant to P.R.C. 6370.1, and is classified in a use category, Class B, which authorizes Limited Use.

Staff has coordinated this project with those agencies and organizations who nominated the site as containing significant environmental values. They have found this project to be compatible with their nomination.

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 P.R.C. 21065, 14 CAL. ADM. CODE 15037 AND 2 CAL. ADM. CODE 2903(d).
2. FIND THAT THE AMENDMENT TO THIS LEASE WILL HAVE NO SIGNIFICANT EFFECT UPON ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1, OF THE P.R.C.
3. ACCEPT AS RENT FOR THE PERIOD NOVEMBER 21, 1978, THROUGH JULY 31, 1979, THE AMOUNT OF \$1032.
4. AUTHORIZE AMENDMENT TO LEASE PRC 4485.1 TO 4-JAY INVESTMENT INC. TO PROVIDE FOR AN AMENDED TERM OF 20-YEARS FROM AUGUST 1, 1979; IN CONSIDERATION OF 5% OF GROSS REVENUE DERIVED FROM BERTHING, LAUNCHING, AND SALES PRICE OF ALL GOODS SOLD ON STATE LAND, AGAINST A \$1500 MINIMUM ANNUAL RENTAL PAID IN ADVANCE ON AUGUST 1, OF EACH YEAR OF THE LEASE PLUS ONE (1) CENT A GALLON OF FUEL SALES UP TO AND INCLUDING 100,000 GALLONS AND ONE AND ONE-HALF (1½) CENTS PER GALLON THEREAFTER; PROVISION

CALENDAR ITEM NO. 23. (CONTD)

OF PUBLIC LIABILITY INSURANCE WITH A COMBINED SINGLE  
LIMIT COVERAGE OF \$500,000; PROVISION FOR A \$5,000  
SURETY BOND; FOR OPERATION AND MAINTENANCE OF AN EXISTING  
COMMERCIAL MARINA ON LAND DESCRIBED ON EXHIBIT "A"  
ATTACHED AND BY REFERENCE MADE A PART HEREOF.

CALENDAR PAGE	115
MINUTE PAGE	121

## EXHIBIT "A"

## LAND DESCRIPTION

WP 4485

A parcel of tide and submerged land situated in the Sacramento River, Sutter County, State of California, at Mile 76.5, approximately 7 miles west of the town of Riego, being more particularly described as follows:

COMMENCING at the intersection of the northeasterly prolongation of the southeasterly right-of-way line of Garden Highway with the centerline of Riego Road, as shown on that unrecorded plat of survey by William H. Raupp, L.S. 2720, dated September, 1960, filed with the staff of the State Lands Commission, thence S 88° 07' 30" W 391 feet, more or less, to a point on the water line of the Sacramento River as shown on said map and the TRUE POINT OF BEGINNING; thence along said water line the following eleven courses:

1. S 28° 37' 45" W 34.82 feet;
2. S 30° 13' W 69.80 feet;
3. S 14° 13' W 66.00 feet;
4. S 27° 36' W 340.00 feet;
5. S 18° 50' W 96.00 feet;
6. S 42° 08' W 124.40 feet;
7. S 23° 27' W 401.00 feet;
8. S 30° 29' W 99.00 feet;
9. S 22° 31' W 185.00 feet;
10. S 35° 22' W 81.00 feet;
11. S 29° 09' W 50.00 feet; thence leaving said water line the following four courses:

12. S 88° 07' 30" W 90.00 feet;
13. N 25° 10' E 828.00 feet;
14. N 28° 34' 31" E 710.22 feet;
15. N 88° 07' 30" E 90.00 feet to the point of beginning.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark of the Sacramento River.

