

STATEMENT OF QUALIFICATIONS

Bidder should provide any and all information bidder believes is pertinent to its qualifications to fulfill the requirements set forth in the bid lease and in this Solicitation. This information should include, but not be limited to, the following:

- (1) Whether bidder intends to manage the subject lands as a Sole Proprietorship, a Partnership, a Corporation, or other entity (specify). Bidder must complete the attached Partnership Statement or Corporation Statement as applicable.
- (2) If bidder intends to manage the subject lands indirectly through agreement with a person or entity not a party to the bid lease which is the subject of this Solicitation, bidder must identify any such person or entity and provide information about that person or entity as provided in Paragraph 1 above.
- (3) Bidder must enumerate in detail the duration and extent of bidder's business experience with special emphasis upon experience with business of the type to which this Solicitation relates. Bidder must also enumerate in detail the pertinent experience of the persons who will be directly involved in development and management of the subject lands.
- (4) Bidder must identify three (3) references, persons or firms with whom bidder has conducted business transactions during the past three years. At least two of the references named are to have knowledge of bidder's debt payment history. References should be submitted in the following form:

NOV 6 1981

CALENDAR PAGE

MINUTE PAGE

2383

STATE LANDS COMMISSION

Name: \_\_\_\_\_

Firm: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

Nature and magnitude of purchase, sale, loan, business  
association, etc.:  
\_\_\_\_\_  
\_\_\_\_\_

(5) Bidder must specify the anticipated initial capital investment necessary to fulfill the terms of the lease and the means by which bidder intends to provide that capital.

(6) Bidder must certify that all the information contained in or supplementing bidder's Statement of Qualifications is true and correct to the best of bidder's knowledge.

PARTNERSHIP STATEMENT

If a partnership, submit a copy of the Partnership Agreement, and provide the following:

1. Date of Organization \_\_\_\_\_

2. General Partnership ( )  
Limited Partnership ( )

3. Statement of Partnership recorded? Yes ( ) No ( )

Date \_\_\_\_\_ Book \_\_\_\_\_ Page \_\_\_\_\_ County \_\_\_\_\_

4. Has the partnership done business in State of California  
Yes ( ) No ( ) When? \_\_\_\_\_

5. Name, address, and partnership share of each general partner:

<u>Name</u>	<u>Address</u>	<u>Share</u>
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%

6. Name, address, and partnership share of each limited partner:

_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%

CORPORATION STATEMENT

If a corporation, submit a copy of Articles of Incorporation and provide the following information:

1. When incorporated? \_\_\_\_\_
2. Where incorporated? \_\_\_\_\_
3. Is the corporation authorized to do business in California?  
Yes ( ) No ( )  
If so, provide proof of said authorization.
4. The corporation is held: Publicly ( ) Privately ( )
5. If publicly held, how and where is the stock traded?  
\_\_\_\_\_  
\_\_\_\_\_

6. List the following:

	<u>Authorized</u>	<u>Issued</u>	<u>Outstanding</u>
(a) Number of voting shares:	_____	_____	_____
(b) Number of non-voting shares:	_____	_____	_____
(c) Number of shareholders:	_____	_____	_____
(d) Value per share of Common stock:			
Par	\$ _____		
Book	\$ _____		
Market	\$ _____		

7. Furnish the name, title, address, and the number of voting and non-voting shares of stock held by each officer, director, shareholder not an officer or director owning the largest number of voting shares of stock and shareholder not an officer or director owning the largest number of non-voting shares of stock.

NOV 6 1981

CALENDAR PAGE	2386
MINUTE PAGE	

STATE LANDS COMMISSION

EXHIBIT 2

EXHIBIT "E"

CERTIFICATION OF FINANCIAL STATEMENTS

NOV 6 1981

CALENDAR PAGE	
MINUTE PAGE	2387

STATE LANDS COMMISSION

CERTIFICATION OF FINANCIAL STATEMENTS

I certify under penalty of perjury that all financial material submitted in response to the "Solicitation for Bids for a lease of Submerged Lands at Santa Catalina Island, Los Angeles County," is true and accurate and that the material is complete to the best of my knowledge.

I further certify that there have been no material changes in the financial or other conditions of the bidder from the time of the balance sheet dated \_\_\_\_\_ that would impair the bidder's financial ability to undertake and fulfill the obligations under the bid lease.

\_\_\_\_\_  
(Signature of Bidder or Responsible  
Financial Officer)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Company)

At \_\_\_\_\_  
(City and State)

\_\_\_\_\_  
(Date)

CALENDAR PAGE

MINUTE PAGE

2388

NOV 6 1981

STATE LANDS COMMISSION

EXHIBIT 2

EXHIBIT "F"

CERTIFICATION REGARDING INTEREST IN OTHER BIDS

NOV 6 1981

CALENDAR PAGE

MINUTE PAGE

2389

STATE LANDS COMMISSION

## CERTIFICATION REGARDING INTEREST IN OTHER BIDS

I(We), the undersigned, certify under penalty of perjury that I (We) have no financial or other interest in any bid, other than that bid to which this certification is attached, submitted to the State in response to that certain "Solicitation of Bids for a Lease of Submerged Lands at Santa Catalina Island, Los Angeles County", dated November 6, 1981.

\_\_\_\_\_  
(Signature of Bidder or Responsible Officer)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Company)

At  
\_\_\_\_\_  
(City and State)

\_\_\_\_\_  
(Date)

NOV 6 1981

CALENDAR PAGE

MINUTE PAGE

2390

STATE LANDS COMMISSION

EXHIBIT "G"

SUMMARY: B.D. CHECKLIST

NOV 6 1981

CALENDAR PAGE	STATE LANDS COMMISSION
MINUTE PAGE	2391

EXHIBIT 2

SUMMARY: BID CHECKLIST

(Please refer to specific provisions in the Solicitation, as noted)

The following information shall be submitted to the State Lands Commission no later than 4:00 p.m., December 7, 1981.

1. Specifics of bid proposal. (See pages 24-28)
2. Joint Bids (where applicable): (page 25)
3. Corporate Bids (where applicable):
  - A bidder shall submit proof that the individual executing the bid is authorized to do so on behalf of the corporation.
  - The corporation shall affix its seal on the signature page of the bid form. (page 25)
4. A letter of authority designating a California resident authorized to give or receive notices to or from the State Lands Commission. (page 28)
5. Statement of Qualification. (Exhibit "D")
6. A financial report, including certified financial statements. (page 27 and Exhibit E)
7. Certification regarding interest in other bids (Exhibit F)
8. Certified or cashier's check in the amount of \$25,000 payable to the State of California. (page 29)

CALENDAR PAGE

MINUTE PAGE

2392

NOV 6 1981

STATE LANDS COMMISSION

EXHIBIT 2

REQUEST FOR REFUND

State Lands Commission  
1807 13th Street  
Sacramento, California 95814

Attention: Mr. William F. Northrop  
Executive Officer

Gentlemen:

On December 7, 1981, the undersigned submitted a bid for the lease of submerged lands at Santa Catalina Island, Los Angeles County, WP 3639. Included with the bid was the required deposit of \$25,000.00.

