

MINUTE ITEM

This Calendar Item No. 45
was approved as Minute Item
No. 45 by the State Lands
Commission by a vote of 3
to 0 at its 2/6/89
meeting.

CALENDAR ITEM

A 58

45

02/06/89
PRC 5924
Townsend

S 37

TERMINATION OF GENERAL PERMIT - RECREATIONAL USE

LESSEE: Coastline Development Corporation
Attn: Jack T. Lillard
190 Cobblestone Lane
Anaheim, California 92807

AREA, TYPE LAND AND LOCATION:
A .13-acre parcel of sovereign land located in
Huntington Harbour at Sunset Beach, Orange
County.

LAND USE: Maintenance of landscaping and recreational
facilities.

TERMS OF PERMIT:
Initial period: 35 years beginning January 1,
1981.
Public liability insurance: Combined single
limit coverage of \$500,000.
Consideration: \$2,360 per annum; five-year
rent review.

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

APPLICANT STATUS:
N/A.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:
N/A.

CALENDAR ITEM NO. 45 (CONT'D)

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Code of Regulations: Title 2, Div. 3;
Title 14, Div. 6.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. This General Permit - Recreational Use was initially issued to Harbour Point Estates, for a period of 35 years, effective January 1, 1981. The lease premises encompassed a .056-acre parcel of filled sovereign land to be used for maintenance of landscaping and open space for recreational use ancillary to proposed multi-residential use on adjacent land.

By its action on March 28, 1985, the Commission authorized an assignment of the lease to Coastline Development Corporation, and amendment of the lease to provide for the following:

- a. An increase in the lease premises to include an additional .075-acre parcel located in the State-owned channel.
- b. An amendment of the authorized improvements to include landscaping, riprap and fill, two boat docks, and portable gazebo and barbeque units. These improvements were to be completed by November 1, 1985.
- c. An increase in the lease rental from \$1,550 to \$2,350 per annum.
- d. An increase in the public liability insurance from \$300,000 to \$500,000, combined single limit coverage.

By its action on August 29, 1985, the Commission approved the fixing of a new rental in the amount of \$2,360 per annum, effective January 1, 1986, the fifth anniversary of the lease.

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In February 1986, staff received an application for assignment of the lease to Jack and Arie Van Leeuwen. By letter, staff advised the agent for the Van Leeuwens that the application was incomplete. The application lacked a copy of a grant deed or other vesting document conveying the adjacent property to the Van Leeuwens. Staff also asked for the status of the authorized improvements and, if not in place, proposed plans by the Van Leeuwens. Staff never received a response to the incomplete letter from the Van Leeuwens agent, or to its phone calls. The assignment to the Van Leeuwens was never completed.

In September 1986, staff was informed by Coastline's lender, Delta Savings Bank, that it had foreclosed on Coastline. (Its action did not include the State's lease.) In March 1987, while attempting to collect back rent, staff was contacted by Mr. Kerrin, attorney for Coastline. He advised that Coastline had filed bankruptcy in 1986 or earlier. Staff of the Commission did not receive notice of the bankruptcy, and the information was not verified. In May 1988, a demand letter was sent to Coastline; no response was received.

In June 1988, staff was contacted by Walt Sawyer of Look Properties, who advised that the parcel is owned by the Van Leeuwens and is in the process of being sold. By phone contact, and by letter, Mr. Sawyer was advised of the status of the lease, the incomplete status of the Van Leeuwen's application, and the application criteria to now assign the lease. Mr. Sawyer has advised staff that the Van Leeuwens are not interested in pursuing assignment of the lease.

The parcel remains undeveloped. Rent is due for the 1987 and 1988 lease years. This amount is subject to penalty and interest.

CALENDAR ITEM NO. 15 (CONT'D)

Staff recommends that this lease be terminated, and that staff of the Commission and the Office of the Attorney General take all steps necessary, including litigation, to collect back rent. Upon termination, staff will record a Notice of Termination of Lease in the Official Records of the Orange County Recorder, as conclusive evidence against Lessee and all persons claiming under Lessee of the termination of said lease.

2. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. but will not affect those significant lands.
3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 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. Code Regs. 15378.

- EXHIBITS:
- A. Land Description.
 - B. 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. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. TERMINATE THE GENERAL PERMIT - RECREATIONAL USE, PRC 5924, TO COASTLINE DEVELOPMENT CORPORATION, EFFECTIVE UPON RECORDATION OF A NOTICE OF TERMINATION OF LEASE, IN THE OFFICIAL RECORDS OF ORANGE COUNTY RECORDER, AS CONCLUSIVE EVIDENCE AGAINST COASTLINE DEVELOPMENT CORPORATION AS LESSEE, AND ALL PERSONS CLAIMING UNDER COASTLINE DEVELOPMENT CORPORATION AS LESSEE OF THE TERMINATION OF SAID LEASE, FOR THE LAND DESCRIBED IN EXHIBIT "A", ATTACHED AND BY REFERENCE MADE A PART HEREOF.

CALENDAR ITEM NO. 45 (CONT'D)

3. DIRECT STAFF OF THE COMMISSION AND THE OFFICE OF THE ATTORNEY GENERAL TO TAKE ALL STEPS NECESSARY, INCLUDING LITIGATION, TO COLLECT BACK RENTAL, PLUS ANY PENALTY AND INTEREST CHARGES.

EXHIBIT "A"

LAND DESCRIPTION

WP 5924

A parcel of filled tideland and a parcel of tide and submerged land at Sunset Beach, Orange County, being a portion of Tide Land Location 221 as described in the patent from the State of California, recorded in Book 1 of Patents, Instrument No. 22084, on April 4, 1903, in the Office of the County Recorder of said county, being more particularly described as follows.

Parcel 1

BEGINNING at the extreme southern corner of the 200-foot wide State-owned channel described as Strip B in Book 6368, Page 411 (at Page 413), of Official Records of Orange County, thence along the easterly side line of said 200-foot wide channel, ii $33^{\circ} 44' 29''$ E, 68.63 feet more or less to the mean high water line along the northern line of said filled tidelands, thence westerly and southwesterly along said mean high water line the following 3 courses: westerly along a curve concave southerly, the center point of which bears $S 15^{\circ} 53' 02''$ W 70.25 feet, through a central angle of $12^{\circ} 43' 37''$ an arc length of 15.61 feet to a tangent curve concave southerly, the center point of which bears $S 03^{\circ} 09' 25''$ W 111.82 feet, through a central angle of $25^{\circ} 11' 09''$ an arc length of 49.15 feet to a tangent point on a westerly line; thence along said line $S 67^{\circ} 58' 16''$ W 17.19 feet more or less to the southwesterly boundary of the land conveyed to Lomita Land and Water Company, recorded December 7, 1908, in Book 160, Page 282 of Deeds, said point being on the southwesterly line of said 200-foot wide State-owned channel; thence leaving said mean high water line southeasterly along said southwesterly line 61.21 feet more or less to the point of beginning.

PARCEL 2

BEGINNING at a point on the northwesterly line of Parcel 1 above from which the most westerly corner of said Parcel 1 bears $S 67^{\circ} 58' 16''$ W 2.84 feet; thence leaving said northwesterly line $N 20^{\circ} 30' 00''$ W 46.94 feet; thence $N 69^{\circ} 30' 00''$ E 66.00 feet, thence $S 20^{\circ} 30' 00''$ E 57.71 feet to said northwesterly line; thence southwesterly along said northwesterly line to the point of beginning.

END OF DESCRIPTION

REVISED JULY 17, 1984 BY BOUNDARY AND TITLE UNIT.

