

MINUTE ITEM

20

04/28/93
WP 3639
A. Scott

AMENDMENT OF LEASE PRC 3639 COVERING MOORINGS AT
SANTA CATALINA ISLAND, LOS ANGELES COUNTY

Calendar Item C20, attached, was pulled from the agenda prior to the meeting.

Attachment: Calendar Item C20

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CALENDAR ITEM

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AMENDMENT OF LEASE PRC 3639 COVERING MOORINGS AT
SANTA CATALINA ISLAND, LOS ANGELES COUNTY

PARTY:

Santa Catalina Island Company
and Santa Catalina Island Conservancy
P. O. Box 737
Avalon, California 90704

AREA, TYPE LAND AND LOCATION:

Approximately 345± acres of tide and submerged lands located
in various coves around Santa Catalina Island in the Pacific
Ocean, Los Angeles County

LAND USE:

Provision and maintenance of 720 revenue producing moorings
and two revenue producing stringlines.

ORIGINAL LEASE TERMS:

Lease period:
15 years beginning January 1, 1982.

Surety bond:
\$125,000

Public liability insurance:
Combined single limit coverage of \$5,000,000

Consideration:
20% of the Gross Income, as defined, against a minimum
annual rent of \$125,000 per annum; five-year rent
review.

PROPOSED LEASE TERMS:

Initial Period:
15 years beginning January 1, 1982.

Surety Bond:
\$125,000.00

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Public Liability Insurance:

Combined single limit coverage in the amount of
\$5,000,000

CONSIDERATION:

A minimum annual rental of \$210,000 payable in two equal installments of \$105,000 each, due on or before March 1 and August 31 of each year of the lease, against the following percentage of gross income:

All Moorings	20% for year 1992
	23% for year 1993
	25% for each year thereafter
Mechanical/boat repairs	4%
Diving Service	5%
All Other Revenue	10%

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Code of Regs. 2003

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing and processing costs have been received.

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 884: N/A

OTHER PERTINENT INFORMATION:

1. This is an existing lease that is in the process of having the rent adjusted in accordance with the terms of the lease. During the processing of the rent adjustment the Lessee and the staff of the Commission felt that the lease needed to be revised to incorporate some changes in the rental methods and the means by which the rent was collected so that this lease would be more consistent with other similar leases of the Commission. Also this lease had been modified significantly in its early years and because of the many changes to the terms and conditions was difficult to interpret by both the staff and the Lessee. In order to make the lease easier to enforce and manage,

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the lease has been revised to incorporate into one document all of the modified terms and conditions.

The most significant change that is incorporated into the revised lease is the modification to the percentage rent, the change of categories of use generating revenue and the segregation of rent revenues. Some of the items that had been subject to percentage rent were provided by the Lessee as a service to the mooring public at cost, i.e. garbage collection and water reprovisioning. These types of income will no longer be included as a rental category.

Lessee is required by the lease to keep and maintain a list of parties wishing to sublease a mooring. The Lessee is required to provide annual copies of these lists to the Commission. The maintenance of these "wait lists" are costly. The information has been found to be of little use when moorings become available because the current lists are not up to date. The revised lease contains a new provision that will allow the Lessee to recover the cost of maintaining these "wait lists" through charges to the individuals on each list. Such charges may not exceed the cost incurred by the Lessee. This will allow the Lessee to devote sufficient time and resources to keeping the "wait lists" current and up to date and will make any site that becomes available for mooring more readily available to the next serious client. Costs recovered by the Lessee for maintaining these lists, as required by the lease, will not be considered as income for purposes of rental due the State.

2. 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.

3. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and

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through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBITS:

A. Location Map

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO P.R.C. 6370, ET SEQ.
2. 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.
3. AUTHORIZE THE EXECUTION ON BEHALF OF THE COMMISSION OF THAT AMENDED LEASE SUBSTANTIALLY IN THE FORM OF THAT AGREEMENT WHICH IS ON FILE IN THE COMMISSION'S SACRAMENTO OFFICE.