The undersigned requests the return of the deposit and withdraws his offer and waives all rights he may have in connection with the bid.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Company)

NOV 6 1981

CALENDAR PAGE  
MINUTE PAGE 2393

STATE LANDS COMMISSION

EXHIBIT 2

EXHIBIT "H"  
REQUEST FOR REFUND

NOV 6 1981

CALENDAR PAGE		STATE UNIONS COMMISSION
MINUTE PAGE	2394	

EXHIBIT 3

CALENDAR ITEM

54

10/30/81  
WP 3639  
Louie  
Mockton

AUTHORIZATION FOR SOLICITATION OF BIDS  
FOR LEASE OF CERTAIN TIDELANDS AND SUBMERGED LANDS  
AT SANTA CATALINA ISLAND, LOS ANGELES COUNTY

BACKGROUND:

On August 29, 1950, the State Lands Commission authorized a 15-year lease (PRC 185.1) to Santa Catalina Island Company (Company) for 17 parcels of State land around the Island. Annual rental was \$1,293.60. The lease provided for two renewal periods of ten years each and granted blanket permission to install boat moorings and floats without further Commission approval. The lease was amended at various times to add other parcels and to increase the lease area.

On October 27, 1966, the State Lands Commission authorized a new lease (PRC 3639.1) in lieu of renewing the old lease. PRC 3639.1 covered use of 20 parcels totalling approximately 357 acres at an annual rental of \$19,217.85. The term of the lease was 15 years, with no option to renew.

On August 20, 1981, the Commission authorized execution of an interim management agreement with the Company to continue operating under the terms of existing lease PRC 3639.1 from October 27, 1981, through December 31, 1981, in consideration of \$3,474.90 total rental for that period.

The Island itself, outside the City of Avalon, is owned by the Company and the Santa Catalina Island Conservancy (Conservancy). Uplands within the coves are leased to yacht clubs, youth groups and others. A Company lessee operates a store, restaurant and ancillary facilities at the Isthmus.

A 52

S 57

-1-

CALENDAR PAGE	231
MINUTE PAGE	2395

CALENDAR ITEM NO. 54 (CONTD)

The tidelands and submerged lands under existing lease PRC 3639.1 are being used for recreational boating purposes and services incidental thereto. They are presently improved with mooring buoys and piers which are used by groups with upland interests. The pier at Isthmus Cove is improved with fuel facilities for boaters.

The staff has received requests to lease the subject lands from parties other than the present lessee. These interested parties who are apparently financially responsible and experienced in management of recreational boating facilities, have suggested that the State may obtain a substantially greater economic return from the lands. In view of these comments and in order to afford all interested parties an equal opportunity to prove their qualification to enter into a lease of the subject lands and to assure an equitable return to the State, staff has studied various alternatives for the future management of the subject lands. These alternatives are discussed in the Staff Report attached hereto as Exhibit "A".

Any new lease of the subject lands would include provisions substantially as follows:

Term - Fifteen years beginning January 1, 1982  
 Land Use - Recreational boating purposes and related activities and services, provided such use is in compliance with all applicable laws, including but not limited to CEQA.

Required Services - Including, but not limited to, assurance of on-site security, mooring assistance, maintenance of moorings, fire and rescue services and trash removal.

Insurance and Bond - Requirement of liability insurance with a combined single limit of \$5,000,000, and surety bond or other form of security in amount specified by the State.

CALENDAR ITEM NO. 54 (CONTD)

IMPLEMENTATION: The Commission has before it a number of alternatives regarding the future management of the tidelands and submerged lands surrounding Santa Catalina Island. First, the Commission must determine whether to lease the subject lands, to maintain the lands as open space, or to enter into an agreement for the management of those lands with a public or private entity.

Should the Commission decide to lease the subject lands, or to enter into a management agreement with a private entity, the Commission must then determine whether it is in the best interests of the State to negotiate directly with the littoral owners or lessees, or to solicit bids on such lease or agreement.

Should the Commission choose to solicit bids for a lease or management agreement, the Commission must determine which of three economic factors will be open to bid.

The Commission must determine whether to include in the subject premises coves currently maintained as open space, two industrial use sites at Pebbly Beach, and tidelands and submerged lands underlying piers currently structurally attached to the uplands.

Finally, the Commission must decide whether it is in the best interest of the State to accept and exact a transfer fee for sale of subleases, and mooring equipment. Or to prohibit such transfers and thereby equalize and possibly increase public access to the moorings.

Should the Commission decide to solicit bids for a lease of or management agreement regarding the subject lands, staff will prepare and make available to the public a bid solicitation package including terms set forth in and determined by the Commission.

## AUTHORITY:

PRC Sections 6216 and 6301 Cal. Adm. Code Sections 2000 et seq.

CALENDAR ITEM NO. 54 (CONTD)

## OTHER PERTINENT INFORMATION:

The action recommended to the State Lands Commission by staff by this Calendar Item is not a project within the meaning of CEQA, as defined by Section 15037 of the Cal. Adm. Code, and is therefore not subject to the requirements of CEQA.

## EXHIBITS:

- A. Staff Report.
- B. Land Description.
- C. Location Map.

## I. STAFF BELIEVES THAT THE COMMISSION HAS THE FOLLOWING OPTIONS:

## A. TO FIND THAT IT IS WITHIN THE BEST INTEREST OF THE STATE TO:

- 1. ENTER INTO A LEASE OF THOSE SUBMERGED LANDS DESCRIBED IN EXHIBIT "B" ATTACHED HERETO; OR
- 2. ENTER INTO A MANAGEMENT AGREEMENT WITH A PRIVATE ENTITY FOR THE FUTURE MANAGEMENT OF THOSE SUBMERGED LANDS DESCRIBED IN EXHIBIT "B" ATTACHED HERETO.

## B. TO FIND:

- 1. THAT IT IS WITHIN THE BEST INTEREST OF THE STATE TO NEGOTIATE A LEASE OF OR MANAGEMENT AGREEMENT REGARDING THOSE SUBMERGED LANDS DESCRIBED IN EXHIBIT "B" ATTACHED HERETO WITH THE LITTORAL OWNER OR WITH A LESSEE OF THE LITTORAL OWNER WITH THE CONSENT OF THE LITTORAL OWNER; OR
- 2. (1) IN LIGHT OF THE FACTS AND CIRCUMSTANCES SET FORTH IN THIS CALENDAR ITEM AND THE STAFF REPORT ATTACHED HERETO AS EXHIBIT "A", AND PURSUANT TO SECTION 2002 OF THE CAL. ADM. CODE, THAT CONSISTENT WITH PROTECTION OF REASONABLE ACCESS OF THE LITTORAL OWNER TO THE LITTORAL LAND, AND USE OF THE STATE-OWNED SUBMERGED LANDS DESCRIBED IN EXHIBIT "B" ATTACHED HERETO BY MEMBERS OF THE PUBLIC FOR RECREATIONAL BOATING PURPOSES, AND IN ORDER TO PROVIDE ALL INTERESTED PARTIES AN EQUAL OPPORTUNITY TO PROVE THEIR QUALIFICATION TO ENTER INTO A LEASE OF THE SAID SUBMERGED LANDS AND TO BETTER ASSURE AN EQUITABLE ECONOMIC RETURN TO THE PEOPLE OF THE STATE, IT IS IN THE BEST INTEREST OF THE STATE TO ADVERTISE AND INVITE BIDS FOR A LEASE OF OR MANAGEMENT AGREEMENT REGARDING THE SAID SUBMERGED LANDS; AND

