

MINUTE ITEM

This Calendar Item No. 62
was approved as Minute Item
No. 2 by the State Lands
Commission by a vote of 3
to 0 at its 7/23/81
meeting.

CALENDAR ITEM

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7/81
G. 04-02
Grimes

LEASE APPROVAL
UNDER CHAPTER 1086, STATUTES OF 1970
GRANTED LANDS
CITY OF EUREKA, NO. 2 COMMERCIAL WHARF

On August 13, 1976, the City of Eureka and Marine Supply of Eureka Inc. entered into a lease agreement involving approximately 4,228 square feet of a large commercial building on Commercial Street wharf, in Eureka, Humboldt County. There is also included in the agreement provision for operating the fuel facility.

The lease was for a 5-year period, with a 5-year extension option, subject to compliance with a procedure specified in the lease. The procedure requires the agreement of the City and the lessee as to the minimum annual rental, after which the City and the lessee have 60 days in which to set a percentage of sales rent against the minimum.

As a result of loans and commitments by the State to the City of Eureka, Chapter 1086 of the Statutes of 1970 was amended to require State Lands Commission approval of leases of granted tidelands by the City of Eureka if the lease had a term longer than one-year.

The City and Marine Supply of Eureka Inc. have elected to extend the August 1976 agreement for a 5-year period, starting the prescribed procedure. This extension, as to rental, requires the approval of the Commission.

The City has secured appraisals of the property from two local independent appraisers and has negotiated a minimum annual rental of \$16,408.80 which is about midway between the rentals recommended by the two appraisers. The staff of the Commission and the Attorney General has reviewed the appraisals and negotiations and feels that the rental is fair and reasonable.

Other terms and conditions remain as negotiated in 1976. Approval of the Commission with regard to the minimum will trigger the 60-day negotiation period for setting of the percentage rents. The percentage rents will also require the approval of the Commission.

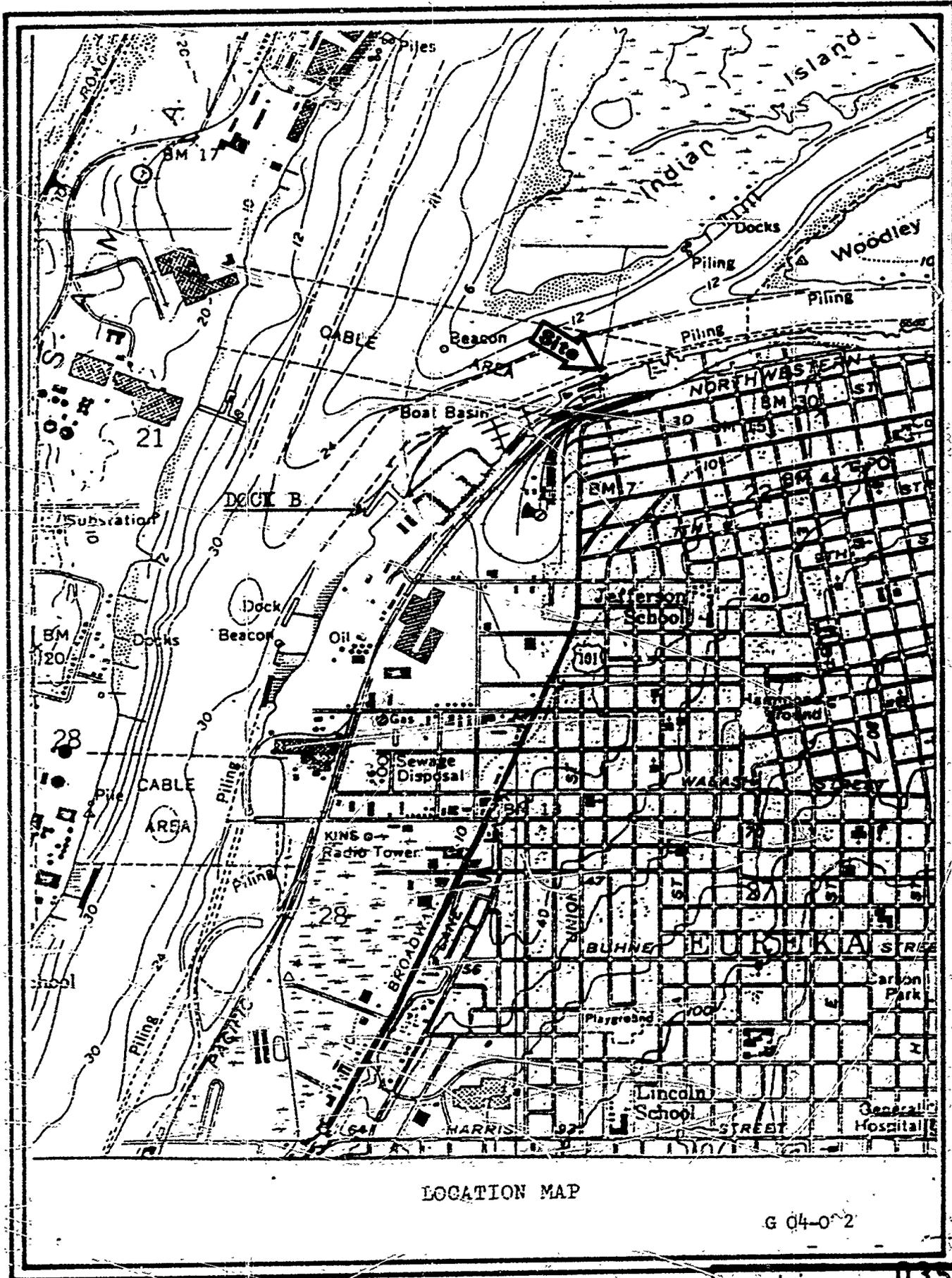
AB 884: N/A.

CALENDAR ITEM NO. (CONTD)

EXHIBIT: A. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. APPROVE THE AMENDED MINIMUM ANNUAL RENTAL IN THE AMOUNT OF \$16,408.80 FOR THE EXTENSION OF THE LEASE BETWEEN THE CITY OF EUREKA AND MARINE SUPPLY OF EUREKA INC. FOR THE PROPERTY DESIGNATED AS NO. 2 COMMERCIAL STREET WHARF FOR A 5-YEAR PERIOD BEGINNING AUGUST 16, 1981.



LOCATION MAP

G 04-0-2

EXHIBIT A

CALENDAR PAGE
MINUTE PAGE

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