

MINUTE ITEM

This Calendar Item No. 20
was approved as Minute Item
No. 20 by the State Lands
Commission by a vote of 2
to 0 at its 7/24/86
meeting.

CALENDAR ITEM

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07/24/86
W 20936 PRC 7001
A. Scott
Hadly

APPROVAL OF A 49-YEAR PUBLIC AGENCY LEASE

APPLICANT: City of Sacramento
Attn: "Doc" Wisham
City Hall
915 "I" Street
Sacramento, California 95814

BACKGROUND:

The City of Sacramento has during the past years been in the process of developing "Old Sacramento" as a historically correct recreation of the area as it appeared in the early 1850's. As part of this process, the City has proposed the development of the waterfront in a manner that would depict the river front as it was in the same time frame as the "Old Sacramento" development. The City has begun the construction of the necessary improvements along the river such as docks, piers, buildings and floating vessels which are historically correct in their placement and outward appearance. These improvements will be used for commercial income producing activities as well as other non-income generating public uses. The City has funded the construction of the necessary public facilities and some of the access structures leading to private developments located on the river. Funding for this construction has been through the City's Redevelopment Agency and construction has occurred over the past several years. The first major commercial development the "Delta King" is to be located on the waterfront before the end of this year.

The City plans to construct and will sublease to private parties two small structures which are to be located on the pier occupying the proposed lease area. These structures will most probably be used for restaurant/lounge type businesses. The "Delta King" will be located waterward of the pier and will have several businesses conducted within its restored exterior

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i.e. small hotel, restaurant/lounge, small shops and a museum/theater. The current dock used by tour boats will be augmented by the historically recreated hulk "Globe". No other major improvements are expected over the lease area at this time. Should future historic vessels be constructed for this area they will be required, pursuant to the terms of this lease, to have only those types of uses which are consistent with the Public Trust.

CURRENT SITUATION:

The City must provide for the location of the "Delta King" and other future developments which will be located on lands under the jurisdiction of the State Lands Commission. The Commission's staff has for some time been in the process of negotiating a Public Agency Lease with members of the staff of the City. The Proposed Lease will allow the City a reasonable period of time to recover the major investment of money the City has made in providing access to the river and at the same time provide a monetary return to the Commission for the State land being used for commercial purposes.

This development is a continuation of the "Old Sacramento" project and as such was found by the City of Sacramento, as lead agency for the project, "to be exempt from the requirements of CEQA as an ongoing project, because it is a part of the planned development which was begun prior to the enactment of CEQA," pursuant to the CEQA Guidelines, Section 15261.

The basic terms of the proposed Lease are as follows:

TERM: 49 years beginning on July 1, 1986.

RENTAL: Nominal rent of one dollar per year for the first five years; 20 percent of the gross rental received by the City for the following 20 years with the State reserving the right to adjust the percentage for the remainder of the lease term. Exempt from gross rental are those activities conducted by the City for public benefit at nominal cost.

SUBLEASE APPROVAL: State to approve all future subleases. All future subleases to require fair market rents as defined by the American Institute of Real Estate Appraisers. State to approve, as part of this proposed lease, a sublease to the "Delta King" which has already been executed between the City and the "Delta King".

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EXHIBITS: A. Land Description.
 B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. CONCUR WITH THE FINDINGS OF THE CITY OF SACRAMENTO THAT THIS PROJECT IS EXEMPT FROM THE CEQA AS AN ONGOING PROJECT, PURSUANT TO THE CEQA GUIDELINES, SECTION 15261.
2. AUTHORIZE THE EXECUTION ON BEHALF OF THE COMMISSION OF THAT MASTER LEASE BETWEEN THE COMMISSION AND THE CITY OF SACRAMENTO SUBSTANTIALLY IN THE FORM ON FILE IN THE OFFICES OF THE COMMISSION.
3. APPROVE AS REQUIRED UNDER THE MASTER LEASE TO THE CITY OF SACRAMENTO THAT SUBLEASE TO THE "RIVERBOAT DELTA KING" WHICH IS ATTACHED TO THE MASTER LEASE AS AN EXHIBIT.

