

MINUTE ITEM

This Calendar Item No. C10  
was approved as Minute Item  
No. 12 by the State Lands  
Commission by a vote of 3  
to 0 at its 9/29/81  
meeting

CALENDAR ITEM

C 1 0

9/29/81  
WP 5467  
Maricle  
PRC 5467

I. AMEND PROVISION OF COMMERCIAL LEASE, PRC 5467.1  
(STATE TO SHERMAN)

II. SUBLETTING OF A PORTION OF LEASE PRC 5467.1  
(SHERMAN TO BOTHWELL)

SUBLESSOR: Robert M. Sherman  
c/c John A. Long, Counselor at Law  
305 San Bruno Avenue West  
San Bruno, California 94066

SUBLESSEE: Lloyd Bothwell  
2824 Sombrero Street  
San Ramon, California 94583

AREA, TYPE LAND AND LOCATION:  
1.419 acres of filled and unfilled tidelands  
and submerged lands, Burlingame, San Mateo  
County.

LAND USE: Operation of a floating restaurant.

I. AMEND PROVISIONS OF COMMERCIAL LEASE PRC 5467.1:

a. TERMS OF ORIGINAL LEASE:  
(State to Sherman - PRC 5467.1)

Lessee: Robert M. Sherman,  
Architect, Inc.

Initial period: 18 years from May 1,  
1978.

Location: 410 Airport Blvd., Burlingame.

Combined single limit coverage:  
\$1,000,000.

Special: Lessee is allowed as  
a credit against the  
annual rental, the sum  
of \$1400 per annum in  
recognition of the prepayment  
of bonds formerly assessed

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against the property.  
In no event does the  
State receive less than  
\$750 per annum.

CONSIDERATION: \$750 per annum, to the State of California,  
or 2.5 percent of gross income per annum,  
whichever is greater, with the State reserving  
the right to fix a different rental on  
the eighth anniversary of the lease.

b. PROPOSED AMENDMENTS:

- i. Agreement that Robert M. Sherman holds  
leasehold rights in Lease PRC 5467.1  
as an individual, and not as a corporation.
- ii. Agreement that the Lessee shall file  
a \$2,000 surety bond to assure faithful  
performance of lease terms and conditions.

II. TERMS OF PROPOSED SUBLEASE:

(Sherman to Bothwell - Portion of Lease  
PRC 5467.1)

Term: Approximately 15 years  
from July 1, 1981, but  
not to exceed term of  
State Lease.

Rent: A. Eight percent of  
Gross Monthly Sales,  
paid in arrears,  
to Robert M. Sherman  
against a guarantee  
minimum.

B. Guaranteed Minimum  
(effective September 1,  
1981):

1. \$1,000 per month  
for three months.
2. \$1,500 per month  
for the next  
three months.

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3. \$2,000 per month for the balance of the first year.
4. \$2,000 per month for the second year.
5. \$3,000 per month for the third year.
6. \$5,000 per month at all times thereafter.

Insurance:

Sublessee to provide and pay for public liability insurance policy secured from a responsible insurance company, in which the limits of liability shall not be less than a combined limit of \$5,000,000 with a \$1,000,000 umbrella and a minimum of \$50,000 property damage coverage. Said policies shall name Lessors and the State of California as additional insureds.

AREA SUBLET TO BOTHWELL:

- Main and second deck of the floating restaurant.
- Water area covered by floating restaurant.
- Non-exclusive right to use adjacent parking area, for restaurant and bar business.
- Portion of top deck house area.

PREREQUISITE TERMS, FEES AND EXPENSES:

Applicant is lessee.

Processing costs have been received.

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STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. 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.
2. 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 C, which authorizes Multiple 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.

3. The proposed sublease from Robert M. Sherman to Lloyd Bothwell is a portion of Lease PRC 5467.1, as summarized above. Mr. Bothwell is an experienced restaurant operator, with over 30 years experience in that field.
4. An application was submitted to the Department of Alcoholic Beverage Control, by Mr. Bothwell, for the granting of a liquor license for use of the subject premises in relation to the pending restaurant use thereof. Mr. Bothwell also requested staff to express its view of the liquor license matter to

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ABC. In light of the history of the leased area, the staff agrees with Mr. Bothwell's proposals.

5. The premises at 410 Airport Blvd. are in proximity to several quality eating establishments that hold on-sale liquor licenses. Earlier efforts to operate a restaurant at the premises without a liquor license have not been successful. To compete fairly, the issuance of the license appears necessary. The State would benefit through the percentage of gross rents set forth in the lease. Staff believes that the granting of the license is also in the public interest, because it would allow healthy business competition and a better rate of return on the land which is held in trust for the people. ABC was advised accordingly.

APPROVALS OBTAINED:

None.

FURTHER APPROVALS REQUIRED:

None.

