

MINUTE ITEM
13.

1/23/84
PRC 2714.1
Louie

APPROVAL OF ASSIGNMENT
OF LEASE PRC 2714.1

Calendar Item 13, attached, was pulled from the agenda
prior to the meeting.

Attachment: Calendar Item 13.

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CALENDAR ITEM

13

1/23/84
PRC 2714.1
Louie

APPROVAL OF ASSIGNMENT OF
LEASE PRC 2714.1

ASSIGNOR: Pebble Beach Company, a
General Partnership, whose general partners
are Twentieth Century - Fox Film Corporation,
Urban Diversified Properties, Inc., and
Urban Investment and Development Company
P.O. Box 537
Pebble Beach, California 93953

ASSIGNEE: Pebble Beach Company, a
General Partnership, whose general partners
are Twentieth Century - Fox Film Corporation
and MKDG II, a General Partnership
P.O. Box 537
Pebble Beach, California 93953

AREA, TYPE LAND, LOCATION AND USE:
A 0.205-acre parcel of coastal tide and
submerged land situated in Carmel Bay,
at Stillwater Cove, Monterey County, for
one existing pier.

TERMS OF CURRENT LEASE PRC 2714.1:
Initial period: Ten years from April 12,
1976.

CONSIDERATION: \$170 per annum, with the State reserving
the right to fix a different rental on
each fifth anniversary of the lease.

BASIS FOR CONSIDERATION:
Pursuant to 2 Cal. Adm. Code 2003.

PREREQUISITE TERMS, FEES AND EXPENSES:
Applicant is owner of upland.
Processing costs have been received.

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CALENDAR ITEM NO. 13 (CONT'D)

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. On June 29, 1982 the State Lands Commission approved the assignment of Lease PRC 2714.1 to Pebble Beach Company, a General Partnership, whose general partners were Twentieth Century - Fox Film Corporation ("Fox"), a Delaware Corporation and Urban Diversified Properties, Inc. ("Little Urban"), a Connecticut Corporation.

As of December 30, 1982, Urban Investment and Development Company ("Big Urban") became the third general partner in the Partnership. Concurrent with the change in the Partnership, Little Urban became a wholly owned subsidiary of Big Urban. Therefore Fox, Little Urban and Big Urban constitute the current Partnership of Pebble Beach Company, the State's Lessee.

Present situation: The staff has been informed that Big Urban and Little Urban have both sold their assets to MKDC II, a General Partnership. Fox and MKDC II will therefore constitute the new Partnership of Pebble Beach Company. The current Partnership therefore wishes to assign its interest in Lease PRC 2714.1 to the new Partnership. The Lessee's name under this lease will remain the Pebble Beach Company, a General Partnership.

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2. The pier is currently in disrepair due to damage by winter storms, which places the current Lessee (current Partnership) in default under the terms of the Lease. The Lessee has acknowledged this default and has decided to remove the pier.

As a condition for approving an assignment of Lease PRC 2714.1, the staff recommends the following:

- (a) The new Partnership shall be liable for removal of the pier no later than June 30, 1984.
 - (b) The new Partnership shall keep in effect a surety bond in the amount of \$300,000 naming the State as the assured.
 - (c) The current Partnership shall remain liable for correction of the default should the new Partnership fail to make such correction.
3. This activity is exempt from CEQA, because it is not a project pursuant to 14 Cal. Adm. Code 15378.
 4. The facility under Lease PRC 2714.1 is situated on lands identified as possessing significant environmental values pursuant to P.R.C. 6370.1, and is classified in use category "A", which authorizes Restricted Use. The activity as proposed will not have a significant effect upon the identified environmental values.

EXHIBIT:

- A. Location Map.

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IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THIS ACTIVITY IS EXEMPT FROM CEQA PURSUANT TO 14 CAL. ADM. CODE 15061, BECAUSE IT IS NOT A PROJECT AS DEFINED IN P.R.C. 21065 AND 14 CAL. ADM. CODE 15378, AND FIND THAT THE ACTIVITY WILL HAVE NO SIGNIFICANT EFFECT UPON THE IDENTIFIED ENVIRONMENTAL VALUES PURSUANT TO P.R.C. 6370.1.
2. AUTHORIZE THE ASSIGNMENT OF LEASE PRC 2714.1, EFFECTIVE JANUARY 23, 1984, FROM PEBBLE BEACH COMPANY, A GENERAL PARTNERSHIP, WHOSE GENERAL PARTNERS ARE TWENTIETH CENTURY - FOX FILM CORPORATION, URBAN DIVERSIFIED PROPERTIES, INC. AND URBAN INVESTMENT AND DEVELOPMENT COMPANY TO PEBBLE BEACH COMPANY, A GENERAL PARTNERSHIP, WHOSE GENERAL PARTNERS ARE TWENTIETH CENTURY - FOX FILM CORPORATION AND MKDG II, A GENERAL PARTNERSHIP. SUBJECT TO THE FOLLOWING CONDITIONS:
 - A. ASSIGNEE SHALL BE LIABLE FOR REMOVAL OF THE PIER AND RESTORATION OF THE LEASE PREMISES NO LATER THAN JUNE 30, 1984.
 - B. ASSIGNEE SHALL PROVIDE A SURETY BOND IN THE AMOUNT OF \$300,000 NAMING THE STATE AS THE ASSURED.
 - C. ASSIGNOR SHALL REMAIN LIABLE FOR REMOVAL OF THE PIER SHOULD ASSIGNEE FAIL TO EFFECT SUCH REMOVAL.

