

MINUTE ITEM

This Calendar Item No. 23  
was approved as Minute Item  
No. 23 by the State Lands  
Commission by a vote of 2  
to 0 at its 2/28/85  
meeting.

CALENDAR ITEM

A 57

S 29, 30

23

02/28/85

W-23535

G 05-04

Horn

DETERMINATION UNDER PUB. RES. CODE 6701 ET SEQ.,  
CONCERNING A LEASE/OPERATING AGREEMENT  
BETWEEN UNION ICE LIMITED PARTNERSHIP (UILP),  
A CALIFORNIA LIMITED PARTNERSHIP AND THE  
CITY OF LOS ANGELES (BOARD OF HARBOR COMMISSIONERS)

UILP 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 must 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 Los Angeles,  
Board of Harbor Commissioners  
c/o R. W. Kennedy  
Director of Property Management  
P. O. Box 151  
San Pedro, CA 90733

LESSEE: Union Ice Limited Partnership  
c/o Ann Gorkin  
Coudert Brothers  
Four Embarcadero Center  
Suite 3550  
San Francisco, CA 94111

AREA, TYPE LAND AND LOCATION: Approximately 3.95 acres of filled tidelands near the corner of Neptune Avenue and Water Street in the Port of Los Angeles.

LAND USE: Public municipal freezer warehouse and services.

(REVISED 02/21/85)

-1-

CALENDAR PAGE	93
MINUTE PAGE	756

CALENDAR ITEM NO. 23 (CONT'D)

**TERMS OF LEASE:**

**Duration:** 30 years from January 1, 1977.

**Rental:** First five years - \$10,819 per month.  
Current rental - \$14,644 per month with  
five-year rental adjustment.

**Insurance:** \$500,000/\$1,000,000 for bodily injury and  
\$50,000 for property damage plus fire  
insurance.

**Improvements:** The lessor (City) owns all the building  
improvements. The Lessee owns all  
fixtures, including the refrigeration  
equipment.

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

**ORIGINAL LESSEE:**

The Union Ice Company, a California corporation, assigned  
its interest in the lease to OILP on March 24, 1984.

**ENVIRONMENTAL IMPACT OF THE LEASE:**

Issuance of the original lease was found by the LA Harbor  
Department to be categorically exempt from the requirements  
of CEQA.

**CONFORMANCE WITH GRANTING STATUTES:**

Staff believes the lease is for a use that is fully  
consistent with the granting statutes.

**DISPOSITION OF LEASE PROCEEDS:**

All revenues derived from the lease are required by City  
Charter Section 145 to be deposited to the credit of the  
harbor revenue fund. The fund is impressed with the trust  
and the proceeds may be expended only for purposes directly  
related to the operation, maintenance, and improvement of  
the granted lands. The deposition 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 INTEREST OF THE STATE?**

The municipal ice plant/warehouse performs a valuable  
service in the furtherance of waterborne commerce and  
commercial and recreational fishing. The use conforms to  
local and regional (port) plans.

CALENDAR ITEM NO. 23 (CONT'D)

Rental for use of the premises is calculated as follows:

Land - 172,161 sq. ft. @ \$5/sq.ft. @ 10% return =	\$ 86,081
Bldgs - \$802,374 depreciated replacement cost amortized over 30 years	\$802,374 x 10.54% = 84,570
Lighting - \$32,000 installation cost (ten year amortization)	\$32,000 x 15.86% = 5,075
Annual	\$175,726
Monthly	\$ 14,644

Staff believes the rental reflects a reasonable return on the value of the land and buildings.

The current use of the site is part of an overall plan that fosters public use of the tidelands. The Port will gain revenues reflecting the value of the public land and all income accruing from the lease will be used for the betterment of the granted lands and aids in promoting trust uses of the lands.

OTHER PERTINENT INFORMATION:

1. 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 because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

AB 884: N/A.

EXHIBIT: A. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.

CALENDAR ITEM NO. 23 (CONT'D)

2. MAKE THE FOLLOWING DETERMINATION REQUIRED BY SECTION 6702 OF THE P.R.C., AS APPLYING TO THAT CERTAIN LEASE (AND THE FIRST AND SECOND AMENDMENTS THERETO), DATED OCTOBER 27, 1976, BETWEEN THE CITY OF LOS ANGELES (BOARD OF HARBOR COMMISSIONERS) AND UNION ICE LIMITED PARTNERSHIP (SUCCESSOR TO THE UNION ICE COMPANY) ON FILE IN THE PRINCIPAL OFFICE OF THE COMMISSION AND BY REFERENCE MADE A PART HEREOF:

(a) THAT SAID LEASE (AND FIRST AND SECOND AMENDMENTS) IS IN ACCORDANCE WITH THE TERMS OF THE GRANTS UNDER WHICH TITLE TO THE LANDS IN QUESTION ARE HELD BY THE CITY OF LOS ANGELES.

