

MINUTE ITEM
This Calendar Item No. C11
was approved as Minute Item
No. 11 by the State Lands
Commission by a vote of 3
to 0 at its 3/23/89
meeting.

CALENDAR ITEM

A 10

C 11

03/23/89

S 6

PRC 7001

A. Scott

Hadly

APPROVAL BY ENDORSEMENT OF A SUBLEASE BETWEEN
THE CITY OF SACRAMENTO, MASTER LESSEE
AND H. E. G. ENTERPRISES, SUBLESSEE

MASTER LESSEE: City of Sacramento
City Hall
915 I Street
Sacramento, CA 95814

PROPOSED SUBLESSEE:
H. E. G. Enterprises, Inc.
Attn: Hal Griffith
610 Avenida Victoria
San Clemente, CA 92672

BACKGROUND:

On July 24, 1986, the State Lands Commission approved the issuance to the City of Sacramento of a "Master Lease" covering a portion of the Sacramento River along the waterfront of "Old Sacramento". The Master lease recognized that the City would from time to time enter into subleases for areas of the waterfront covered by the Master Lease. The Commission has approved, as part of previous actions, other subleases within the Master Lease of the City (sublease for the Delta King).

(ADDED pgs. 67-67.5)

-1-

CALENDAR PAGE	<u>67</u>
MINUTE PAGE	<u>752</u>

CALENDAR ITEM NO. C11 (CONT'D)

CURRENT SITUATION:

The City requests the approval of the Commission for the sublease of a portion of the Master Lease area to H.E.G. Enterprises, Inc. for the operation of two restaurants proposed in existing buildings along the Sacramento River waterfront in Old Sacramento. The term of the sublease, together with proposed option for extension, will not exceed the remaining term of the Master Lease and the rent required appears to be consistent with market rates. The sublessee will make minor modifications to the existing deck along the waterfront, but all construction will be within the existing Master Lease area.

Staff believes that the proposed sublease is consistent with the Master Lease and recommends that it be approved.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. 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. (Approval of Sublease);

and as a categorically exempt project. The project is exempt under Class 1, Minor Addition to Existing Facilities, 14 Cal. Adm. Code 15301. Authority: P.R.C. 21084 and 14 Cal. Code Regs. 15300.

and 2 Cal. Code Regs 2905(a)(2). Authority: P.R.C. 21084, 14 Cal. Code Regs. 15300, and 2 Cal. Code Regs. 2905. (Addition to Existing Deck)

- EXHIBIT:
- A. Location Map.
 - B. Proposed Container Language.

CALENDAR ITEM NO. C 11 (CONT'D)

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 (APPROVAL OF SUBLEASE); AND AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, MINOR ADDITION TO EXISTING FACILITY, 14 CAL. CODE REGS. 15301; AND 2 CAL. CODE REGS. 2905(a)(2) (ADDITION TO EXISTING DECK).
2. AUTHORIZE THE STAFF, PROVIDED THAT THE LANGUAGE SUBSTANTIALLY IN THE FORM OF THAT CONTAINED IN EXHIBIT "B" ATTACHED HERETO IS INCORPORATED IN THE SUBLEASE, TO APPROVE, BY ENDORSEMENT, A SUBLEASE BETWEEN THE CITY OF SACRAMENTO AND H.E.G. ENTERPRISES COVERING A PORTION OF THE AREA OF THE SACRAMENTO RIVER IN "OLD SACRAMENTO" UNDER THE MASTER LEASE PRC 7001. THE SUBLEASE TO ALLOW FOR THE OPERATION BY THE SUBLESSEE OF VARIOUS RESTAURANT AND FAST FOOD BUSINESSES.

