

MINUTE ITEM

This Calendar Item No. 28  
was approved as Minute Item  
No. 28 by the State Lands  
Commission by a vote of 2  
to 0 at its 2/9/82  
meeting.

MINUTE ITEM  
28

2/9/82  
RW 22898  
Horn

DETERMINATIONS UNDER 6701 ET SEQ.,  
CONCERNING A LEASE BETWEEN  
SPECIALTY VILLAGES, A GENERAL PARTNERSHIP  
AND THE CITY OF LONG BEACH

During consideration of Item 28, attached, Mr. Philip Brubaker,  
City Manager's Office, City of Long Beach, appeared to  
answer any questions of the Commissioners.

Upon motion duly made and carried, the recommendations  
presented in Item 28 were approved as presented.

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1/28/82  
RW 22898  
Horn

DETERMINATIONS UNDER 6701 ET SEQ.,  
CONCERNING A LEASE BETWEEN  
SPECIALTY VILLAGES, A GENERAL PARTNERSHIP  
AND THE CITY OF LONG BEACH

Specialty Villages, a general partnership has requested the Commission to make the determinations set forth in Section 6702(b) of the P.R.C. with respect to the lease described below. Briefly, the determinations relate to: (a) conformance with the terms of the granting statutes; (b) proceeds of the lease shall be expended for statewide purposes as authorized by the granting statutes; and (c) that the lease is in the best interests of the State.

DESCRIPTION OF LEASE

LESSOR: City of Long Beach  
c/o John E. Dever, City Manager  
333 West Ocean Boulevard  
Long Beach, California 90802

LESSEE: Specialty Villages, a general partnership  
2270 Camino Vida Roble, Suite L  
Carlsbad, California 92008  
Attention: Scott Morris

AREA, TYPE LAND AND LOCATION:  
Approximately 6.955 acres at Pacific Terrace Harbor, along the shoreline, downtown Long Beach. (See map attached.)

CURRENT LAND USE:  
No existing permanent structures. The site currently supports users of the adjacent "Shoreline Aquatic Park Marina" with parking and temporary restroom and shower facilities.

PROPOSED LAND USE:  
Seven new primary structures: two will be full service restaurants, one will house a restored wooden carousel and four will be devoted to specialty retail shops together with parking and other ancillary facilities.

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TERMS OF LEASE:

Duration: 50 years from December 1, 1981.

Rental: Year one through ten, minimum rental of \$125,000; adjusted thereafter at five-year intervals to reflect 90 percent of average annual rental paid (including percentage rental).

Percentage rental:

Food	3%
Beverages	3%
Boat Sales	1%
Boat Brokerage	
Commissions	8%
Ship Chandlery	3%
Retail Sales and	
Services	2%
Other	10%

Special: Lessee may defer payment of percentage rental owing for the first four accounting years. Any percentage rental retained shall bear interest at 12 percent per year (compounded annually) until paid. Repayment will be made in equal payments of rent and interest in years 11 through 14.

Other lease terms and conditions conform to standard commercial leasing practice.

ENVIRONMENTAL IMPACT OF THE LEASE:

The concept of the marina village was approved by the City in the EIR prepared for the Downtown Shoreline Development (March 15, 1979). Based upon information contained in the EIR, the City approved a site specific Negative Declaration for the village in November, 1981. With the incorporation

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of specific mitigation measures, the project was found not to have a significant effect on the environment. Coastal Development Permit No. P-80-7517 was issued on February 27, 1981 for the project.

CONFORMANCE WITH GRANTING STATUTES:

Staff believes the lease is in accordance with the terms and conditions of the granting statute.

DISPOSITION OF LEASE PROCEEDS:

All revenues derived by the City from the lease are required by Long Beach City Charter Section 1710 to be deposited to the credit of the City Tideland Operating Fund. The fund is impressed with the trust and the proceeds may be expended only for purposes directly related to the operation, maintenance or improvement of the granted lands. The disposition of lease revenues into this fund complies with the granting statutes and Section 6702 of the P.R.C.