(b) THAT ALL REVENUES DERIVED FROM THE LEASE SHALL BE DEPOSITED IN THE CITY'S "HARBOR REVENUE FUND" EXPENDABLE ONLY FOR STATE-WIDE PUBLIC PURPOSES AS AUTHORIZED BY THE GRANTING STATUTES.

(c) THAT SAID LEASE (AND FIRST AND SECOND AMENDMENTS THERETO) IS IN THE BEST INTEREST OF THE STATE.

3. AUTHORIZE STAFF TO TAKE ALL STEPS NECESSARY TO GIVE EFFECT TO THESE FINDINGS AND DETERMINATIONS.

CALENDAR NO.	96
MINUTE NO.	759

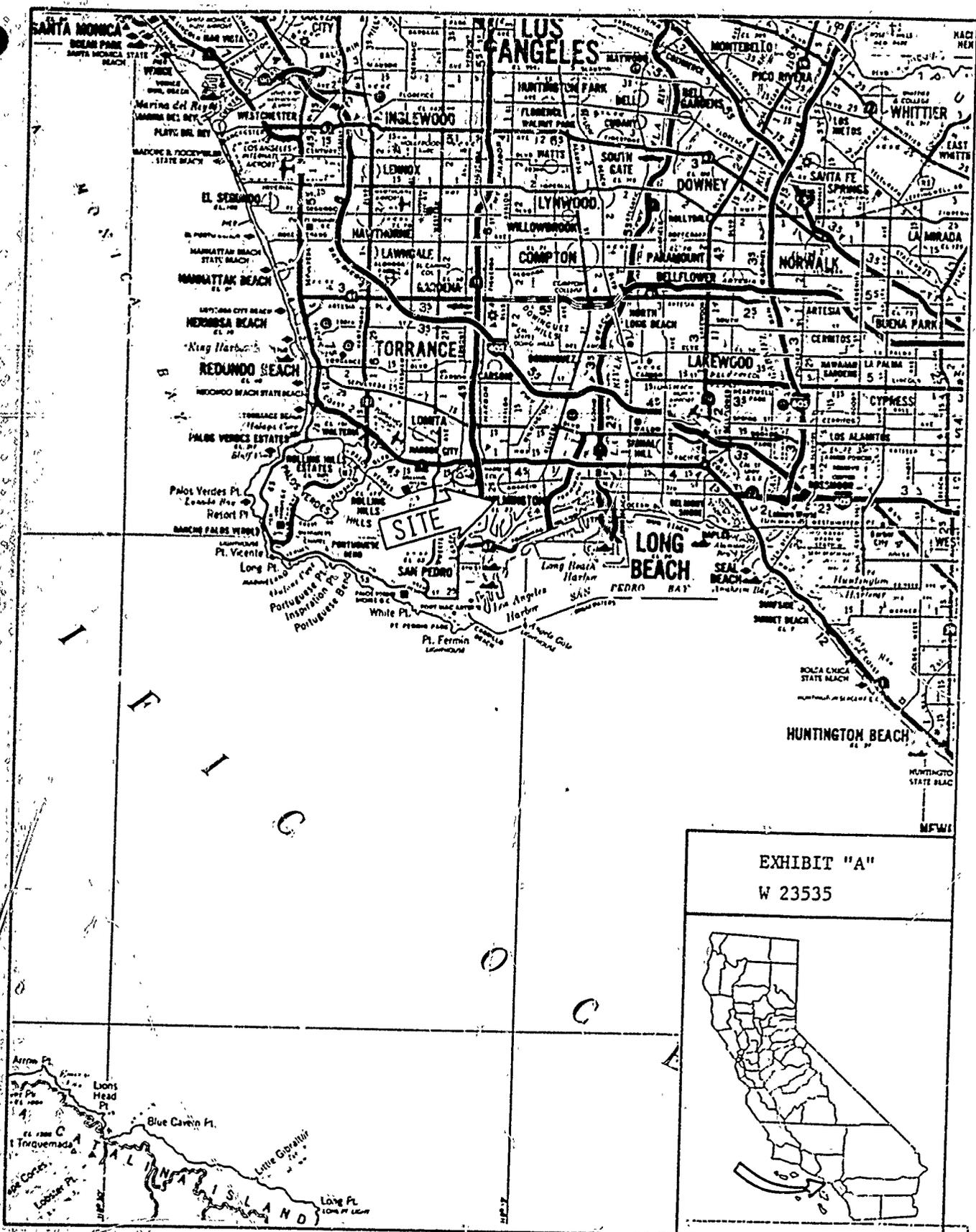


EXHIBIT "A"  
W 23535



97  
7:60