CALENDAR ITEM NO. 54 (CONTD)

(2) THAT THE BID FACTOR WILL BE THE PERCENTAGE OF GROSS RECEIPTS TO BE PAID AS ANNUAL RENTAL ON ANY LEASE OF THE SAID SUBMERGED LANDS, OR THE PERCENTAGE OF GROSS RECEIPTS TO BE RETAINED BY AN OPERATOR UNDER ANY MANAGEMENT AGREEMENT REGARDING THE SAID SUBMERGED LANDS. THE MINIMUM ANNUAL ECONOMIC RETURN TO THE STATE WILL BE FIXED AT \$125,000; OR

3. IN ORDER TO ASSURE AN ORDERLY CONTINUATION OF USE OF THE SUBMERGED LANDS DESCRIBED IN EXHIBIT "B" ATTACHED HERETO BY THE BOATING PUBLIC, IT IS IN THE BEST INTEREST OF THE STATE TO ENTER INTO A LIMITED TERM LEASE OF THE SUBJECT LANDS AND IMMEDIATELY ISSUE A REQUEST FOR PROPOSALS FOR THE FUTURE MANAGEMENT OF THE SUBJECT LANDS UPON THE EXPIRATION OF THAT LEASE.

C. TO AUTHORIZE THE COMMISSION STAFF TO:

1. (Negotiated Lease or Agreement option)

NEGOTIATE A LEASE OF OR MANAGEMENT AGREEMENT REGARDING TIDELANDS AND SUBMERGED LANDS SURROUNDING SANTA CATALINA ISLAND WITH THE OWNER(S) OR LESSEE(S) OF THE LITTORAL UPLANDS; OR

2. (Bid Lease or Agreement Option)

ADVERTISE AND SOLICIT BIDS FOR A LEASE OF OR MANAGEMENT AGREEMENT REGARDING THOSE SUBMERGED LANDS DESCRIBED IN EXHIBIT "B" ATTACHED HERETO; OR

3. (Limited Term Lease and Request for Proposals Option)

AUTHORIZE STAFF TO NEGOTIATE A LIMITED TERM LEASE WITH THE SANTA CATALINA COMPANY AND THE CATALINA CONSERVANCY AND IMMEDIATELY ISSUE A REQUEST FOR PROPOSALS FOR THE FUTURE MANAGEMENT OF THE SUBJECT LANDS UPON THE EXPIRATION OF SAID LIMITED TERM LEASE.

II. STAFF RECOMMENDS THAT THE COMMISSION:

A. DETERMINE:

1. THAT THE AREA TO BE THE SUBJECT OF ANY SOLICITATION OF BIDS FOR A LEASE OR MANAGEMENT AGREEMENT SHOULD INCLUDE ONLY THOSE LANDS CURRENTLY OCCUPIED BY RECREATIONAL MOORINGS AND DESCRIBED IN EXHIBIT "B" ATTACHED HERETO; AND

CALENDAR ITEM NO. 54 (CONTD)

2. THAT THE TIDELANDS AND SUBMERGED LANDS UNDERLYING IMPROVEMENTS STRUCTURALLY ATTACHED TO THE UPLANDS AS OF OCTOBER 1, 1981, INCLUDING BUT NOT LIMITED TO THE PEBBLY BEACH WHARF SITE AND FREIGHT RAMP SITE, BE LEASED DIRECTLY TO THE OWNERS OR LESSEES OF THE UPLANDS ADJACENT TO THOSE IMPROVEMENTS; AND
  3. THAT TIDELANDS AND SUBMERGED LANDS MAINTAINED AS OPEN SPACE AND USED FOR ANCHORAGE AS OF OCTOBER 1, 1981, WILL NOT BE THE SUBJECT OF ANY LEASE OR MANAGEMENT AGREEMENT AUTHORIZED BY THE COMMISSION ON THIS DATE.
- B. FIND THAT IT IS IN THE BEST INTEREST OF THE STATE TO PROVIDE IN ANY LEASE OR MANAGEMENT AGREEMENT REGARDING THE SUBMERGED LANDS DESCRIBED IN EXHIBIT "B" ATTACHED HERETO THAT:
- A. HOLDERS OF EXISTING INDIVIDUAL MOORING SUBLEASES OF SAID SUBMERGED LANDS UNDER COMMISSION LEASE PRC 3639.1 WILL BE GIVEN A PREFERENTIAL RIGHT TO RENEW THOSE SUBLEASES UNDER ANY NEW LEASE OR MANAGEMENT AGREEMENT ON TERMS AND CONDITIONS ESTABLISHED BY A NEW LESSEE OR OPERATOR FOR THE TERM OF SAID LEASE OR MANAGEMENT AGREEMENT; PROVIDED, THAT SAID SUBLESSEES WILL NOT BE PERMITTED TO TRANSFER SAID SUBLEASES TO ANY OTHER PARTY, AND
  - B. TRANSFERS OF INDIVIDUAL MOORING SUBLEASES WILL NOT BE PERMITTED.
- III. STAFF RECOMMENDS THAT THE COMMISSION ADOPT OPTIONS IA1 AND IB2 AND APPROVE AUTHORIZATION OPTION IC2.

EXHIBIT ASTAFF REPORTIntroduction

There is at Santa Catalina Island a unique and complex set of social, environmental, and economic factors to be considered in any determination as to the best method of future management of the State-owned tidelands and submerged lands surrounding the island. A map designating the locations of lands currently under State Lands Commission lease PRC 3639.1 to the Santa Catalina Island Company is attached hereto as Appendix "A".

The island is one of the few destination points for boaters based on the mainland from Santa Barbara to San Diego. All of the uplands outside of the City limits of Avalon are owned and controlled by the Santa Catalina Island Company or the Catalina Conservancy, subject only to a fifty (50) year open space easement granted to the County of Los Angeles in 1977, roughly coincident with the area owned by the Conservancy.

Both the Company and the Conservancy, directly and through Doug Bombard Enterprises, have leased small upland parcels to various yacht clubs and civic groups, including, but not limited to the Boy Scouts, Angeles Girl Scout Council, Intervarsity Christian Fellowship, and the YMCA of Glendale. Some of these leased upland parcels are adjacent to tidelands and submerged lands currently under lease to the Company, and in some cases the upland lessees have erected piers upon those State-owned lands.

Of the approximately 357 acres of tidelands and submerged lands currently leased to the Company, an estimated 26 acres are maintained as open space and are used solely for anchorage.