EXHIBIT: A. Vicinity Plat.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH DOCUMENT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21084, 14 CAL. ADM. CODE 15100 ET SEQ., AND 2 CAL. ADM. CODE 2907.
2. FIND THAT AMENDMENT OF LEASE PRC 5467.1 AND PARTIAL SUBLETTING THEREOF WILL HAVE NO SIGNIFICANT EFFECT UPON ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1, OF THE P.R.C.
3. AUTHORIZE THE AMENDMENT OF LEASE PRC 5467.1, EFFECTIVE SEPTEMBER 29, 1981 TO PROVIDE AND AGREE THAT:
  - A. ROBERT M. SHERMAN IS THE STATE'S LESSEE IN SAID LEASE AS AN INDIVIDUAL AND NOT AS A CORPORATION; AND THAT

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- B. THE LESSEE SHALL FILE A \$2,000 SURETY BOND TO ASSURE FAITHFUL PERFORMANCE OF THE TERMS AND CONDITIONS OF SAID LEASE.
4. APPROVE BY ENDORSEMENT A SUBLEASE OF A PORTION OF LEASE PRC 5467.1, AS DESCRIBED HEREIN, BETWEEN ROBERT M. SHERMAN, AS SUBLESSOR, AND LLOYD BOTHWELL, AS SUBLESSEE, EFFECTIVE JULY 1, 1981.

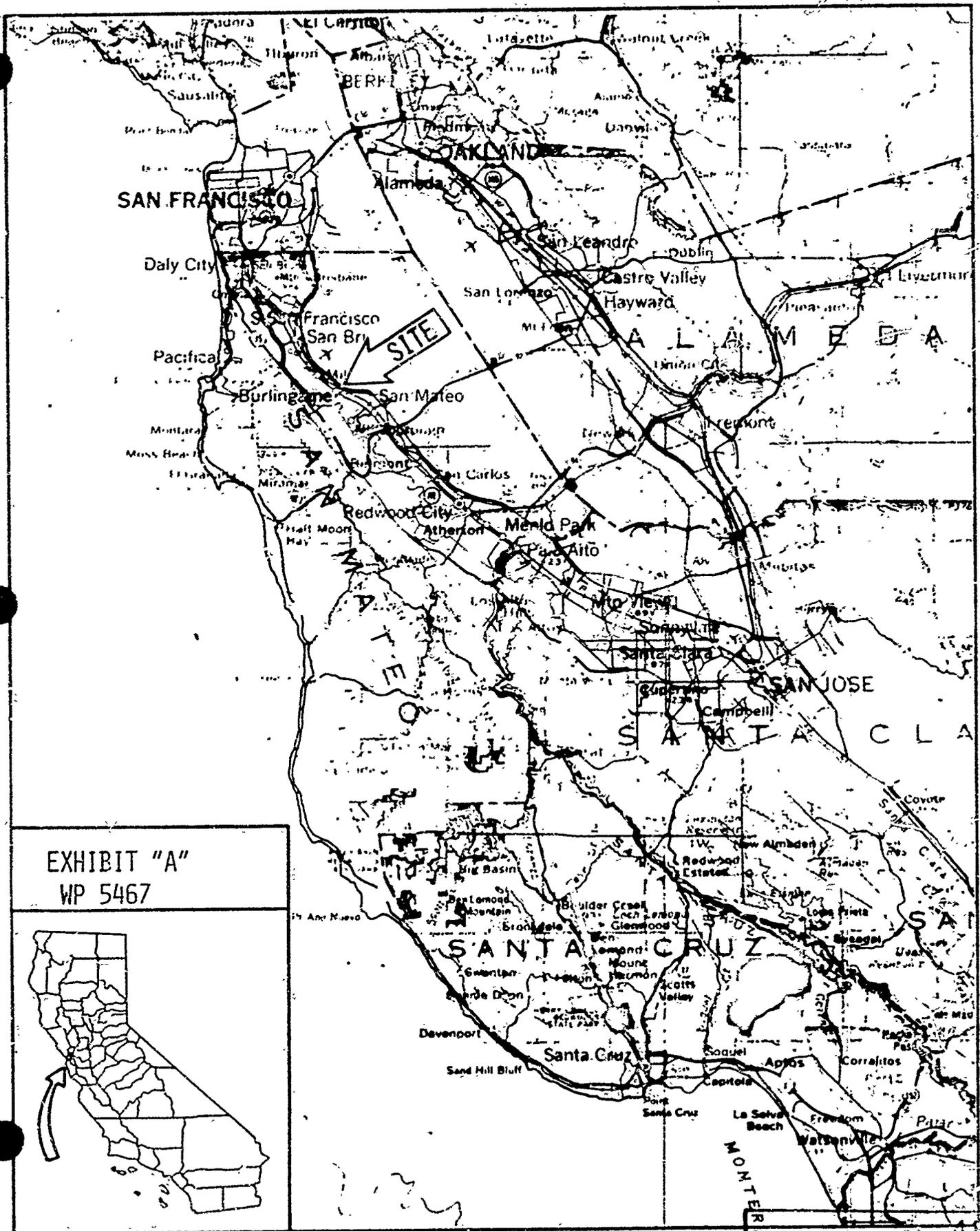


EXHIBIT "A"  
WP 5467

