

MINUTE ITEM

5

10/25/85
PRC 2714.1
Townsend

Replacement of General Lease
Recreational Use

Calendar Item C5, attached, was pulled from the agenda prior to the meeting.

Attachment: Calendar Item C5.

2398

CALENDAR ITEM

A 28

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005

10/25/8
PRC 2714.1
Townsend

REPLACEMENT OF GENERAL LEASE
RECREATIONAL USE

APPLICANT: Pebble Beach Company
P.O. Box 725
Pebble Beach, California 93953

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

LAND USE: One existing pier for recreational use.

TERMS OF ORIGINAL LEASE:
Initial period: 15 years beginning April 12,
1961.
Renewal options: Two successive periods of ten
years each,
Surety bond: \$2,000.
Public liability insurance: \$200,000/\$600,000
per occurrence for bodily
injury and \$50,000 for
property damage.
Consideration: \$170 per annum; five-year
rent review,

(NON-SUBSTANTIVE REVISION
12/20/84)

-1-

CALENDAR PAGE	32
MINUTE PAGE	2399

CALENDAR ITEM NO. C 0 5 (CONT'D)

TERM OF PROPOSED LEASE:

Initial period: 25 years beginning
November 1, 1984.

Surety bond: \$20,000.

Public liability insurance: Combined single
limit coverage of \$1,000,000

CONSIDERATION: \$625 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,

APPLICANT STATUS:

Applicant is owner of upland.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing fee has been received.

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: 10-27-84

OTHER PERTINENT INFORMATION:

1. Lease PRC 2714.1 was originally issued to
the Del Monte Properties Company, for a
period of 15 years, effective April 12,
1961, with two renewal options of ten years
each. The pier facility was for the sole
use of members and guests of the Stillwater
Yacht Club whose membership was restricted
to property owners in the adjoining Del
Monte Properties. The Del Monte Properties
Company later merged into the Pebble Beach
Corporation and by Commission action of
July 26, 1977 the lease was assigned,
amended and renewed for a period of ten
years, beginning April 12, 1976.

CALENDAR ITEM NO. 05 (CONT'D)

As a result of subsequent mergers, the Lease was assigned by Commission action of September 26, 1979, and June 29, 1982. Staff has been informed that additional changes in ownership have since occurred and that title is currently vested in Twentieth Century-Fox Film Corporation and MKDG II, a General Partnership. The Lessee's name under this replacement lease will remain the Pebble Beach Company, a General Partnership.

In addition to the change in ownership, the pier was damaged by winter storms which placed the prior Lessee in default under the terms of the Lease. Based on their decision to remove the pier, Commission took action on March 22, 1984 to approve removal of the pier and terminate the Lease effective June 30, 1984. The new owners have now reversed the decision to remove the pier and have found a method to feasibly restore the structure.

Subject to approval by the Commission, restoration of the pier will begin no later than November 1, 1984, and shall be completed no later than June 1, 1985. Upon completion, use of the pier will not be restricted to members and guests of the club, and will be available to the public. The new lease provides that the public shall be allowed access to the pier and shall be permitted to use the pier; however, such access and use shall be subject to such reasonable rules and regulations of the Pebble Beach Company as have been approved, in writing, by the State Lands Commission. The lease further provides that a sign shall be posted at the entrance to the pier which states the rules and regulations of the Pebble Beach Company applicable to use of the pier.

CALENDAR ITEM NO 05 (CONT'D)

Inasmuch as the lease term was nearing a point of renewal when it was terminated, and due to the changes in ownership and plans to restore the pier and include the public among its users, staff recommends that the original lease be replaced to reflect these changes, as well as provide for a new rental, surety bond and certificate of insurance. Staff also recommends that portion of the rental paid under the prior lease which is attributable to the first five months of the replacement lease term be credited against the first years rental under the replacement lease.

2. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.
3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorical exempt project. The project is exempt under Class 2, Replacement or Reconstruction, 2 Cal. Adm. Code 2905(b).

Authority: P.R.C. 21084, 14 Cal. Adm. Code 15300, and 14 Cal. Adm. Code 2905.

APPROVALS OBTAINED:

United States Corps of Engineers.

FURTHER APPROVALS REQUIRED:

California Coastal Commission.

EXHIBITS:

- A. Land Description.
- B. Location Map.

CALENDAR ITEM NO. C 05 (CONT'D)

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO P.R.C. 6370, ET SEQ.
2. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 AS A CATEGORICAL EXEMPT PROJECT, CLASS 2, REPLACEMENT OR RECONSTRUCTION 2 CAL. ADM. CODE 2905(b).
3. AUTHORIZE ISSUANCE TO THE PEBBLE BEACH COMPANY, OF A 25-YEAR GENERAL LEASE - RECREATIONAL USE BEGINNING NOVEMBER 1, 1984; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$625, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$20,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$1,000,000; FOR ONE EXISTING PIER.
4. ACCEPT AS PART PAYMENT OF THE RENTAL FOR THE REPLACEMENT LEASE, A PORTION OF THE RENTAL THAT WAS PAID UNDER THE PRIOR LEASE.