The areas adjacent to Pebbly Beach, currently leased to the Company, are geographically separated from the remainder of the lease parcels by the City of Avalon. These Pebbly Beach sites are used for freight and industrial purposes. In addition, the City of Avalon and the County of Los Angeles are considering the tidelands and submerged lands adjacent to Pebbly Beach as a site for a proposed airport to service the island. Also under consideration is the Jewfish Point area, Southeast of Pebbly Beach and not the subject of this report. The City and County have applied to the Commission for a permit to conduct feasibility studies on the two sites, and have requested some assurance that upon the conclusion of those studies, they will be able to proceed with airport development at the chosen site.

CALENDAR PAGE	243
MINUTE PAGE	2404

EXHIBIT A  
Page 2

The upcoming expiration of the current lease with the Company (December 31, 1981) and the resulting possibility of a change in the management of the subject lands has generated a great deal of public interest.

A public notice was published asking for comment on potential lease provisions and substantive issues important to any future State leases at Santa Catalina Island. A public hearing was also held by the Commission staff in Long Beach on October 15, 1981, to allow Southern California boaters a local forum to present their views.

Comments have been received by letters and from meetings between staff and interested parties who requested such meetings. Testimony from the public hearing has also been recorded.

The vast majority of comments received supported the State's current lessee, the Santa Catalina Island Company and its operator, Doug Bombard, and the Catalina Conservancy. Comments were received that the Company and Bombard have operated the facilities efficiently during the term of the lease. Concerns were raised that any change in existing management would subject the island to commercial development, invite overcrowding of moorings and installation of moorings in vacant coves now used for anchorage only, and would have significant adverse environmental impacts for these reasons. Concerns were also raised that change from existing management would decrease present services offered and increase boat user fees.

The staff also received comments from parties interested in obtaining a future lease that competitive bidding would benefit the public at large through increased economic return, and that the bidding process should encourage new ideas regarding the type and quality of facilities and services to be provided on the subject lands.

Suggestions were also made concerning specific terms and conditions that commenting parties felt should be included in any new State lease.

All comments are on file in the office of the State Lands Commission.

CALENDAR PAGE	244
MINUTE PAGE	2402

EXHIBIT A  
Page 3Current Lease

On August 29, 1950, the State authorized and entered into a 15-year lease (PRC 185.1) to the Company for 17 parcels of State-owned tidelands and submerged lands around the Island. Annual rental was \$1,293.60. The lease provided for two renewal periods of 10 years each. The lease was amended at various times to add other parcels.

On October 27, 1966, the State authorized a new lease (PRC 3639.1) in lieu of renewing the old lease. PRC 3639.1 included 29 parcels totalling approximately 357 acres at an annual rental of \$19,217.86. The term of the lease is 15 years, with no option to renew. By agreement between the Company and the Commission, the term of this lease has been extended to and includes December 31, 1981.

Under the terms of PRC 3639.1, the lease premises were to be used for commercial and recreational moorings, for the landing of water craft, and uses incidental thereto.

The current lease provides that none of the improvements located upon the lease premises shall become the property of the State upon expiration or earlier termination of the lease. The lease requires that the Company remove from the leased premises all structures and equipment within ninety (90) days of the expiration of the lease. It is important to note that such removal operations may trigger permit requirements of other State and local agencies (i.e., Coastal Commission) as well as environmental study requirements of CEQA. The removal operations may be further complicated by the fact that many of the improvements located on the lease premises are owned by parties other than the State's lessee. It is also evident that should the Commission issue a lease for the subject lands to any party other than the current lessee, and should the current lessee opt to remove all existing improvements from the lease premises rather than negotiate their transfer to a new lessee, the Commission would be unable to quiet possession in the new lessee for ninety (90) days.

The Company and the Conservancy own and control all upland access to the island outside the City of Avalon. The Company has issued upland leases which include use of the leased tidelands and submerged lands to the following parties:

1. Standard Oil of California;
2. Jack L. Fennie;
3. Doug Bombard Enterprises (dba "Catalina Cove and Camp Agency").

EXHIBIT A  
Page 4

The first two leases, to Standard Oil and Jack L. Fennie, are located at Pebbly Beach and are used in connection with their respective businesses. The third lease to Bombard Enterprises (hereinafter Bombard) includes all other tidelands and submerged lands leased by the State to the Company. Bombard in turn sublets on an annual basis approximately 714 mooring sites on the lease premises to individual boaters and yacht club members.

Of these 714 mooring sites, nearly half are sublet by boaters who own the mooring equipment on the site. In the remaining cases, the mooring equipment is owned by the Catalina Mooring Service (another branch of Doug Bombard Enterprises), and boaters sublet the site and use the mooring equipment from Bombard.

Boaters who had subleased the mooring site and leased the mooring equipment from Bombard, and those boaters who sublease the site but own their equipment and who have so agreed with Bombard, must notify Bombard in advance of their intent to occupy their mooring on a given date. Absent such notice, Bombard leases the mooring to members of the public on a daily, first come, first served basis.

Services provided by Doug Bombard Enterprises in connection with the use of the lease premises for recreational mooring include, but are not limited to, the following:

- Garbage pick-up with upland disposal site;
- Patrol boat service;
- Anchorage and mooring assistance;
- Fuel sales;
- Shore boat service;
- Service and repair mooring equipment; and
- Water reprovisioning from an upland source.

Bombard also cooperates in providing towing and mechanical service and rescue and firefighting service.

CALENDAR PAGE	246
MINUTE PAGE	2404

EXHIBIT A  
Page 5Alternatives

Based upon extensive study and review of public comments, staff has compiled the following summary and evaluation of the various alternatives available for Commission action. These alternatives may be followed on the Critical Path Chart attached hereto as Appendix "B".

I. The Commission may decide not to lease any of the tidelands and submerged lands at the Island. Under this course of action, there are three major alternatives.

- A. The Commission may maintain these areas as open space. The open space alternative may be seen as the least detrimental to the environment in the long run. On the other hand, the benefit to the people of the State as a whole may be reduced under this plan. There would be no facilities or services available to the boating public, nor would there be any economic return to the State.

Comments received from the public do not favor this option, reflecting a fear that chaos and damage to the environment will be the inevitable result of uncontrolled use of the subject lands for anchorage.

- B. The Commission may enter into a Management Agreement for the subject lands with another public agency, i.e., the California State Department of Parks and Recreation or the County of Los Angeles Department of Beaches, or the Commission could directly manage the lands.

Operation of the area as a public park or beach might result in increased availability of the area to the general boating public. This effect could be accomplished by providing that use of the moorings be on a first come, first served or reservation basis, with a specified maximum period of use, for example, two weeks per season. Note, however, that these or similar provisions could be included in any lease or management agreement.

Budgetary restraints may well make the initial capital investment necessary for public operations prohibitive. Any state or local governmental agency would be required to acquire equipment, staff and training to successfully maintain the lands for recreational boating activities.

The potential for liability for injury or property damage, which is high in this type of operation, would also fall upon the managing public agency. Finally, the economic return to the State may be minimal.

CALENDAR PAGE

MINUTE PAGE

247  
2405

EXHIBIT A  
Page 6

Little public comment has been received regarding this alternative, though some boaters expressed pessimism that a government agency could manage the area as well as the current operator.