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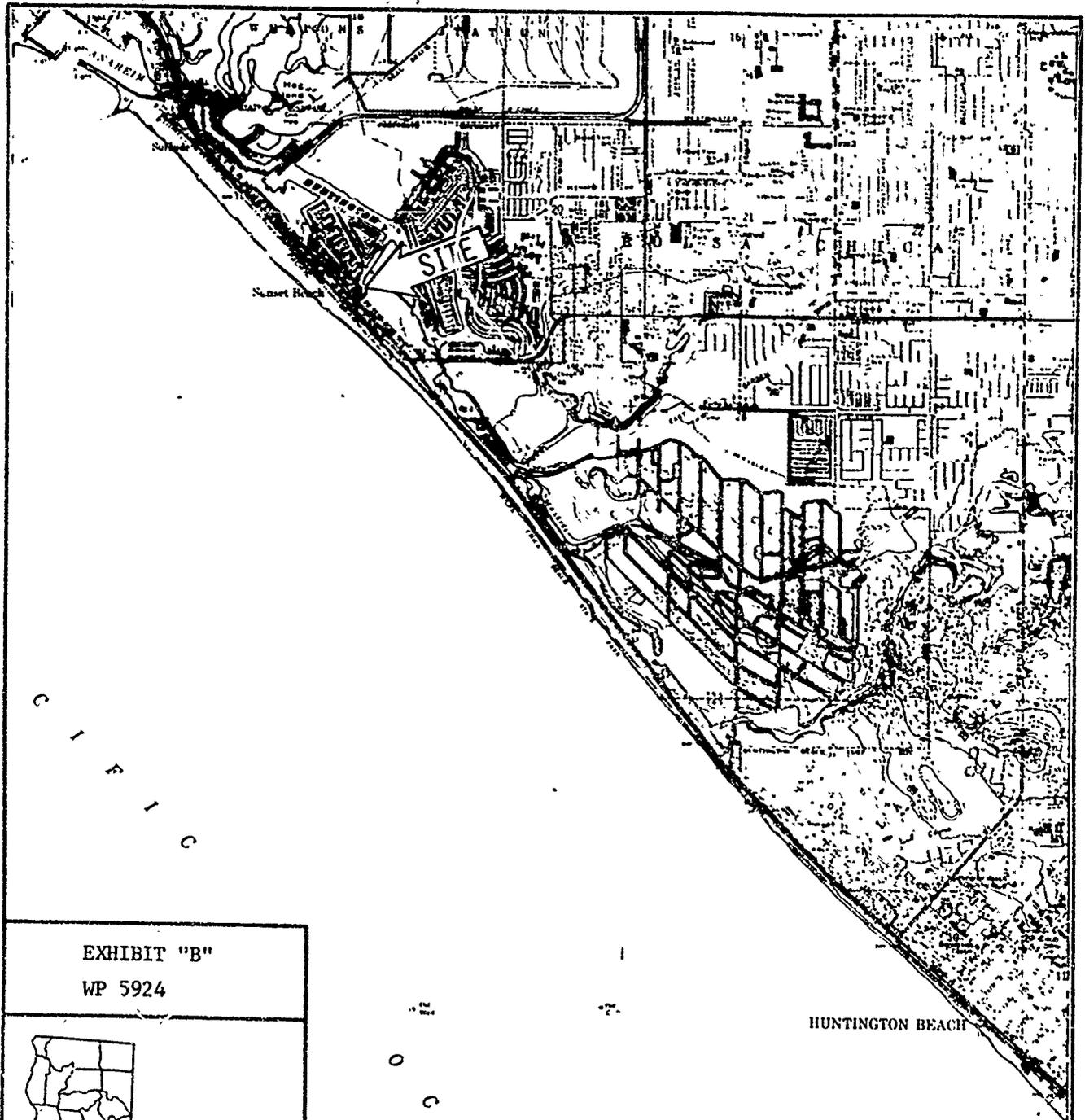


EXHIBIT "B"
 WP 5924



HUNTINGTON BEACH

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