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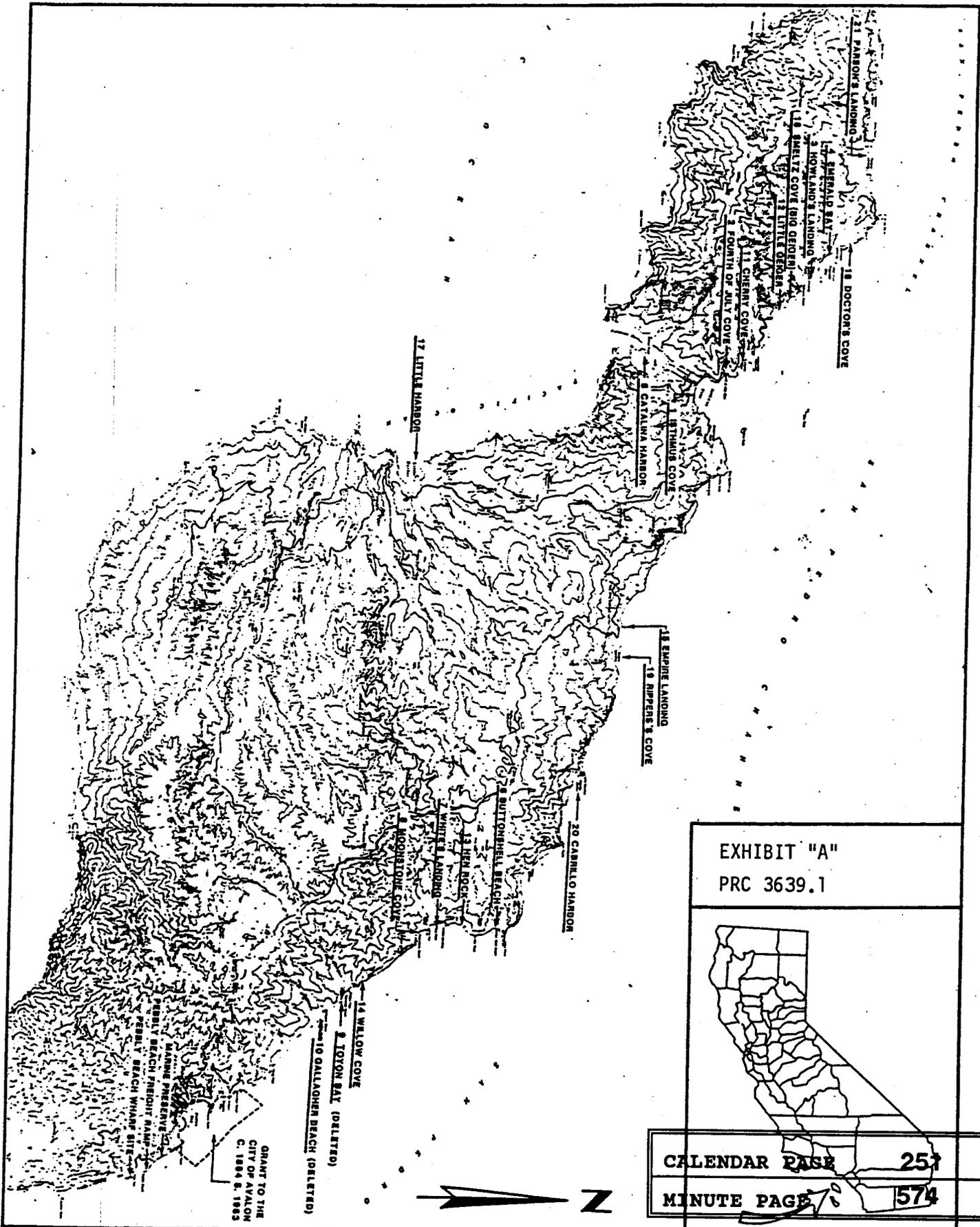
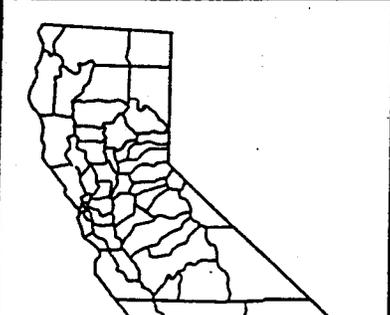


EXHIBIT "A"
 PRC 3639.1



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