- C. The Commission may enter into a Management Agreement with a private entity, whereby the current type of operation would be continued in essentially the same form. The private entity would provide services and assume liability for service-connected injuries and property damage in exchange for a percentage of gross receipts.

Note, as discussed above, that under the present lease, PRC 3639.1, the Company is required to remove all improvements from the lease premises within 90 days of the expiration of the lease. There is no provision in the present lease that such improvements pass to the State upon termination of the lease.

Therefore, this alternative would be based upon the assumption that the State could acquire, through lease or purchase, the right to use all personal property located upon the subject State-owned lands, including, but not limited to, all mooring equipment, whether presently owned by the upland owners or other private individuals. Note that the current owners of said personal property are in no way obligated to transfer to the State the right to use that property.

The benefit of this option lies in the continuation of present use and existing facilities, so as to avoid triggering processing requirements of CEQA, the Coastal Commission, and other governmental agencies. (Continuation of present use without change would bring the project within a Class 1 exemption from CEQA for Existing Facilities, as defined by California Administrative Code Section 15101.)

This option also creates a direct relationship between the Commission and the operator of the boating facilities. On one hand, the State may thus have greater control over the operation than in the case of a State lessee contracting with a third party operator. On the other hand, the State may be faced with the high costs and greater responsibilities of monitoring the operator's performance. Also, this option may require an initial capital outlay by the State for acquisition of the right to use the mooring equipment currently situated upon the subject lands.

CALENDAR PAGE	248
MINUTE PAGE	2406

Should the Commission elect this alternative, it must determine whether to negotiate the agreement with an operator who has an upland base of operations, or solicit bids for that agreement. The Commission could negotiate directly with the current operator, Doug Bombard Enterprises, which has entitlement to an upland parcel at the Isthmus, and which has several years of on-site experience in maintenance and service of recreational mooring facilities.

On the other hand, solicitation of bids for participation in a management agreement would be more likely to maximize the economic return to the State.

Although Commission staff has received no direct public comment regarding this alternative, there has been overwhelming public support of the current operator, Doug Bombard. However, either Mr. Bombard nor the Island Company has shown any positive interest in a State lease or agreement directly with Mr. Bombard.

II. The Commission may opt to lease the State-owned tidelands and submerged lands surrounding Santa Catalina Island. There are three basic alternatives under this direction.

A. The Commission may negotiate a lease directly with the owners of land littoral to the lease parcels.

The Island Company and the Conservancy, working through Doug Bombard Enterprises, have an upland base of operations; they own the necessary equipment, have on-site experience and the support of great numbers of the boating public whom they have serviced over the years.

The terms of a negotiated lease, as well as those of a bid lease or management agreement, would be drawn to enable the Commission to protect the best interests of the people of the State. The lease would provide an economic return to the State based upon a percentage of gross receipts with a minimum annual rental reflective of a staff evaluation of open market transactions involving comparable sites and facilities. Potential lease terms are more fully discussed in Section IV of this report.

As mentioned above, there has been considerable public support for this alternative.

- B. The Commission may negotiate a lease with a lessee not the owner of lands littoral to the lease premises.

California Administrative Code Section 2002 authorizes such a lease to the best qualified applicant "consistent with development and utilization to the maximum economic, social, or environmental benefit to the State ...".

It is here difficult to determine the actual benefit to the people of the State of negotiating with a party not a littoral owner, unless that party be the actual operator of the lease premises and entitled to use the uplands, thus again establishing a direct relationship between the State and the operator. There appears to be no other substantial reason for offering a preference to a party not a littoral owner or permittee of the littoral owner in a negotiation situation.

- C. The Commission may solicit bids for the future lease of the tidelands and submerged lands at Catalina Island. The subject lands represent an important resource of the State of California. Several parties, apparently of sound financial status and having some experience with recreational boating and related facilities and services, have indicated a strong interest in leasing those lands. In light of these expressions of interest, solicitation of bids for a future lease of the subject lands may be one means of affording those interested parties an equal opportunity to prove their qualifications to enter into a lease with the State and of establishing an equitable economic return to the State.

This alternative, perhaps more than other options herein considered, also carries with it the real possibilities of increased rates to members of the boating public, and development inconsistent with the long range social and environmental objectives of the people of the State, including those boaters who presently use the area, and of the owners of the upland. A bid solicitation and lease would have to be carefully drawn to limit the extent of these impacts.

Note, also, that any change in current operations, including even removal and replacement of existing facilities, may trigger processing requirements of CEQA, the Coastal Commission, and other governmental agencies.

Other than positive comments received from parties apparently interested in bidding on any future lease, most comments received by staff regarding this option have reflected fears that bidding would result in exorbitant use rates, poor services, and unwanted development.

Should the Commission decide to solicit bids for a lease, the following would be required from all bidders:

1. Submission of bids on a specified bid form obtained from the State Lands Commission;
2. Satisfactory evidence of the bidder's plan and ability to satisfy the requirements set forth in the bid lease;
3. A financial report including Balance Sheet, Income Statement and Statements of Change in Financial Position for the current as well as last two fiscal years;
4. Specification of anticipated initial capital investment to fulfill lease terms and the means by which the bidder intends to provide such capital;
5. Certification that bidder does not have financial or other interest in more than one bid; and
6. Bid deposit in the amount of \$25,000.

The only factor open to bid will be the percentage of gross receipts designated to four percentage points to be the basis of rental calculation. Bids lower than 17.0000% of gross receipts will not be accepted.

All bids must be sealed and delivered to the State Lands Commission no later than the time and date specified. All bids will be opened publicly at a time and location to be determined by the Commission. Each bid shall be a firm bid for a period of sixty days from date of bid opening.

EXHIBIT A  
Page 10.

- III. The Commission may enter into a limited term lease agreement with the current lessee and issue a Request for Proposals regarding management of the subject lands at the termination of that lease.

As discussed above, the Commission may encounter real transitional difficulties should a new lease be issued to any party other than the current lessee, the Conservancy, or Bombard Enterprises. These difficulties are likely to center upon removal and/or replacement of existing improvements, and placing a new lessee in quiet possession of the lease premises prior to the beginning of the busy summer boating season. These activities may trigger processing requirements of CEQA, the Coastal Commission, and other local, State, or federal governmental agencies. The combined impact of these factors may create a chaotic atmosphere detrimental to the boating public as well as to other users of the island.

In order to minimize these potential difficulties, the Commission may enter into a limited term lease with the current lessee. The lease term would be of a period sufficient to allow the Commission to solicit and carefully examine proposals for the future management of the subject lands, select a given proposal, perform the necessary environmental studies and provide for an orderly transition from current operations to the proposed project.

This alternative may also provide interested parties the flexibility and time necessary to construct more creative project proposals.

Summary

After extensive review, staff has concluded that of the seven major alternatives discussed above, the most viable can be summarized as follows:

- I. Management agreement with private party for operation identical to current operation:
  - a. State acquisition of all personal property located upon subject lands;
  - b. Direct relationship with operator;
  - c. Probable categorical exemption from CEQA.