IS THE LEASE IN THE BEST INTERESTS OF THE STATE:

As mentioned above, the site currently has no permanent structures. The proposed specialty commercial complex is visitor serving and will support and complement nearby marina development. The marina village development is an integral element in the overall development of the City's Downtown Shoreline Plan.

The site was appraised by R. P. Laurain and Associates, (Appraisers - Consultants) as having a value of \$9.75 per square foot of land area. Based upon projected revenues from the developed site the city can expect to receive a return in excess of 12.5 percent of the value of the lands. Staff has reviewed the appraisal and finds that the value conclusion is appropriate.

The proposed development is part of an overall plan that fosters greater public use of an underdeveloped site. The City will be maximizing potential revenues consistent with its trust responsibilities for the

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area. Income accruing from the lease will be used for the betterment of the granted lands and will aid in promoting related trust uses of adjacent lands.

The proposal conforms to the area's local coastal plan and will provide public access to and use of an area with a minimum of environmental impact.

AB 884: N/A.

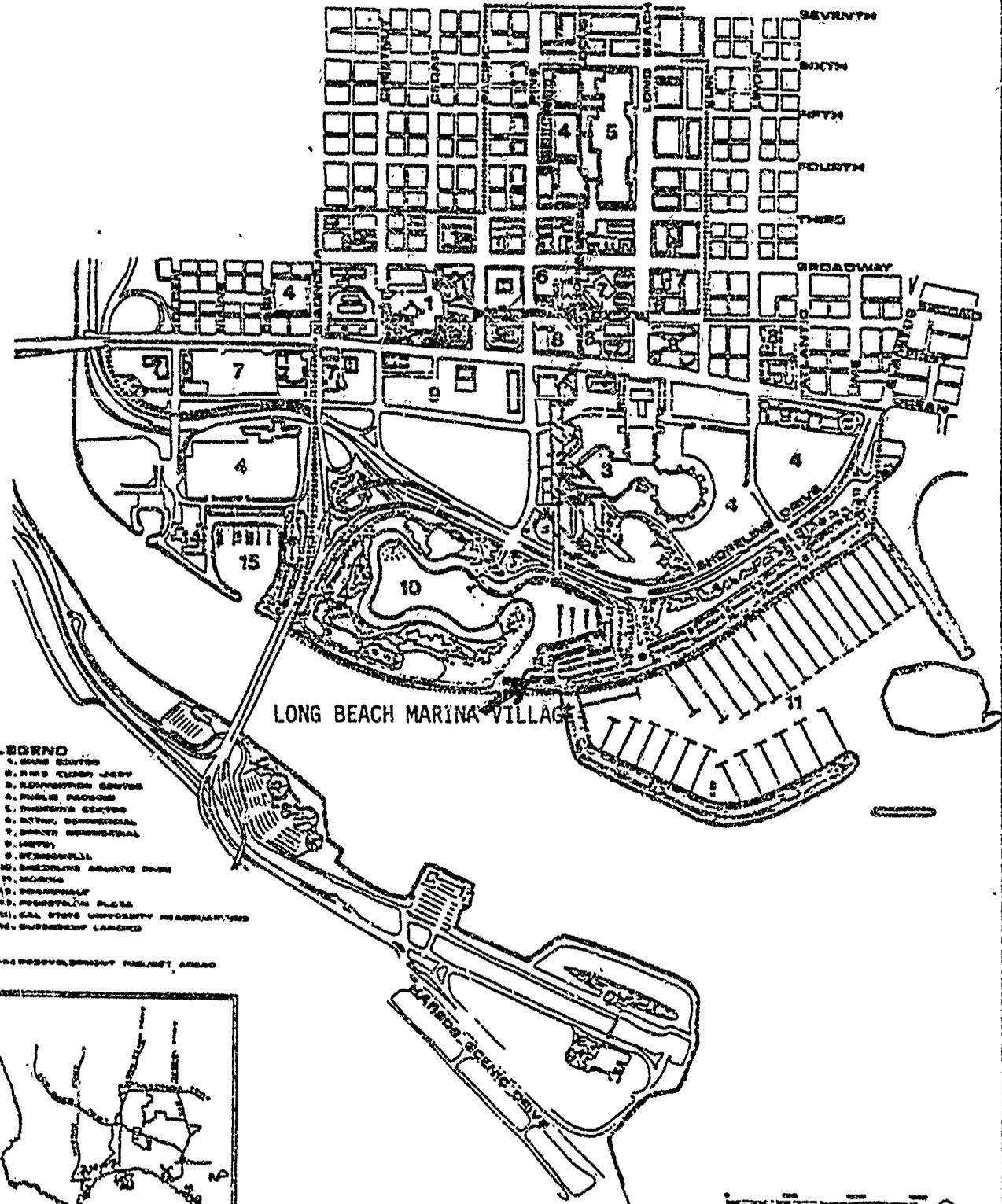
EXHIBIT: A. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE CITY OF LONG BEACH, IN ACCORDANCE WITH CEQA AND THE STATE EIR GUIDELINES, COMPLETED AND CERTIFIED A NEGATIVE DECLARATION ON THE SUBJECT PROJECT.
2. MAKE THE FOLLOWING DETERMINATIONS, REQUIRED BY SECTION 6702 OF THE P.R.C., AS APPLYING TO THAT CERTAIN LEASE (AND FIRST AMENDMENT THERETO) DATED NOVEMBER 16, 1981 BETWEEN THE CITY OF LONG BEACH AND SPECIALTY VILLAGES ON FILE IN THE PRINCIPAL OFFICE OF THE COMMISSION AND BY REFERENCE MADE A PART HEREOF:
  - A. THAT SAID LEASE (AND FIRST AMENDMENT THERETO) IS IN ACCORDANCE WITH THE TERMS OF THE GRANTS UNDER WHICH TITLE TO THE LANDS IN QUESTION ARE HELD BY THE CITY OF LONG BEACH.
  - B. THAT, PURSUANT TO LONG BEACH CITY CHARTER SECTION 1710, ALL REVENUES DERIVED FROM THE LEASE SHALL BE DEPOSITED IN THE CITY'S "TIDELAND OPERATING FUND" EXPENDABLE ONLY FOR STATE-WIDE PUBLIC PURPOSES AS AUTHORIZED BY THE GRANTING STATUTES.
  - C. THAT SAID LEASE (AND FIRST AMENDMENT THERETO) IS IN THE BEST INTEREST OF THE STATE.
3. AUTHORIZE STAFF TO TAKE ALL STEPS NECESSARY TO TAKE ALL ACTION NECESSARY TO GIVE EFFECT TO THESE DETERMINATIONS.

