

MINUTE ITEM

This Calendar Item No. C14
was approved as Minute Item
No. 14 by the State Lands
Commission by a vote of 2
to 0 at its 10-30-80
meeting.

CALENDAR ITEM

C14.

9/80
WP 3309
Graham
PRC 3309

GENERAL LEASE - COMMERCIAL USE

APPLICANT: William and Jear. Rugh
P. O. Box 254
Grimes, California 95950

AREA, TYPE LAND AND LOCATION:
1.102-acre parcel of submerged land in
the Sacramento River, near Grimes, Colusa
County.

LAND USE: Existing Commercial Marina.

TERMS OF PROPOSED LEASE:
Initial period: 30 years from January 1,
1980.

Surety bond: \$2,000.

Public liability insurance: Combined single
limit coverage of \$300,000.

CONSIDERATION: \$131.25 as rental for the period of May 26,
1980 to December 31, 1980. Beginning January 1,
1981, 5% of Gross income from berthing,
launching, and boat rentals on State land,
plus 1 cent per gallon up to and including
100,000 gallons and 1½ cents per gallon
over 100,000 gallons against a \$225 minimum
annual rental paid in advance on January 1
of each year of the lease.

BASIS FOR CONSIDERATION:
\$225 minimum rental for this type of lease
for the period of May 26, 1980 through
December 31, 1980. Percentage of gross
income thereafter pursuant to 2 Cal. Adm.
Code 2005.

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PREREQUISITE TERMS, FEES AND EXPENSES:

Applicant is permittee of upland.

Filing fee and processing costs have been received.

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 present named Lessee, Hazel B. Hutton, sold her interest in the marina, called Grimes Boat Landing, to Roy and Donna Smith in July, 1978.
2. By Calendar Item No. C-1, the Commission approved assignment of the lease from Mrs. Hutton to the Smiths on January 25, 1979. The Smiths, however, never completed the necessary bonding requirement and so the assignment was not executed by Commission staff and, therefore, was never consummated. The Smiths, however, paid all rent due in accordance with the lease provisions.
3. On March 6, 1980, the Smiths sold Grimes Boat Landing to William and Jean Rugh. Mr. and Mrs. Rugh paid the \$225 rental due on May 26, 1980.
4. Since the applicants have opted for lease consideration to be based on a percentage of gross income plus an amount for fuel sales and for the lease period to be geared to their accounting year, (January 1 - December 31) the staff recommends that the \$225 payment made on May 26, 1980, be applied as follows: (1) \$131.25 of that sum be accepted as full payment for the period of May 26, 1980 to December 31, 1980; and (2) \$93.75 of that sum be accepted as partial payment of the \$225 minimum annual rental for the period beginning January 1, 1981.

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5. Hazel B. Hutton wishes to quitclaim her interest in Lease PRC 3309.1 to the State, effective January 1, 1980.
6. 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 not relevant to this proposed lease, contained in Section 4, Standard Covenants, have been deleted.
7. 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.
8. 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.
9. 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 1 cent per gallon for the first 100,000 gallons and 1½ cents per gallon for all fuel sold over 100,000 gallons.
10. An EIR is not required. This transaction is within the purview of 2 Cal. Adm. Code 2907, Class 1(B), 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.

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11. 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 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.

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 15060, 2 CAL. ADM. CODE 2903(d).
2. AUTHORIZE ACCEPTANCE OF A QUITCLAIM DEED BY HAZEL B. HUTTON FOR THE 1.102-ACRE PARCEL OF SUBMERGED LAND IN THE SACRAMENTO RIVER NEAR GRIMES, COLUSA COUNTY AS DESCRIBED IN THE QUITCLAIM DEED, ON FILE WITH THE OFFICE OF THE STATE LANDS COMMISSION; SAID QUITCLAIM TO BE EFFECTIVE JANUARY 1, 1980.
3. AUTHORIZE RESCISSION OF PRIOR AUTHORIZATION FOR APPROVAL OF AN ASSIGNMENT OF LEASE PRC 3309.1 AS GRANTED BY MINUTE ITEM NO. C-1 ON JANUARY 25, 1979.
4. ACCEPT AS RENT FOR QUITCLAIMED LEASE PRC 3309.1 FOR THE PERIOD OF MAY 26, 1980 TO DECEMBER 31, 1980, THE AMOUNT OF \$131.25; AND AS PARTIAL PAYMENT OF THE MINIMUM ANNUAL RENT FOR THE PERIOD BEGINNING JANUARY 1, 1981, THE AMOUNT OF \$93.75.
5. FIND THAT GRANTING OF A REPLACEMENT LEASE WILL HAVE NO SIGNIFICANT EFFECT UPON ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1, OF THE P.R.C.

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6. AUTHORIZE ISSUANCE TO WILLIAM AND JEAN RUGH OF A 30-YEAR GENERAL LEASE - COMMERCIAL USE FROM JANUARY 1, 1980; IN CONSIDERATION OF: 1. ANNUAL RENT FOR THE FIRST YEAR IN THE AMOUNT OF \$225; 2. ANNUAL RENT THEREAFTER TO BE \$225 AGAINST 5% OF GROSS INCOME DERIVED FROM BERTHING, LAUNCHING, AND BOAT RENTALS ON STATE LAND PLUS 1 CENT A GALLON OF FUEL SALES UP TO AND INCLUDING 100,000 GALLONS AND 1½ CENTS PER GALLON; PROVISION OF A \$2,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$300,000 FOR OPERATION AND MAINTENANCE OF AN EXISTING COMMERCIAL MARINA ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

EXHIBIT "A"

WP 3309

A strip of land 80 feet wide and 600 feet long in the bed of the Sacramento River near Grimes, Colusa County, California lying beneath, and surrounding, existing floats and docking structures adjacent to those lands described in the decree quieting title recorded in Book 210-O.R. Page 299 in the Colusa County Records office, and lying waterward of the ordinary high water mark of the right bank of the Sacramento River.