CALENDAR PAGE	252
MINUTE PAGE	2410

EXHIBIT A  
Page 11

2. Negotiate lease directly with littoral owners:
  - a. Upland base of operation, experience;
  - b. Economic return to State to be based upon State Land Commission staff evaluation of open market transactions involving comparable sites and facilities.
3. Solicitation of bids for lease of subject lands:
  - a. Establish equitable economic return to State;
  - b. Avoids necessity of substantial capital outlay by State.
4. Negotiate a limited term lease with the current lessee and request proposals for the future management of the subject lands:
  - a. Provides for an orderly transition from current operations to proposed project.
  - b. Allows more flexibility in project proposals.

- IV. Should the Commission select any of the alternatives listed above, it must then adopt specific provisions to be included in any lease or management agreement. Of these provisions, many are straightforward or will be necessitated by restrictions of time and State and federal law, including regulations of CEQA, the Coastal Commission, and Fish and Game.

The major provisions that would be required in any lease include the following:

- (1) Term - Fifteen (15) years beginning January 1, 1982;
- (2) Insurance - \$5,000,000 combined single limit;
- (3) Surety bond or other security;
- (4) Installation of any moorings or other structures in addition to moorings and piers existing as of October 1, 1981, requires prior consent of the State Lands Commission;
- (5) Any sublease or agreement entered into by the lessee with a third party for management and operation of a leased area requires prior consent of the State Lands Commission;
- (6) Upon expiration or termination of the lease, the State has the option to accept the leased premises with improvements or require the lessee to remove them within thirty (30) days;
- (7) Required services
  - (a) Solid waste pick-up and upland disposal,
  - (b) Patrol boats,
  - (c) Anchorage and mooring assistance,
  - (d) Insurance of rescue and firefighting services,
  - (e) Insurance of availability of towing and mechanical repair services to boaters on leased premises,
  - (f) Annual servicing of mooring equipment, and
  - (g) Non-interference with services designed to provide access to the upland;

- (8) The lessee shall not unreasonably interfere with access to either littoral lands or tidelands adjacent to the lease premises. The State reserves the right to amend the lease description at any such time it is determined necessary to provide reasonable access to adjacent tidelands or littoral lands.

The Commission will be faced with decisions in three major areas to be addressed in any lease or management agreement, as follows:

- A. Lease Premises: The Commission must designate those lands to be included under the lease or agreement.

As noted above, the current lease, PRC 3639.1, contains approximately 357 acres, distributed over 29 parcels. (See Appendix A). Of these, certain parcels may be logically excluded from a new lease or agreement.

Any new lease or agreement may exclude those tidelands and submerged lands underlying and immediately surrounding piers or other improvements structurally attached to the uplands as of October 1, 1981. These parcels may be leased directly to the upland owner or lessee to accommodate their continued access to and use of their upland parcels.

Second, staff recommends exclusion from any new lease or agreement of all unimproved open space areas. Because development of these areas would be subject to extensive environmental study and additional approvals by the Commission, as well as permits from other governmental agencies, there is no need to include these parcels in any lease or agreement at this time. The current use of these areas for anchorage will not be curtailed in any way by their exclusion from any lease or agreement.

Staff also recommends that the two Pebbly Beach sites described in the introduction of this Staff Report be excluded from any new lease or agreement for recreational boating purposes because they are removed from the remainder of the parcels geographically and by type of use. These parcels may be leased directly to the littoral owner or the permittee of the littoral owner. Separate treatment of the Pebbly Beach parcels may also enable the Commission to accommodate the concerns of the City of Avalon and the County of Los Angeles as regards their proposed airport development.

Finally, if the Commission decides to solicit bids for either a lease or management agreement, a decision must be made whether to solicit bids for the entire area or to segregate the area into smaller parcels and solicit bids for each of those parcels.

One possible advantage in segregating the lease area and soliciting bids for a number of smaller parcels is that such segregation may result in management of different parcels by different parties, thereby encouraging competition amongst the operators to provide better services to the boating public. However, staff feels that competition between operators of separate parcels resulting in better services to boaters and greater economic return to the State, would be illusory at best. The unequal appeal of various parcels, due to geographic differences as well as the special interests of owners or lessees of adjacent uplands, may lessen the competitive factors involved.

The staff believes that soliciting bids for either a lease or management agreement for the entire area as a unit is the preferred alternative. Under this alternative, service and maintenance facilities for the entire area could be coordinated and centrally located, resulting in more efficient use of the area for recreational boating activities.

Finally, administrative responsibilities and costs of Commission staff would be less should bids be solicited on the entire area as a unit, rather than as several distinct parcels.

Some individuals have also asked for individual mooring site leases. Due to the great number of moorings, staff feels individual leases of this nature would be administratively impractical.

- B. Transfers of moorings: Staff believes that a method can be devised whereby transfers of moorings can be detected. The Commission may accept the practice of mooring transfers and charge a transfer fee, thereby increasing the revenue to the State. Note, however, that because the amount of money paid between private parties would be difficult to ascertain, the transfer fee charged by the State could not be directly tied in to the "value" of the transfer.

On the other hand, the Commission may prohibit transfers of individual mooring subleases and require that new tenants be taken from a waiting list, thus increasing and equalizing the chances of interested boaters obtaining a mooring.

- C. Economic factors: The Commission, if it chooses to solicit bids for a lease of the subject lands, must determine the parameters of the economic provisions of the lease and the bid solicitation. Following are four alternative methods of calculating rental provisions. The first three alternatives presume a five year rent review.
- (1) Solicitation of bids on both minimum annual rental and percentage of gross receipts without fixed minimum bid on annual rental or percentage of gross receipts:
    - (a) Bids may be reflective of fair rental value of lease premises, but may result in annual rental of less than \$125,000, which has been offered by a number of interested parties.
    - (b) Because this alternative is the least restrictive to potential bidders, it may encourage more creative project packages. At the same time, determination of high bid would be difficult under this option. Evaluation of bids would have to be based upon projected income streams, discounted to present worth; such income projections are based upon many variables and are not susceptible of objective review.
  - (2) Solicitation of bids on both annual rental and percentage of gross receipts with minimum bid on annual rental set at \$125,000 and minimum bid on percentage of gross receipts set at 17%:
    - (a) State would be guaranteed an annual return of \$125,000, the equivalent of 17% of the estimated annual gross receipts currently derived from the subject lands.
    - (b) Market studies of land leases for comparable mooring and marina facilities indicate a range of 10% to 27 % of gross receipts as a basis of annual rentals.
    - (c) This method may also enable bidders to submit creative packages, but is subject to the same difficulties regarding determination of high bid as is the first alternative discussed above.

