MINUTE ITEM

This Calendar Item No. C16 was approved as Minute Item No. 16 by the State Lands Commission by a vote of 2 to 0 at its 2/25/82 meeting.

CALENDAR ITEM

2/25/82
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DENIAL WITHOUT PREJUDICE

In May of 1980, Commission staff began negotiations with the Santa Catalina Island Company, relative to possible renewal of Lease PRC 3639.1, of certain tidelands and submerged lands surrounding Santa Catalina Island, which was to expire in October, 1981.

Upon learning of the upcoming expiration of that lease, Jack Fennie, as one of several parties, indicated to staff an interest in leasing the subject lands. Mr. Fennie is President of Catalina Freight Lines, which brings freight from the mainland to Santa Catalina Island at Pebbly Beach. His upland facilities at Pebbly Beach are located on a parcel he leases from the Santa Catalina Island Company. On March 13, 1981, Mr. Fennie submitted to the State Lands Commission an application to lease the subject lands upon expiration of Lease PRC 3639.1.

The Commission subsequently decided to call for proposals for the lease of the majority of the subject lands. Mr. Fennie was notified of the proposal process and did not submit a proposal. He has subsequently confirmed to staff that he was not interested in pursuing that lease on the terms and conditions established by the Commission. The Commission thereafter entered into a lease of the lands included in the proposal process with the Santa Catalina Island Company and the Santa Catalina Island Conservancy.

With regard to the remainder of the subject lands, the Commission, at it meeting of October 30, 1981, authorized staff to negotiate leases of these lands directly with the owners or lessees of the adjacent uplands.

Because the Santa Catalina Island Company owns the freight ramp at Pebbly Beach, staff offered the Company the opportunity to lease the State-owned sovereign lands underlying and surrounding the ramp. The Company declined staff's offer. Staff has therefore contacted Mr. Fennie, as lessee of the adjacent uplands, in this regard, and he has expressed an interest in pursuing an application to lease the Pebbly Beach freight ramp site. Staff will waive the filing fee for this new application.

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In order to clarify Commission records, staff requests that the Commission formally deny Mr. Fennie's application submitted to staff on March 13, 1981, without prejudice to a new application to be limited to the Pebbly Beach freight ramp site.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DENY THE APPLICATION SUBMITTED BY JACK L. FENNIE ON MARCH 13, 1981 TO LEASE CERTAIN TIDELANDS AND SUBMERGED LANDS AT SANTA CATALINA ISLAND, WITHOUT PREJUDICE TO A NEW APPLICATION FOR A LEASE OF STATE-OWNED TIDELANDS AND SUBMERGED LANDS UNDERLYING AND SURROUNDING THAT FREIGHT RAMP LOCATED AT PEBBLY BEACH, SANTA CATALINA ISLAND, LOS ANGELES COUNTY.