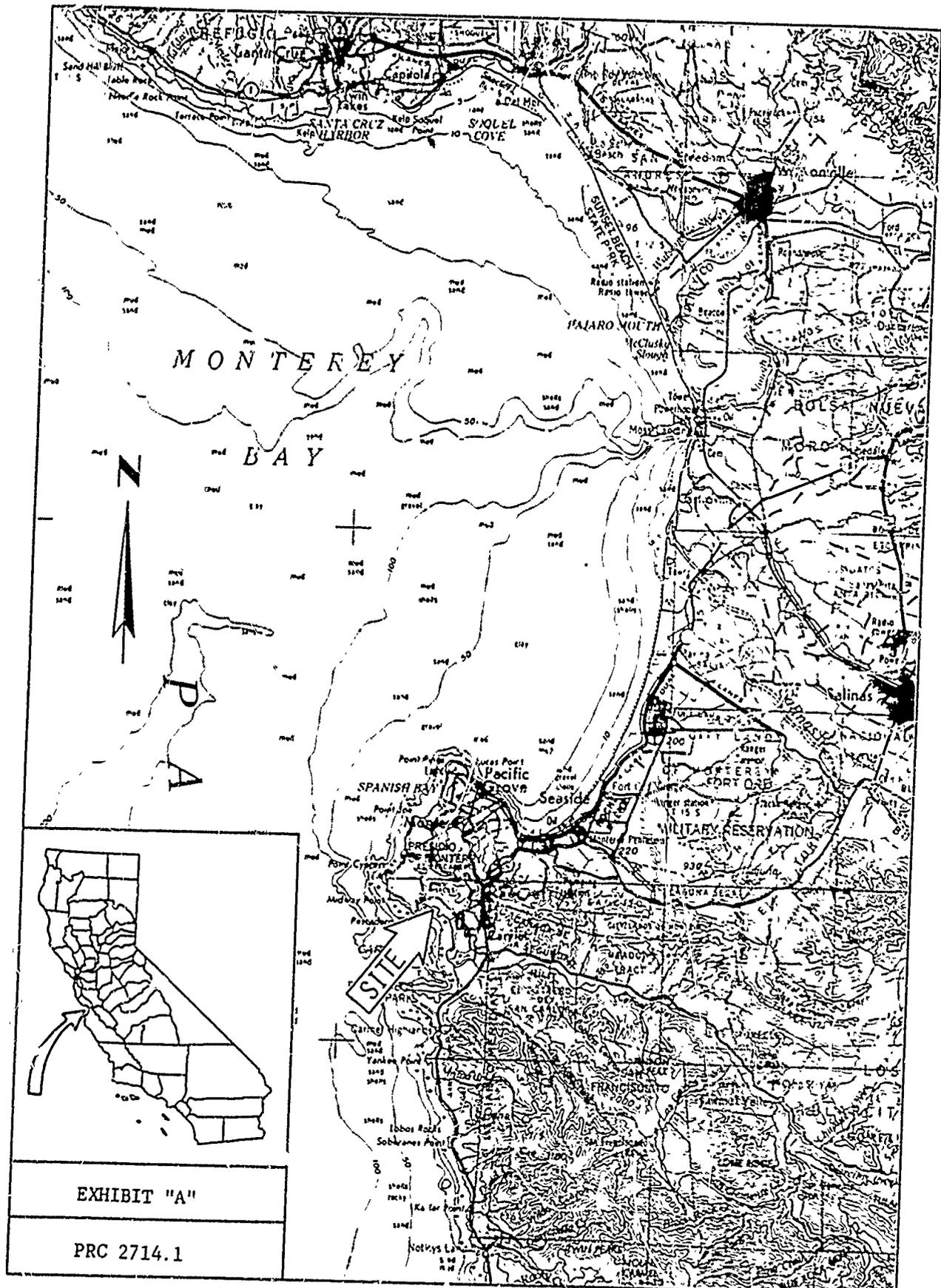


EXHIBIT "A"

PRC 2714.1

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