- (3) Solicitation of bids on percentage of gross receipts only; the minimum annual rental to be fixed at \$125,000; the minimum bid on percentage of gross receipts set at 17%:
- (a) High bid is easily determined under this option, but see below regarding bidding ties.
  - (b) Rental based upon a percentage of gross receipts may lessen a lessee's incentive to maximize receipts. This result is more likely when the percentage is increased with incremental increases in gross receipts.
  - (c) Because under this alternative there is only one bid factor, and because of the limited range of percentage factors likely to be bid, bidding ties are likely to occur. In this case of identical bids, final determination of the winning bid will necessarily involve comparison of the financial responsibility and experience of the bidders, as well as methods of proposed management of the subject lands.
- (4) Solicitation of bids on annual rental based upon a fixed dollar amount and rent review periods; minimum bid on annual rental to be set at \$125,000:
- (a) High bid is most easily determined under this option; bidding ties are unlikely to occur.
  - (b) This alternative may provide the highest economic return to the State because frequent rent review would enable the State to periodically increase monetary compensation commensurate with lessee's receipts from the subject lands. This would also prevent an extreme leasehold advantage in favor of the lessee as is now the case under the existing lease.
  - (c) It should be noted that this alternative may be most likely to result in a high annual rental. In this case, lessee may be motivated to increase mooring and service rates to a more extreme level to achieve profits above that annual rental.



EXHIBIT 3

APPENDIX B

CRITICAL PATH CHART

LEASE

NO

Open Space

Management by Public Agency

Management by Private Entity

YES

Negotiate

Littoral owner or Permittee

Other

Solicit Bids

Limited Term Lease and

Request for Proposals

## EXHIBIT "B"

## LAND DESCRIPTION

MP 3639

PARCEL 1 - Isthmus Cove

All that area bounded on the west, south, and southeast by the mean lower low waterline and on the north by a straight line extending from a point on the mean high tide line at approximately  $33^{\circ} 26' 35''$  North Latitude,  $118^{\circ} 29' 25''$  West Longitude to a point on the mean high tide line at approximately  $33^{\circ} 26' 45''$  North Latitude,  $118^{\circ} 29' 50''$  West Longitude.

EXCEPTING THEREFROM all those tide and submerged lands lying beneath an existing pier TOGETHER WITH a necessary use area extending 10 feet from the extremities of said pier.

ALSO EXCEPTING THEREFROM all those tide and submerged lands lying beneath an existing freight ramp and two existing launching ramps.

FURTHER EXCEPTING THEREFROM a strip of submerged land 100 feet wide lying 50 feet on each side of the seaward extension of the centerline of the above mentioned pier 11,500 feet, more or less, to an intersection with the seaward boundary of Parcel 1 above.

PARCEL 2 - Fourth of July Cove

All that area bounded on the north, west and south by the mean lower low waterline and on the east by a straight line beginning at a point on the mean high tide line at approximately  $33^{\circ} 26' 56''$  North Latitude,  $118^{\circ} 29' 55''$  West Longitude, thence northeasterly 50 feet, more or less, to a point offshore at approximately  $33^{\circ} 26' 56''$  North Latitude,  $118^{\circ} 29' 54''$  West Longitude; thence southeasterly 1,200 feet, more or less, to a point on the mean high tide line described as  $33^{\circ} 26' 45''$  North Latitude,  $118^{\circ} 29' 50''$  West Longitude.

EXCEPTING THEREFROM all those tide and submerged lands lying beneath an existing pier TOGETHER WITH a necessary use area extending 10 feet from the extremities of said pier.

PARCEL 3 - Howland's Landing

All that area bounded on the west and south by the mean lower low waterline and on the northeast by a straight line extending from a point on the mean high tide line at approximately  $33^{\circ} 27' 40''$  North Latitude,  $118^{\circ} 31' 07''$  West Longitude to a point on the mean high tide line at approximately  $33^{\circ} 27' 55''$  North Latitude,  $118^{\circ} 31' 15''$  West Longitude.

EXCEPTING THEREFROM all those tide and submerged lands lying beneath an existing pier TOGETHER WITH a necessary use area extending 10 feet from the extremities of said pier.

## EXHIBIT "B"

WP 3639

PARCEL 4 - Emerald Bay

All that area bounded on the west and south by the mean lower low water line and on the north and east by a line beginning at a point on the mean high tide line at approximately 33° 28' 10" North Latitude, 118° 31' 45" West Longitude, thence easterly 1,500 feet, more or less, to a point seaward of Indian Rock at approximately 33° 28' 10" North Latitude, 118° 31' 30" West Longitude, thence southeasterly to a point on the mean high tide line at approximately 33° 27' 58" North Latitude, 118° 31' 20" West Longitude.

EXCEPTING THEREFROM all those tide and submerged lands lying beneath two existing piers TOGETHER WITH a necessary use area extending 10 feet from the extremities of said piers.

PARCEL 5 - Catalina Harbor

All that area bounded on the west, north and east by the mean lower low water line and on the south and southeast by a line beginning at a point on the mean high tide line at approximately 33° 25' 41" North Latitude, 118° 30' 21" West Longitude; thence west 848 feet, more or less, to a point at approximately 33° 25' 41" North Latitude, 118° 30' 31" West Longitude; thence southwesterly 1,625 feet, more or less, terminating at a point on the mean high tide line at approximately 33° 25' 30" North Latitude, 118° 30' 39" West Longitude.

EXCEPTING THEREFROM that portion of tideland owned by the Santa Catalina Island Company generally described as a portion of Tide and in Catalina Harbor of approximately 12.8 acres lying between the ordinary high water and ordinary low water mark along the east and north shore of Catalina Harbor beginning at Ballast Point.

ALSO EXCEPTING THEREFROM all those tide and submerged lands lying beneath three existing dingy piers and one existing commercial pier TOGETHER WITH a necessary use area extending 10 feet from the extremities of said dingy piers and commercial pier.

ALSO EXCEPTING THEREFROM all those tide and submerged lands lying beneath two existing ramps.

PARCEL 6 - Buttonshell Beach

All that area bounded on the north and west by the mean lower low water line and on the east by a straight line extending from a point on the mean high tide line at approximately 33° 24' 02" North Latitude, 118° 31' 59" West Longitude to a point on the mean high tide line at approximately 33° 24' 23" North Latitude, 118° 31' 56" West Longitude.

EXCEPTING THEREFROM all those tide and submerged lands lying beneath an existing pier TOGETHER WITH a necessary use area extending 10 feet from the extremities of said pier.

CALENDAR PAGE	262
MINUTE PAGE	2420

PARCEL 7 - White's Landing

All that area bounded on the northwest, west, and south by the mean lower low waterline and on the north, northeast, and southeast by a line beginning at approximately 33° 23' 42" North Latitude, 118° 22' 07" West Longitude; thence northeasterly 100 feet, more or less, to a point at approximately 33° 23' 44" North Latitude, 118° 22' 06" West Longitude; thence on a straight line 1,460 feet, more or less, to a point at approximately 33° 23' 31" North Latitude, 118° 21' 59" West Longitude; thence southwesterly 556 feet, more or less, to a point on the mean high tide line at approximately 33° 23' 27" North Latitude, 118° 22' 03" West Longitude.

EXCEPTING THEREFROM all those tide and submerged lands lying beneath an existing pier TOGETHER WITH a necessary use area extending 10 feet from the extremities of said pier.