END OF DESCRIPTION

Prepared

*Carlos Najera*

Checked

*Jane E. Tibbatts*

Reviewed

*[Signature]*

Date

*July 2, 1979*

CALENDAR PAGE

116

MINUTE PAGE

122

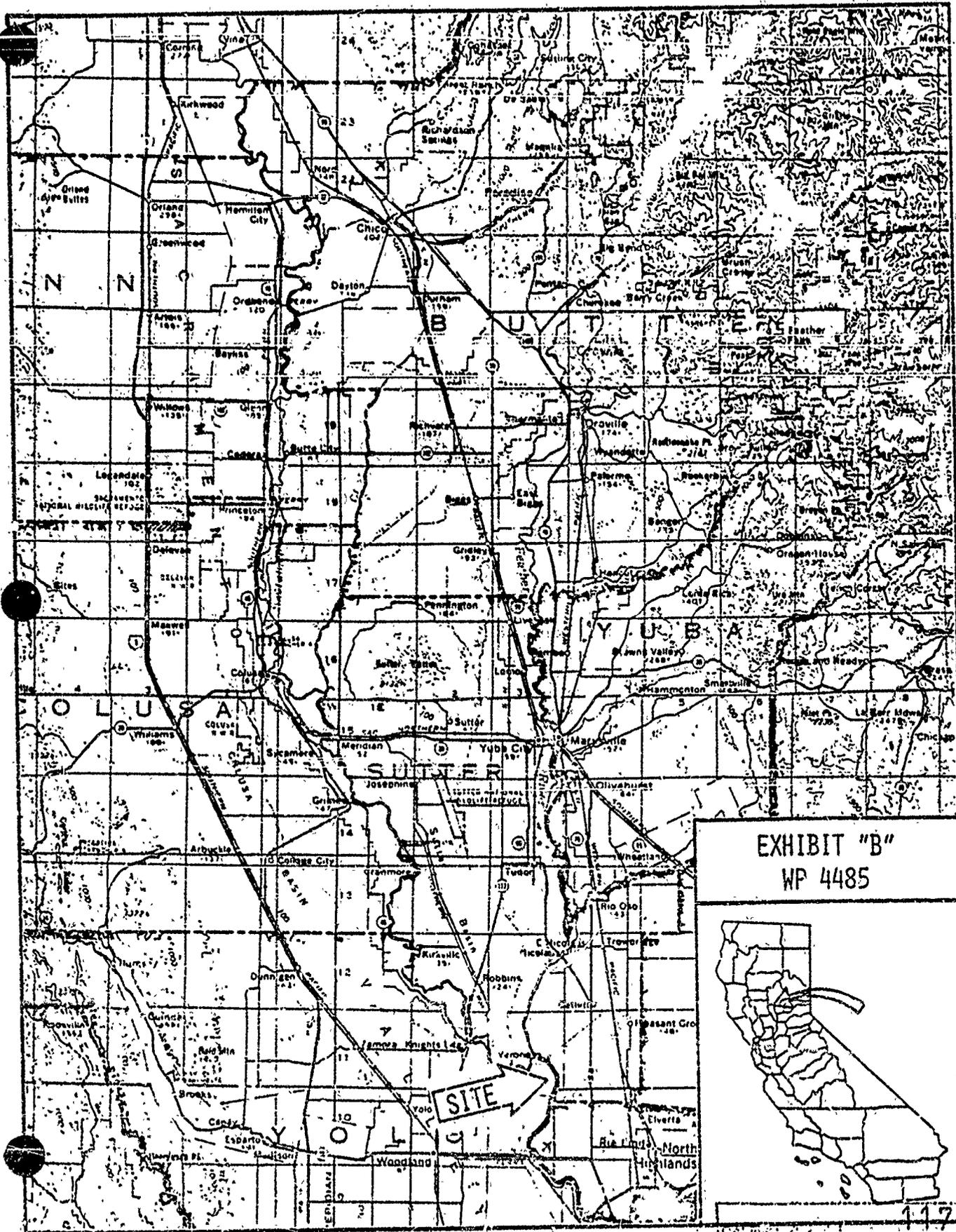


EXHIBIT "B"  
WP 4485

