

MINUTE ITEM
This Calendar Item No. C36 was approved as
Minute Item No. 36 by the California State Lands
Commission by a vote of 3 to 0 at its
218100 meeting.

**CALENDAR ITEM
C36**

A 9

PRC 532

02/08/00

S 2

WP 532.1

PRC 564.1

N. Smith

**TERMINATION OF LEASE PRC 564
AND ISSUANCE OF A GENERAL LEASE - INDUSTRIAL USE
AND SUBLEASE**

LESSEE/SUBLESSOR:

Henris Investments, L.P.
Attention: Mr. Horace Henris
P.O. Box 138
Petaluma, California 94953-0138

SUBLESSEE:

Northern California Building Materials, Inc.
Attention: Mr. James B. Hill, President
P.O. Box 1620
Windsor, California 95492

AREA, LAND TYPE, AND LOCATION:

0.355 acres, more or less, of sovereign lands in the Petaluma River, near the city
of Petaluma, Sonoma County.

AUTHORIZED USE:

LEASE: The continued use and maintenance of an existing loading pier with
dolphins and off-loading dock for sand and gravel.

SUBLEASE: Same as above.

TERM:

LEASE: Twenty-five years, beginning November 9, 1999.

SUBLEASE: Ten years, beginning March 5, 1990, through February 29, 2000,
with two successive periods of 10 (ten) years, first renewal period
has been approved by both parties.

CALENDAR ITEM NO. C36 (CONT'D)

CONSIDERATION:

LEASE: \$4,860 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SUBLEASE: Incorporates terms of the master lease.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance: Combined single limit coverage of no less than \$1,000,000.

Bond:

\$5,000.

OTHER PERTINENT INFORMATION:

1. Applicant owns the uplands adjoining the lease premises.
2. Sublessee has a right to use the uplands adjoining the lease premises.
3. Lease Nos. PRC 532 and 564 are adjacent to each other and staff determined that combining these leases into one lease would require less staff time to monitor. Mr. Henris sold his building materials business, about ten years ago, to Northern California Building Materials, Inc., and retained ownership of the real property. The lessee and sublessee have approved the first ten-year renewal of the sublease which expires February 28, 2010.
4. As to the lease issuance and sublease, pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

CALENDAR ITEM NO. C36 (CONT'D)

5. As to termination of the Lease, pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 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 the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

6. As to the lease issuance and sublease, this activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

EXHIBITS:

- A. Land Description
- B. Location Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY, TERMINATION OF THE LEASE IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

FIND THAT THE LEASE AND SUBLEASE ACTIVITIES ARE EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES; TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 2905(a)(2).

CALENDAR ITEM NO. C36 (CONT'D)

SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THESE ACTIVITIES ARE CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

AUTHORIZATION:

1. AUTHORIZE TERMINATION OF EXISTING LEASE NO. PRC 564 EFFECTIVE NOVEMBER 9, 1999.
2. AUTHORIZE ISSUANCE TO HENRIS INVESTMENTS, L.P. OF A GENERAL LEASE – INDUSTRIAL USE, BEGINNING NOVEMBER 9, 1999, FOR A TERM OF TWENTY-FIVE (25) YEARS, FOR EXISTING LOADING PIER WITH DOLPHINS AND OFF-LOADING DOCK FOR SAND AND GRAVEL ON THE LAND DESCRIBED ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF \$4,860, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF NO LESS THAN \$1,000,000; SURETY IN THE AMOUNT OF \$5,000.
3. AUTHORIZE A SUBLEASE FROM HENRIS INVESTMENTS, L.P. TO NORTHERN CALIFORNIA BUILDING MATERIALS, INC. OF LEASE NO. PRC 532, MORE PARTICULARLY DESCRIBED ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, EFFECTIVE NOVEMBER 9, 1999, FOR THE PERIOD MARCH 5, 1990 THROUGH FEBRUARY 29, 2000, WITH TWO SUCCESSIVE RENEWAL OPTIONS OF TEN YEARS; AND SUBJECT TO ALL TERMS AND CONDITIONS OF LEASE NO. PRC 532.

EXHIBIT A

LAND DESCRIPTION

PRC 532.1

PARCEL 1

A parcel of tide and submerged land located in the State owned bed and along the right bank of the Petaluma River, County of Sonoma, State of California, said parcel being immediately beneath and extending 40 feet from all sides of an existing pier; said pier being immediately adjacent to that land described as PARCEL 1 in a deed recorded in Book 2861, pages 662 to 665 of the Official Records of Sonoma County.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark of Petaluma River.

END OF DESCRIPTION

Prepared M.L. Shafer Checked R.L. Blake
Reviewed A.H. Kunnicke Date 7/29/76
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PARCEL 2

A parcel of tide and submerged land in the State owned bed of Petaluma River, County of Sonoma, California, said parcel being adjacent to and northeasterly of a parcel of land owned by Horace W. & Dorothy K. Henris, more particularly described as follows:

COMMENCING at Engineers Station 917+01.42 on State Highway Sonoma Route 1, Section 'C' as recorded in Book 2 of Highway Maps at Page 61; thence N 35° 17' E, 310.02 feet; thence N 58° 47' W, 153.47 feet; thence N 60° 39' E to the ordinary high water mark of the right bank of Petaluma River and the TRUE POINT OF BEGINNING; thence northwesterly along said ordinary high water mark to a point from which the most westerly corner of the aforementioned parcel of Henris bears S 60° 39' W; thence N 60° 39' E to a point 55 feet distant at right angles to the ordinary high water mark; thence southeasterly on a line parallel with and 55 feet distant from said ordinary high water mark to a point from which the true point of beginning bears S 60° 39' W; thence S 60° 39' W to the true point of beginning.