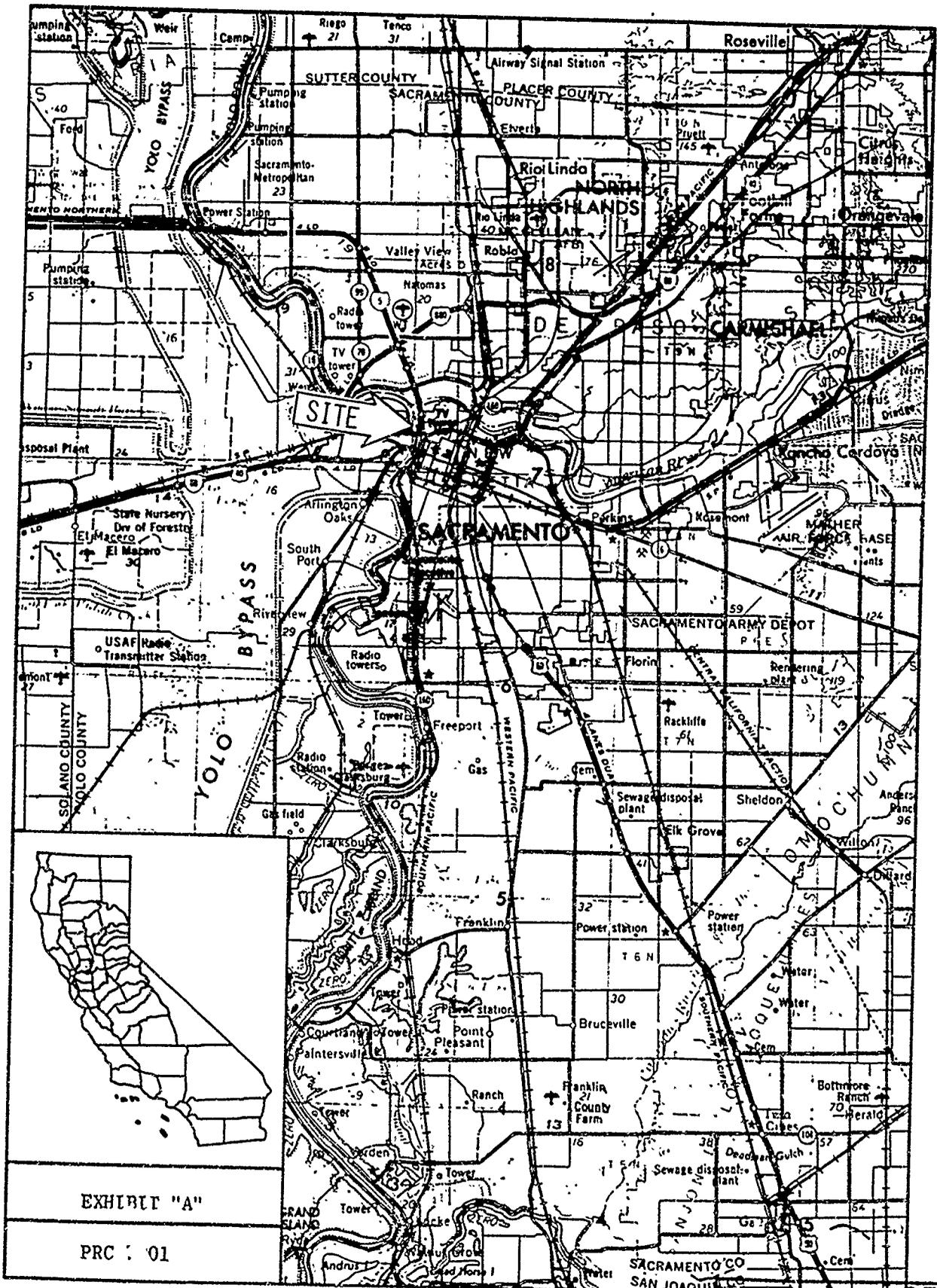


EXHIBIT "A"

PRC : 01

CALENDAR PAGE 67.3
 MINUTE PAGE 755

EXHIBIT "B"

1. Lessee shall not, after the effective date of this sublease, provide to its customers any prepared food in polystyrene foam food packaging, nor shall Lessee obtain or keep any polystyrene foam food packaging of a type, design and condition suited for providing prepared food to its customers for consumption off the leased premises.
2. Lessee's food packaging for prepared food to be consumed off the premises or for takeout food, shall be degradable and Lessee shall provide upon demand evidence in the form of paid invoices to indicate the purchase of degradable containers in amounts sufficient to indicate compliance with this section.
3. For purposes of this sublease the following definitions are applicable.
 - a. "Prepared food" means foods or beverages which are prepared on the leased premises by cooking, chopping, slicing, mixing, freezing or squeezing, and which require no further preparation to be consumed.
 - b. "Food packaging" means all bags, sacks, wrapping, containers, bowls, plates, trays, cartons, cups, straws and lids which are not intended for reuse, on or in which any foods or beverages are placed or packaged on the leased premises.
 - c. "Takeout food" means prepared foods or beverages requiring no further preparation to be consumed and which are purchased in order to be consumed off the leased premises.
 - d. "Polystyrene foam" means any styrene or vinyl chloride polymer which is blown into a foam-like material, an example of which is marketed under the trade name "styrofoam".
 - e. "Degradable food packaging" means food packaging which within two years substantially reduces to its constituent substances through degradation processes initiated by natural organisms whose end products are substantially, but not necessarily entirely, carbon dioxide and water. Degradable food packaging does not include cellulose-based items which have a synthetic or plastic coating comprising more than 5% of the total volume of the item.
4. The above conditions shall be in effect until such time as the State Lands Commission adopts regulations and/or policies on the subject of plastic pollution. To the extent that such policies or regulations differ from the foregoing provisions and definitions, the parties hereby agree that the sublease will be amended to incorporate the policies adopted by the

State Lands Commission. If the State Lands Commission has adopted no such policies or regulations by the Commencement Date, 21 months from execution of the sublease, then the foregoing provisions and definitions will be in effect for the full term of the sublease.

5. This sublease is subject to the terms and conditions of that "Master Lease" by and between the State Lands Commission and the City of Sacramento entered into on November 1, 1986; and identified in the records of the State Lands Commission as P.R.C. 7001 and in the City records as City Agreement No. 86013.
6. Pursuant to Paragraph 7 of the above referenced "Master Lease" any encumbrancing or hypothecation of the leasehold established by this sublease is subject to the prior written approval of the State Lands Commission and shall be accomplished only through the use of an agreement substantially in the form of encumbrancing agreement attached as an exhibit to the referenced "Master Lease".

CALENDAR PAGE	67.5
MINUTE PAGE	757