EXHIBIT "A"

LAND DESCRIPTION

W 20936

A strip of tide and submerged land in the bed of the Sacramento River, in the City of Sacramento, Sacramento County, California, described as follows:

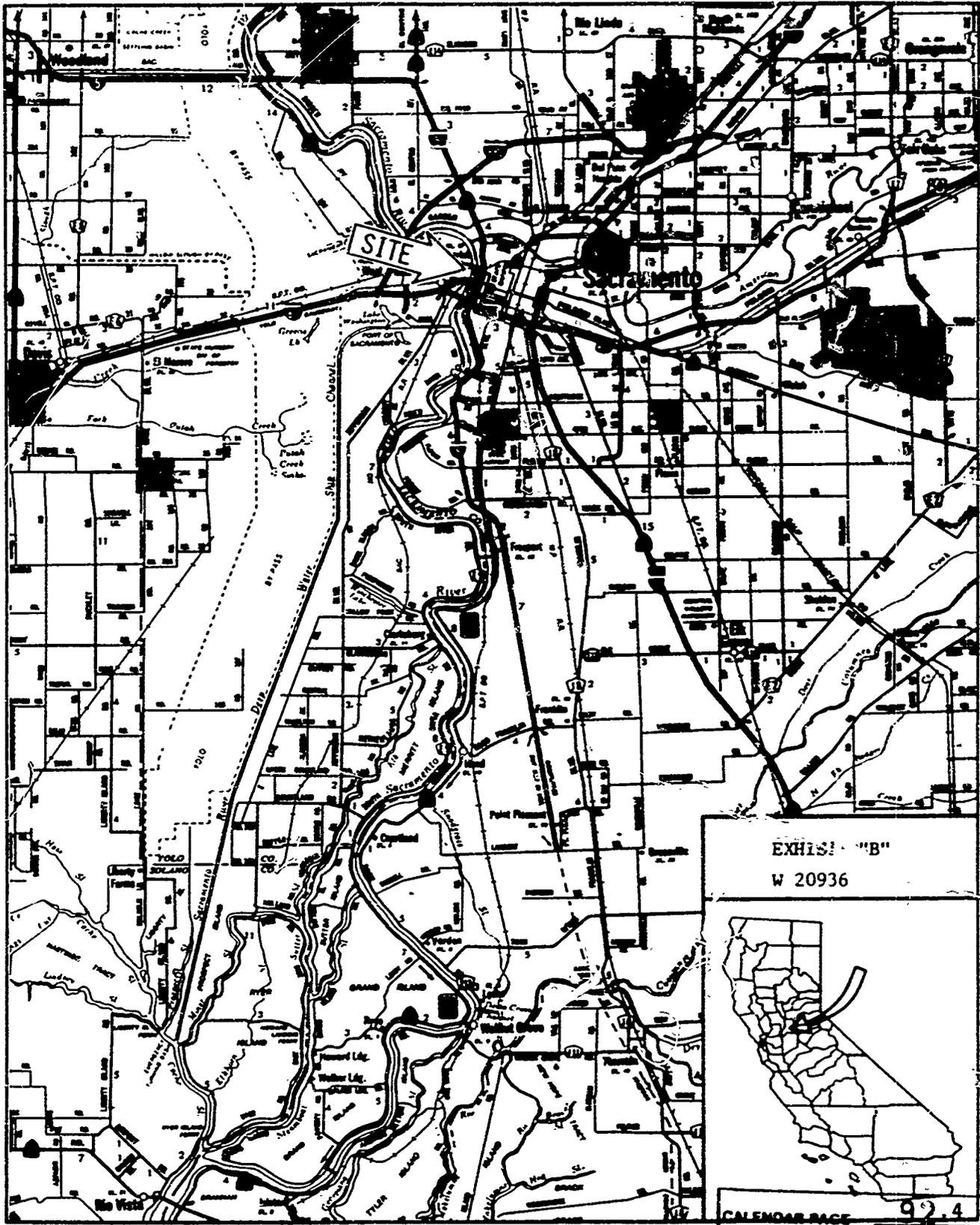
Bounded on the north by the "I" Street Bridge, bounded on the south by the Tower Bridge, bounded on the east by the seawall along the left bank of the Sacramento River, and bounded on the west by the centerline of the Sacramento River.

EXCEPTING THEREFROM any portion thereof lying landward of the ordinary high water mark of the Sacramento River.

END OF DESCRIPTION

PREPARED JUNE 30, 1986 BY BOUNDARY SERVICE'S UNIT, M. L. SHAFER, SUPERVISOR.

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SITE

Sacramento

EXHIBIT "B"
W 20936



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