END OF DESCRIPTION

Prepared *W. B. ...* Checked *W. B. ...*
Reviewed *R. B. ...* Date *8/4/76*

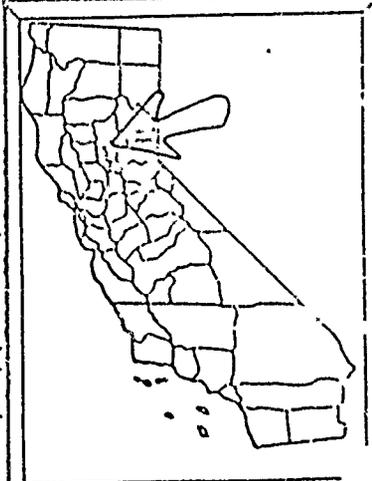
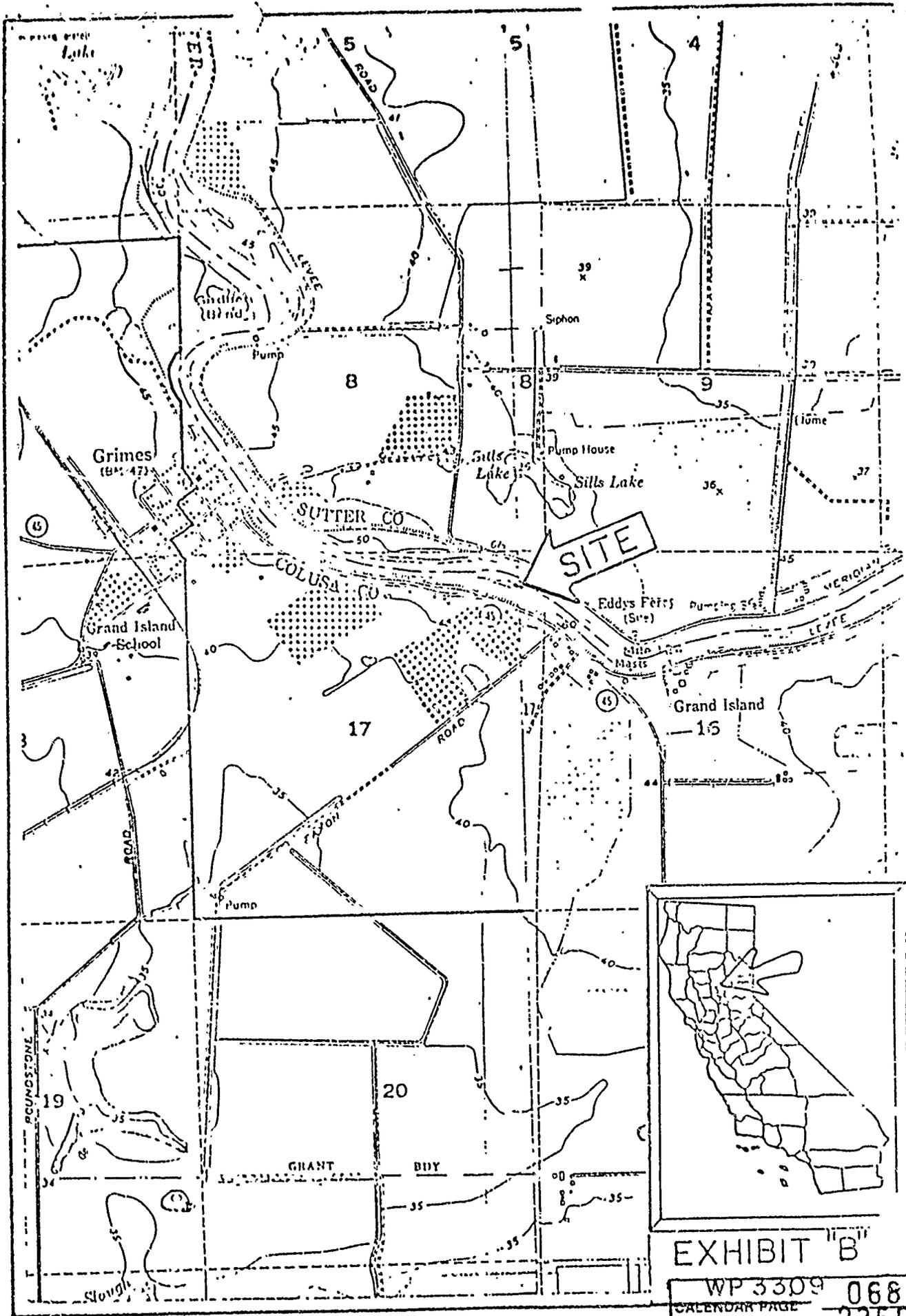


EXHIBIT "B"

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