MINUTE ITEM

This calendar item C14
was approved as Minute Item
No. 14 by the State Lands
Commission by a vote of 2
to 0 at its 8/29/85
meeting.

CALENDAR ITEM
C14

08/29/85
PRC 2546
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CONSENT TO SUBSTITUTION OF PLEDGED
SPECIAL SAVINGS ACCOUNT IN LIEU OF SURETY BOND

APPLICANT: Crockett Marine Service, Inc.
P. O. Box 367
Crockett, California 94525

AREA, TYPE LAND AND LOCATION:
Ten acres, more or less, tide and submerged land, Contra Costa County.

LAND USE: Boat harbor, marina repair, restaurant and sea scout facility.

TERMS OF LEASE PRC 2546, AS AMENDED ON SEPTEMBER 25, 1984:

Initial period: 49 years beginning August 20, 1960.

Surety bond: $100,000.

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

Consideration: $8,100 per annum; five-year rent review.

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 September 25, 1984, under Minute Item C12, the Commission approved the terms of amendment of lease PRC 2546 as described herein. The unresolved bond matter discussed below, however, prevents final issuance of the necessary implementing amendment document.

2. The principals of Crockett Marine Service, Inc. have been unable to provide the required $100,000 surety bond, and the lease amendment, therefore, has not yet been executed by the State. In substitution for the bond, the Lessee has offered to set up a special savings account with his banking organization. The account would be pledged as security for the performance of the lease, and would call for the following provisions:

   a. An initial deposit of $2,000.

   b. Monthly deposits into the account such that, at the close of 15 years, the principle and compound interest will accumulate to $100,000.

   c. That no part of the account would be released except upon the express written consent of the State Lands Commission.

3. Staff believes the Lessee's offer to establish the described savings account, in lieu of a bond, is an acceptable alternative and accordingly commends it for favorable consideration.

4. 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 under the general rule that CEQA applies only to projects which have the potential for

causing a significant effect on the environment. The staff believes there is no possibility that this activity may have a significant effect on the environment.

Authority: 14 Cal. Adm. Code 15061(b)(3).

APPROVALS OBTAINED:
None.

FURTHER APPROVALS REQUIRED:
None.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THIS ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THERE IS NO POSSIBILITY THAT THIS ACTIVITY MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT. (14 CAL. ADM. CODE 15061(b)(3))

2. CONSENT, IN LIEU OF A SURETY BOND, TO THE ESTABLISHMENT OF A SPECIAL SAVINGS ACCOUNT TO BE PLEDGED AS SECURITY FOR THE PERFORMANCE OF THE TERMS AND CONDITIONS OF LEASE PRC 2546, SAID SPECIAL ACCOUNT TO EMBODY THE FOLLOWING PROVISIONS:

   A) THE PLACEMENT OF AN INITIAL DEPOSIT OF $2,000 INTO SAID ACCOUNT ON OR BEFORE SEPTEMBER 9, 1985; AND

   B) SUFFICIENT MONTHLY DEPOSITS INTO SAID ACCOUNT TO ASSURE THAT THE ACCUMULATED PRINCIPLE AND INTEREST THEREIN WILL ACCRUE TO $100,000, NOT LATER THAN 15 YEARS FROM SUCH INITIAL DEPOSIT; AND

   C) THAT NO PART OF THE ACCOUNT SHALL BE RELEASED EXCEPT UPON THE EXPRESS WRITTEN CONSENT OF THE STATE LANDS COMMISSION.

3. DIRECT STAFF TO OBTAIN WRITTEN VERIFICATION SHOWING COMPLIANCE WITH THE FOREGOING PROVISIONS.

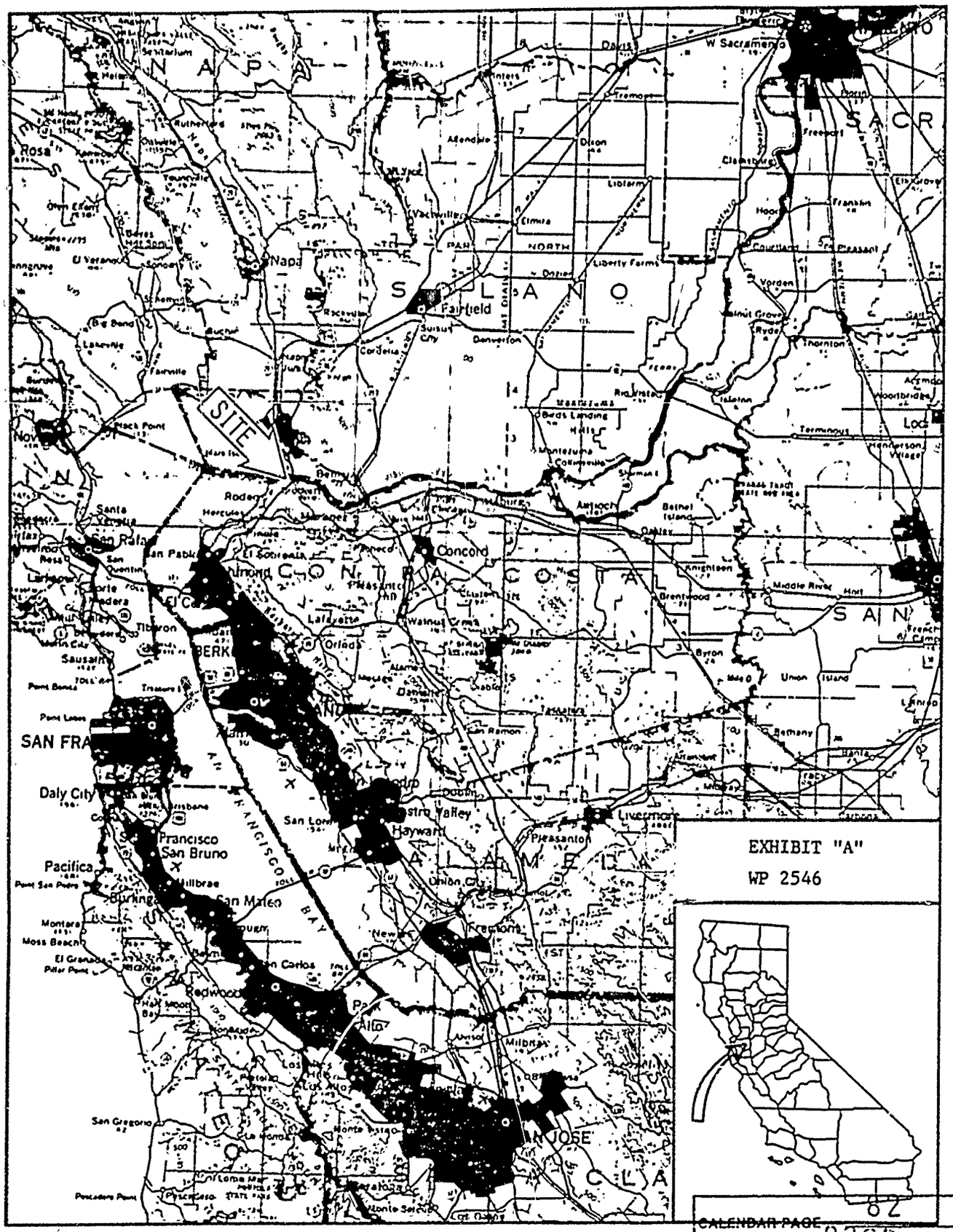

EXHIBIT "A"

WP 2546

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