END OF DESCRIPTION

Prepared M.L. Shafer Checked R.L. Blake
Reviewed A.H. Kunnicke Date 8/5/76

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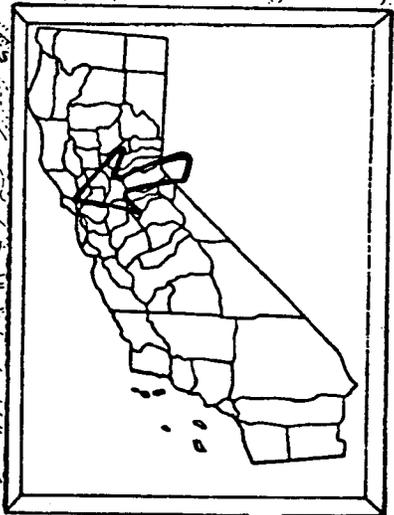
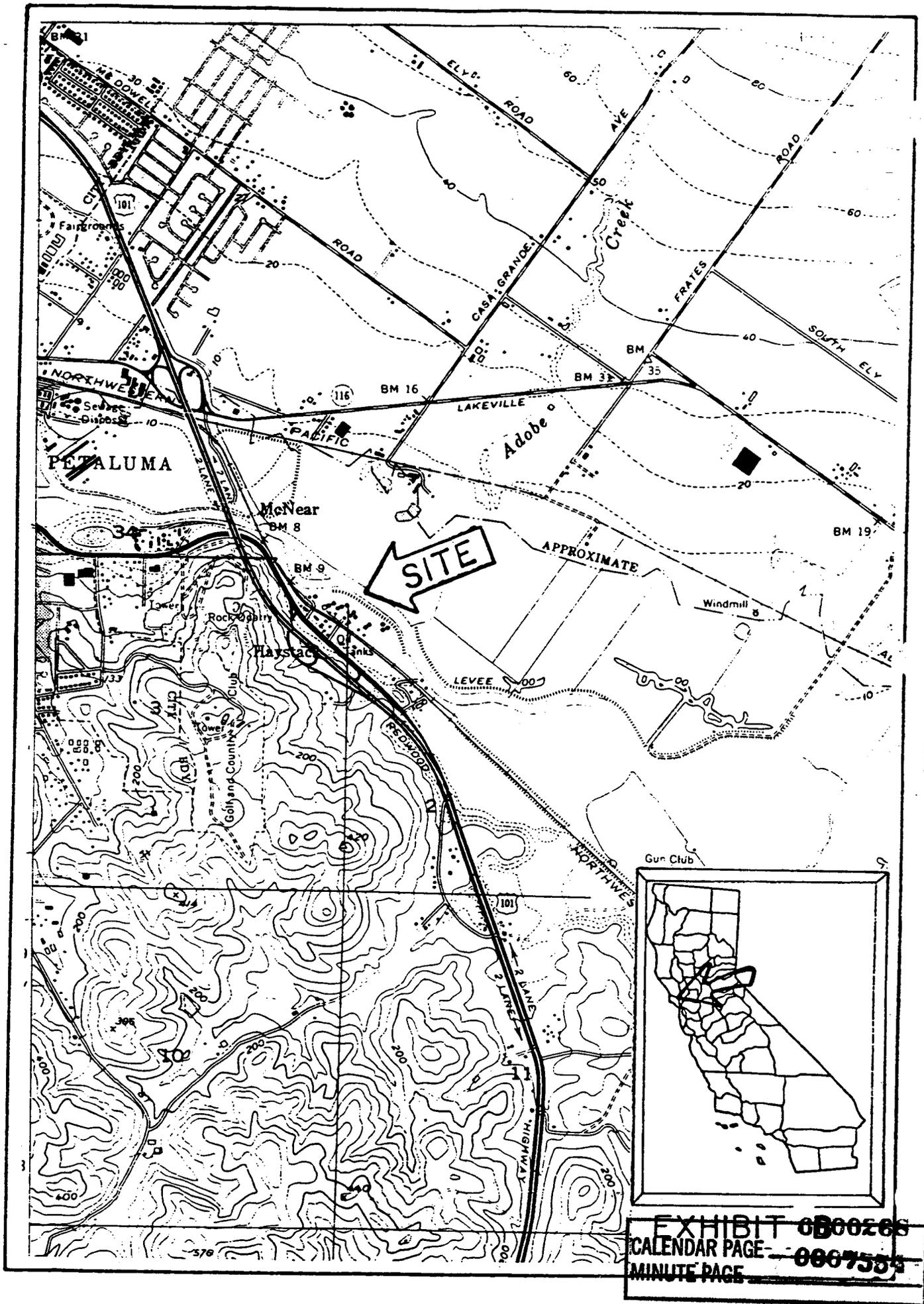


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