

CALENDAR ITEM

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07/15/91

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PRC 6855

Grimmett

Simmons

REQUEST FOR RECONSIDERATION OF RENTAL INCREASE

LESSEE:

Bruno's Island Yacht Harbor, Inc.
1200 Brannan Island Road
Isleton, California 95641-9714

SUMMARY

Lessee, Bruno's Island Yacht Harbor, Inc., through Mr. David Snodderly, contends that they did not receive proper notice for a five-year rent review or for the March 27, 1990 Commission meeting where the rent for their lease was increased from \$6,000 per year to \$8,490 per year. Since May 1, 1990, when the new rental became effective, the Lessee has not paid the additional rent for either 1990 or 1991, contending that it is an inappropriate levy.

Staff does not recommend any change of rental on the Commission's action of March 29, 1990.

BACKGROUND

Pursuant to the General Provisions in the lease providing for review of the annual rental on each fifth anniversary of the lease, staff advised the Lessee, by letter dated August 21, 1989, that a rent review was being conducted. Through the appraisal process, a new rent was established. As the lease requires the Lessee to be notified of the proposed new rent, a minimum of sixty days before the lease anniversary date, May 1, 1990, staff sent a letter dated December 12, 1989 to the Lessee informing them that the rent had been adjusted to \$8,490 per annum and that the change would be on the Commission's agenda for consideration.

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Subsequently, Mr. Snodderly, by letter of December 21, 1989, objected to the increase in rent and asked for information about rent reviews, appraisals, Commission meeting schedules and other matters. Staff responded by letter dated December 28, 1989 explaining Commission authority and procedures for rent reviews, Commission meeting schedules and public notice requirements. After further communication and a personal meeting with the Lessee's representative, Ms. Diana Hall, in February, 1990, the rent review was rescheduled, placed on the calendar and heard at the Commission's March 27, 1990 meeting. The notice for this meeting was sent to all applicants on March 16, 1990, although Mr. Snodderly claims not to have received it until March 28, the day after the meeting. This apparently is the reason Mr. Snodderly did not appear before the Commission to protest the rent increase.

Staff advised the Lessee, by letter dated April 11, 1990, that the Commission had approved the new rent, effective May 1, 1990 and to remit the revised rental of \$8,490. Mr. Snodderly, by letter of January 10, 1991 continued to deny that the rent increase was proper. Staff replied by letter dated January 24, 1991, summarizing the events to date. Finally, Mr. Snodderly, in a letter dated February 24, 1991, continues to contend he received no prior notice of any Commission meetings which concerned him. In addition to normal Commission notice procedures, staff has notified Mr. Snodderly of this meeting by both letter and phone calls.

STATUTORY AND OTHER REFERENCES:

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

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

AB 684:

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.

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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. AFFIRM ITS ACTION OF MARCH 27, 1990 FIXING THE ANNUAL RENTAL RATE FOR BRUNO'S ISLAND YACHT HARBOR, INC. AT \$8,490 PER ANNUM FOR THE FIVE-YEAR PERIOD BEGINNING MAY 1, 1990 FOR THE LANDS CURRENTLY UNDER LEASE.