PARCEL 8 - Moonstone Cove

All that area bounded on the west and south by the mean lower low waterline and on the northeast and northwest by a line beginning at approximately 33° 23' 27" North Latitude, 118° 22' 03" West Longitude; thence northeasterly 556 feet, more or less, to a point at approximately 33° 23' 31" North Latitude, 118° 21' 58" West Longitude; thence southeasterly 1,460 feet, more or less, to a point on the mean high tide line at approximately 33° 23' 18" North Latitude, 118° 21' 51" West Longitude.

EXCEPTING THEREFROM all those tide and submerged lands lying beneath an existing pier TOGETHER WITH a necessary use area extending 10 feet from the extremities of said pier.

PARCEL 9 - Toyon Bay

All that area bounded on the west and south by the mean lower low waterline and on the northeast by a straight line extending from a point on the mean high tide line at approximately 33° 22' 26" North Latitude, 118° 21' 02" West Longitude, to a point on the mean high tide line at approximately 33° 22' 37" North Latitude, 118° 21' 14" West Longitude.

EXCEPTING THEREFROM all those tide and submerged lands lying beneath an existing pier TOGETHER WITH a necessary use area extending 10 feet from the extremities of said pier.

PARCEL 10 - Gallagher Beach

All that area bounded on the west, south, and east by the mean lower low waterline and on the northeast by a straight line extending from a point on the mean high tide line at approximately 33° 22' 13" North Latitude, 118° 20' 47" West Longitude, to a point on the mean high tide line at approximately 33° 22' 20" North Latitude, 118° 20' 56" West Longitude.

EXCEPTING THEREFROM all those tide and submerged lands lying beneath a float, boat and pulley TOGETHER WITH a necessary use area extending 10 feet from the extremities of said float, boat and pulley.

PARCEL 11 - Cherry Cove

All that area bounded on the north, west, and south by the mean lower low waterline and on the east by a straight line extending from a point on the mean high tide line at approximately 33° 27' 11" North Latitude, 118° 30' 02" West Longitude; thence southeasterly 1,200 feet, to a point offshore at approximately 33° 26' 59" North Latitude, 118° 29' 56" West Longitude; thence southwesterly 150 feet, more or less, to a point on the mean high tide line at approximately 33° 26' 58" North Latitude, 118° 29' 57" West Longitude.

EXCEPTING THEREFROM all those tide and submerged lands lying beneath an existing pier TOGETHER WITH a necessary use area extending 10 feet from the extremities of said pier.

PARCEL 12 - Little Geiger

All that area bounded on the west and south by the mean lower low waterline and on the northeast by a straight line extending from a point on the mean high tide line at approximately 33° 27' 23" North Latitude, 118° 30' 42" West Longitude to a point on the mean high tide line at approximately 33° 27' 32" North Latitude, 118° 30' 55" West Longitude.

PARCEL 13 - Hen Rock

All that area bounded on the north, west and south by the mean lower low waterline and on the east by a straight line extending from a point on the mean high tide line at approximately 33° 23' 42" North Latitude, 118° 22' 07" West Longitude, to a point on the mean high tide line at approximately 33° 23' 57" North Latitude, 118° 21' 41" West Longitude.

END OF DESCRIPTION

PREPARED OCTOBER 21, 1981 BY TECHNICAL SERVICES UNIT, ROY MINNICK, SUPERVISOR.

EXHIBIT 3

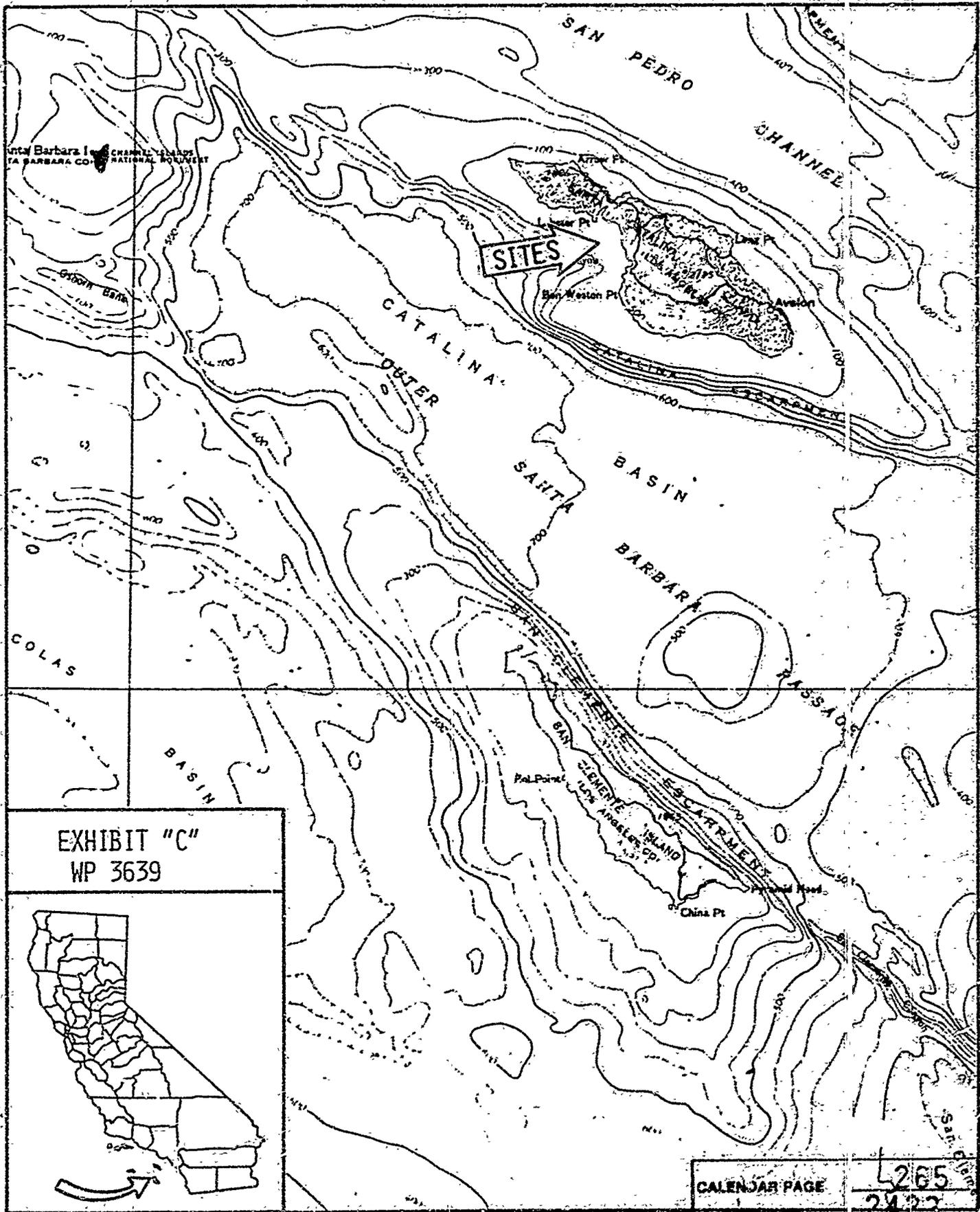


EXHIBIT "C"  
WP 3639



CALENDAR PAGE	265
MINUTE PAGE	2423