EXHIBIT "A"

WP 2714

BEGINNING at a point on the Mean High Water Line of the Pacific Ocean that bears S 50° 53' 30" W, 394.83 feet, S 88° 09' 30" E, 20.00 feet, and S 01° 50' 30" W, 72 feet more or less from the most westerly corner of that certain 1.620 acre parcel of land, so shown and so designated on "Record of Survey of a Portion of Rancho El Pescadero, Monterey County, California", recorded at Volume X-1, page 172 of Surveys, Monterey County; thence S 01° 50' 30" W, 199.00 feet, N 88° 09' 30" W, 55.54 feet, N 01° 50' 30" E, 41.33 feet, N 50° 51' 49" E, 20.58 feet, N 01° 50' 30" E, 156.17 feet to a point on said Mean High Water Line, thence easterly along said Mean High Water Line to the point of beginning, containing 0.205 acre, more or less.

END OF DESCRIPTION

Prepared SAH 11/12/75 Checked Alan Keffing
Reviewed Donald Brittracher Date 11/17/75



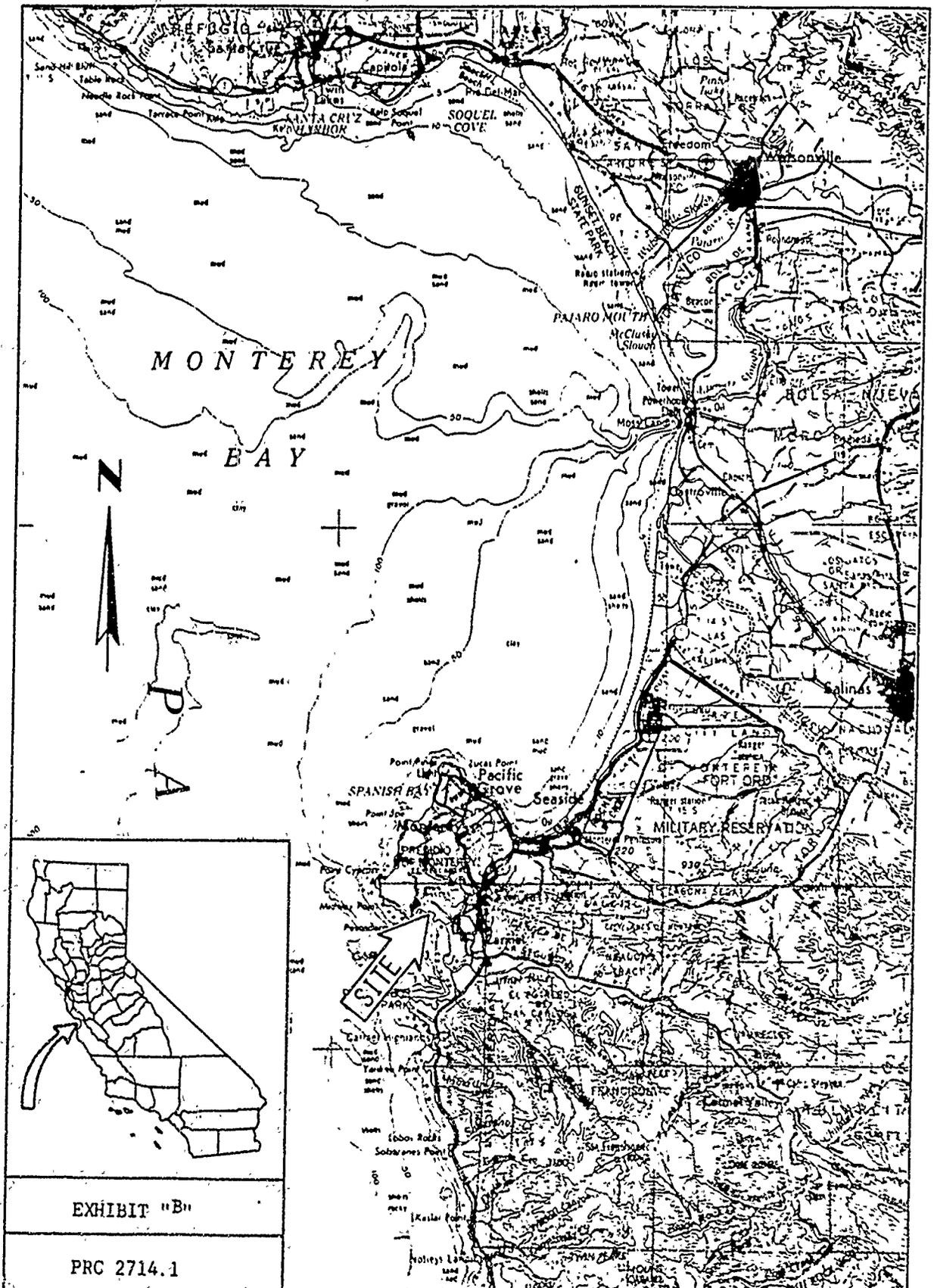


EXHIBIT "B"

PRC 2714.1