EXHIBIT "A"

DOWNTOWN - TIDELANDS PLAN



- LEGEND**
- 1. GROSS EXHIBIT
  - 2. FINE EXHIBIT
  - 3. RECREATION EXHIBIT
  - 4. PUBLIC PARKS
  - 5. INDUSTRIAL EXHIBIT
  - 6. OFFICE COMMERCIAL
  - 7. BRANCH COMMERCIAL
  - 8. HOTEL
  - 9. CITY HALL
  - 10. SPECIALLY DESIGNATED
  - 11. SCHOOL
  - 12. RESIDENTIAL
  - 13. RECREATION PLAZA
  - 14. GOLF COURSE UNIVERSITY RECREATION
  - 15. UNDESIGNED LANDS

PREDEVELOPMENT SUBJECT AREAS

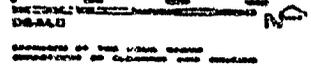
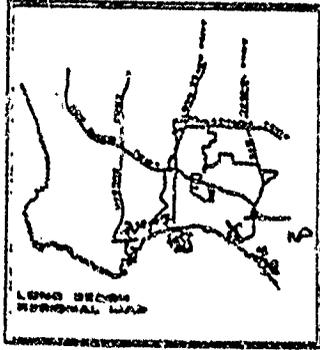


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