MINUTE ITEM
This Calendar Item No. 16
was approved as Minute Item
No. 16 by the State Lands
Commission by a vote of 2
1 at its 1/17/90
meeting.

MINUTE ITEM

16

01/17/90
PRC 4244
Maricle

RENTAL INCREASE PROTEST

During consideration of Item 16, attached, Lucille Peck appeared before the Commission to protest a staff-recommended rental increase from $225 per annum to $720 per annum, proposed following a five-year rental review.

After considerable discussion, the Commission moved the motion and voted 2 to 1 to increase the rent to $590 per annum, with a five-year rent review.

Attachment: Calendar Item 16.

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16

01/17/90
PRC 4244
Maricle

RENTAL INCREASE PROTEST

LESSEE

Lucille Peck
15815 Sutter Island Road
Courtland, California 95615

AREA, TYPE LAND AND LOCATION:
A 0.328-acre parcel of tide and submerged land in the Sacramento River near Steamboat Slough, Sutter Island, Sacramento County.

LAND USE: Accommodation dock.

TERMS OF EXISTING LEASE:

Initial period: 49 years beginning February 26, 1965.

Surety bond: $2,000.

Public liability insurance: $200,000/$600,000 per occurrence for bodily injury and $100,000 for property damage.

Consideration: $225 per annum; five-year rent review.

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

APPLICANT STATUS:
Applicant is owner of upland.

ADDED (1/16/90)

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STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Code Regs.: Title 2, Div. 3; Title 14, Div. 6.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. The initial rental for the Lessee's use of the State's property was $150 per annum. In accordance with the rent review provision in the lease agreement, it was subsequently increased to $225 per annum, pursuant to a rental review in 1976; the Commission approved the increase under Minute Item No. 26 on February 26, 1976.

2. By letter dated July 8, 1985, the staff notified the Lessee of a proposed second rental increase in which the rent would have been adjusted to $590 per annum, effective February 26, 1986. The Lessee asked that such matter be reconsidered, and the increase was removed from consideration, Item C9, of the Commission's meeting of August 29, 1985. The adjustment did not take place, and the rental thus remains at $225 per annum, from that time until the present, to the Lessee's benefit.

3. On November 22, 1989, the staff again notified the Lessee of a proposed rental increase, effective February 26, 1990, the 25th anniversary date, so as to adjust the rent to $720 per annum. The Lessee has appealed such increase to the Commission, and has planned to appear at this meeting relative to that appeal.

4. The proposed rental increase is in keeping with rents required of other lessees, and should be approved, in the view of the staff, as being appropriate for the Lessee's use of sovereign land at the location of the demised premises. In addition, the Lessee has not provided any information to justify a retention of the present rental rate.

0.849

5. Staff has been advised and appreciates the fact that the Lessee underwent extensive and costly repairs of the improvements on the leased parcel. Most lessees, however, must also eventually bear such costs, without any breaks in the annual rent. Moreover, it is a lease requirement that improvements on the State's land be kept in good repair, and compliance with such duty does not affect rental considerations. Accordingly, the proposed rental is believed to be fair and just, and is recommended herewith for the Commission's review and consideration.

6. 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.

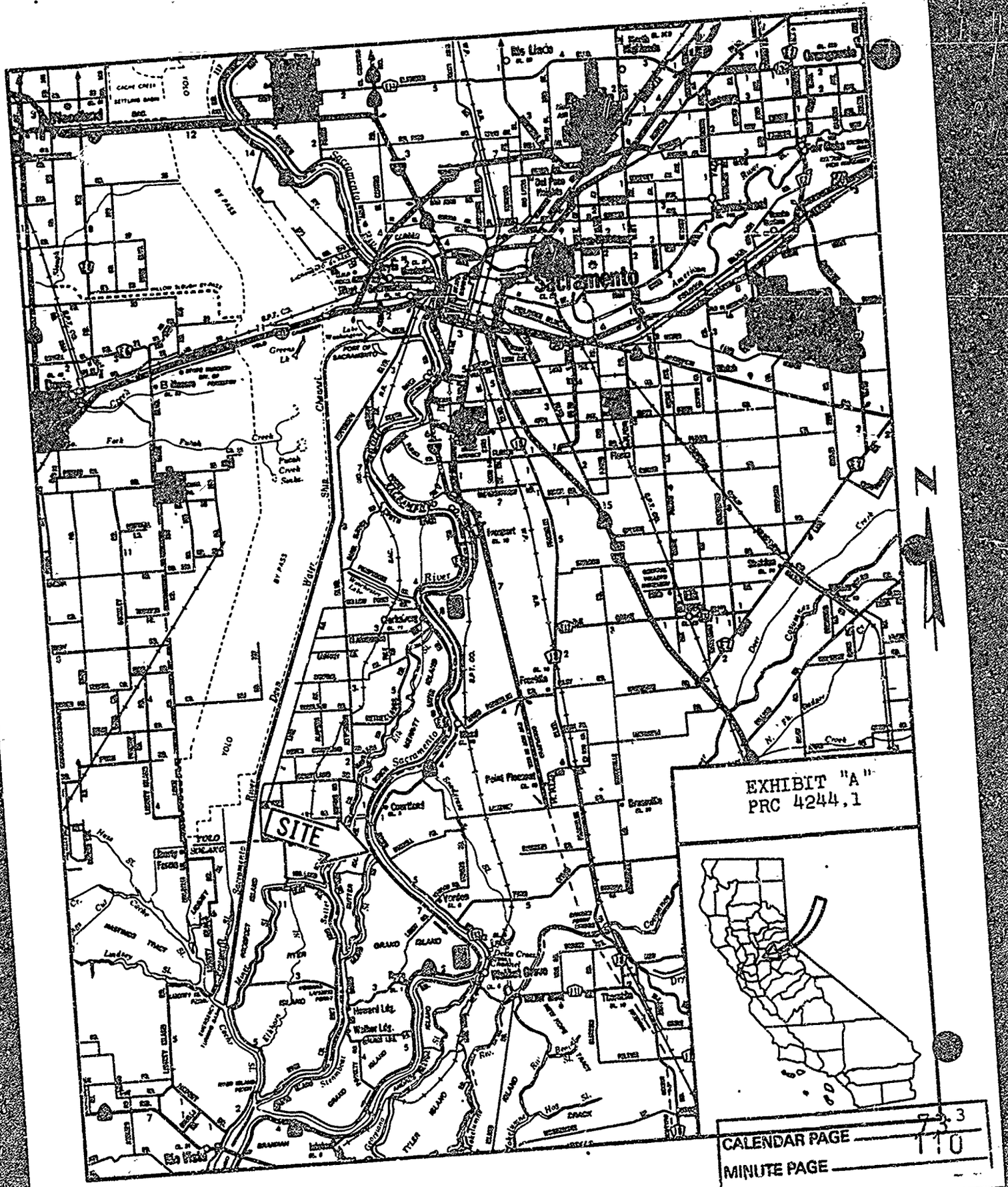
EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.

2. ADJUST THE ANNUAL RENTAL FOR LEASE PRC 4244 TO $720, EFFECTIVE FEBRUARY 26, 1990.

0.850



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