MINUTE ITEM
This Calendar Item No. 13
was approved as Minute Item
No. 13 by the State Lands
Commission by a vote of 3
to 0 at its 9-23-87
meeting.

CALENDAR ITEM

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PRC 623
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TEMPORARY REDUCTION OF LIABILITY INSURANCE
AND CHANGE ANNUAL RENTAL PAYMENT TO QUARTERLY PAYMENTS
FOR GENERAL LEASE -COMMERCIAL USE

PARTIES: Harry C. Schilling and Harry W. Schilling
841 W. Brannan Island Road
Isleton, California 95641

AREA, TYPE LAND AND LOCATION:
A 1.76-acre parcel of tide and submerged land in the Sacramento River in the City of Sacramento, Sacramento County.

LAND USE: Commercial marina (Captain's Table).

TERMS OF PRESENT LEASE:

Initial period: 15 years beginning January 28, 1975.

Renewal options: Three successive periods of ten years each.

Surety bond: $3,000

Public liability insurance: $750,000 per occurrence for bodily injury and $50,000 for property damage.

Consideration: $3,664 per annum; five-year rent review.

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

APPLICANT STATUS:
Applicant is owner of upland.

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. The Captain's Table marina is in Reach 2 of the Sacramento River Marina Study and subject to the Commission's moratorium as to redevelopment and expansion. This marina was severely damaged by the 1983 spring flooding of the Sacramento River, losing 280 feet of double tie dock To date, the docks have not been restored to their original configuration.

2. The Applicant is currently able to obtain only $500,000 of liability insurance coverage rather than the required $750,000 amount. In checking with insurance brokers, staff has confirmed that the $750,000 amount is not a common insurance policy size and that the next larger policy amount of one million would cost many thousands more in premium fees. With the above-noted reduction in dock space, staff is willing to recommend that the present $500,000 insurance is sufficient until such time as the lost dockage is restored.

3. The Applicant has submitted a letter requesting that his annual rental payment be changed to allow quarterly payments. Allowing this change would smooth out their monthly expenses.

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 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.

EXHIBIT: A. Location 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.

2 APPROVE A CHANGE OF THE REQUIRED INSURANCE COVERAGE FROM $750,000/$50,000 to $500,000 COMBINED SINGLE LIMIT COVERAGE UNTIL 280 FEET, MORE OR LESS, OF LOST DOCKAGE IS RESTORED. UPON RESTORATION OF THE LOST DOCKAGE, THE REQUIRED MINIMUM COMPREHENSIVE GENERAL LIABILITY INSURANCE IS TO BE $750,000, COMBINED SINGLE LIMIT.

3. APPROVE THE APPLICANT CHANGING FROM ANNUAL RENTAL PAYMENTS TO QUARTERLY RENTAL PAYMENTS, EFFECTIVE JANUARY 28, 1987. FOR THIS LEASE, THE QUARTERLY DATES ARE JANUARY 28, APRIL 28, JULY 28 AND OCTOBER 28 OF EACH YEAR.

4. ALL OTHER TERMS OF THIS LEASE TO REMAIN THE SAME.

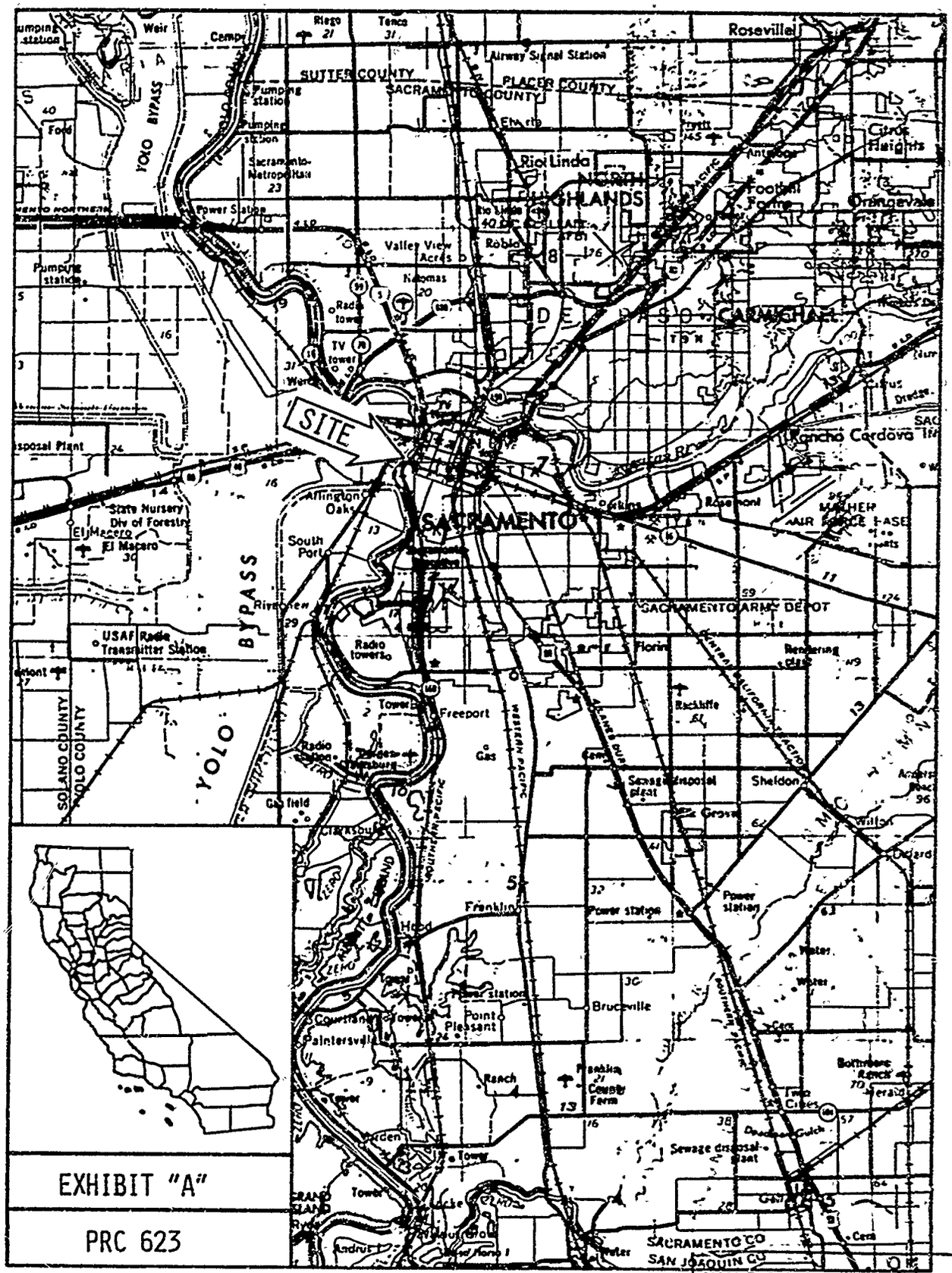

EXHIBIT "A"

PRC 623