

MINUTE ITEM

This Calendar Item No. C05 was approved as Minute Item No. 05 by the California State Lands Commission by a vote of 3 to 0 at its 9-17-01 meeting.

**CALENDAR ITEM
C05**

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09/17/01
PRC 7001 WP 7001.1
L. Burks

SUBLEASE

LESSEE/SUBLESSOR:

City of Sacramento
1030 15th Street, 2nd Floor
Sacramento, California 95814-4009

SUBLESSEE:

Crab Addison, Inc., a Texas Corporation
c/o Landry's Seafood Restaurants, Inc.
1510 West Loop South, Suite 8
Houston, Texas 77027-9505

AREA, LAND TYPE, AND LOCATION:

4.0 acres, more or less, of tide and submerged lands in the Sacramento River, between the I Street Bridge and the Tower Bridge, city of Sacramento, Sacramento County.

AUTHORIZED USE:

LEASE: Continued use and maintenance of docks, walkways, access ramps, floating vessels and any other structures necessary or appurtenant to the development of the State parcel and for the mooring of vessels.

SUBLEASE: The operation of "Joe's Crab Shack" (Tenant) as a restaurant.

TERM:

LEASE: 49 years, beginning July 1, 1986.

SUBLEASE: The term of the sublease shall commence on the "Delivery Date" and shall terminate on June 30, 2035. The Sublease shall take effect and be binding on City and Tenant as of the "Effective Date". "Delivery Date" shall mean the latter of (i) the "Effective Date",

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CALENDAR ITEM NO. C05 (CONT'D)

(ii) the date of close of escrow for the Owner Participation Agreement, or (iii) City's approval of evidence of the Tenant's compliance with the insurance provisions stated in Article 7 of the Sublease. "Effective Date" shall mean the date when all the required signatures have been duly affixed to the Sublease and the Sublease has been approved by the Sacramento City Council and by the California State Lands Commission.

CONSIDERATION:

LEASE: Commencing with Years 1 through 5, City shall pay to the State one dollar (\$1) per year. This will allow the City time to recover the costs of public improvements to the area.

Commencing with Years 6 through 25, the State shall receive twenty percent (20%) of the gross annual rent the City receives from all subleases.

SUBLEASE: The State shall receive twenty percent (20%) of the gross annual rent the City receives.

OTHER PERTINENT INFORMATION:

1. This proposed restaurant will be located just north of the Tower Bridge. The City requests the approval by the Commission of the sublease of a portion of the Master Lease area to Crab Addison, Inc., a Texas Corporation, for the operation of "Joe's Crab Shack" as a restaurant. The term of the sublease, together with proposed option for extension, will not exceed the remaining term of the Master Lease. Staff believes that the proposed sublease to Crab Addison, Inc., is consistent with the Master Lease and recommends that it be approved.
2. A Mitigated Negative Declaration and Mitigation Monitoring Program were prepared and adopted for this project by the city of Sacramento. The California State Lands Commission's staff has reviewed such documents.
3. 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.

CALENDAR ITEM NO. C05 (CONT'D)

APPROVALS OBTAINED:

United States Army Corps of Engineers; State Reclamation Board; California Department of Fish and Game.

EXHIBITS:

- A. Site Plan
- B. Location Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT A MITIGATED NEGATIVE DECLARATION WAS PREPARED AND ADOPTED FOR THIS PROJECT BY THE CITY OF SACRAMENTO AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

ADOPT THE MITIGATION MONITORING PROGRAM, ON FILE IN THE OFFICE OF THE CALIFORNIA STATE LANDS COMMISSION.

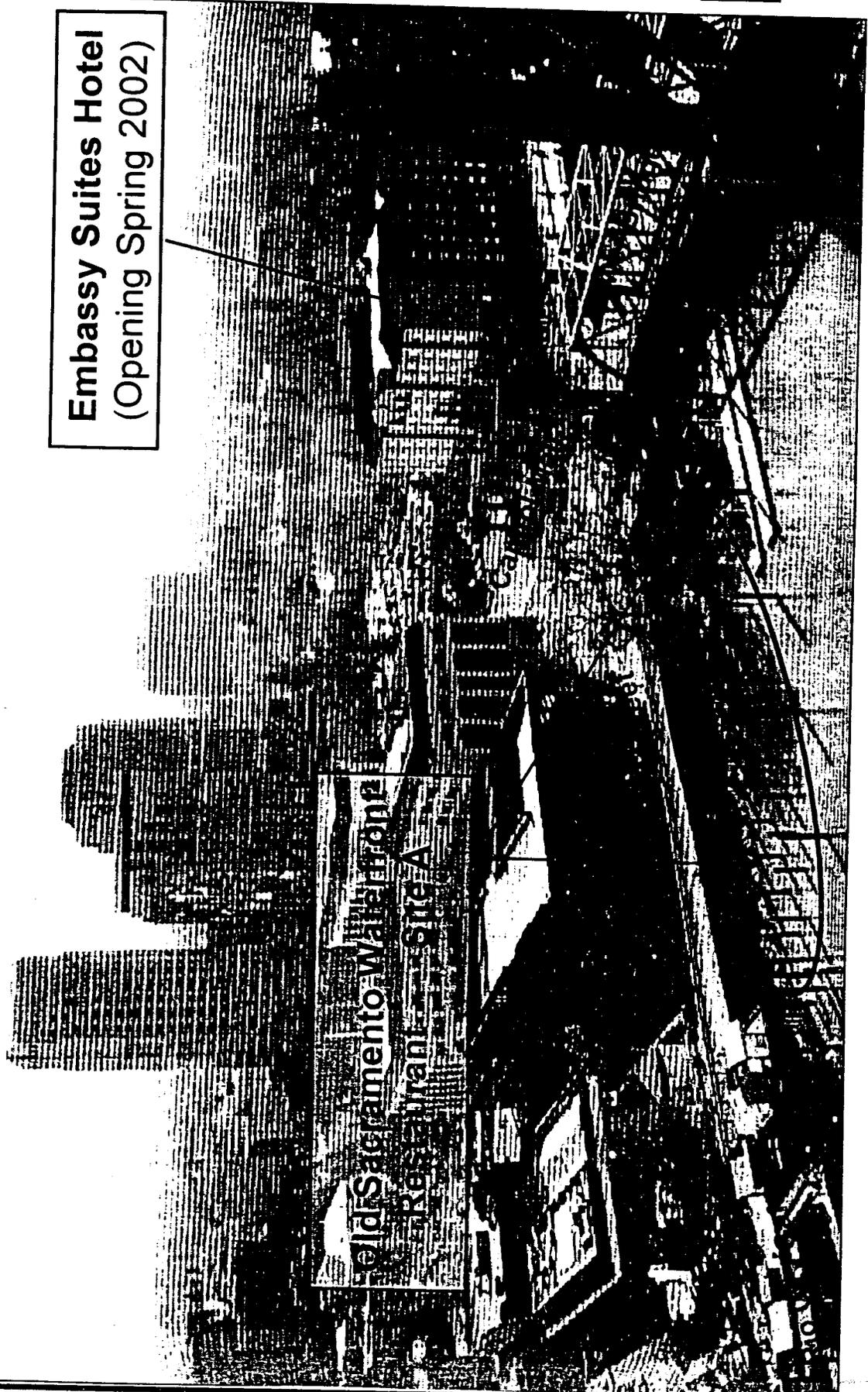
SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

AUTHORIZATION:

AUTHORIZE THE STAFF TO APPROVE, BY ENDORSEMENT, A SUBLEASE BETWEEN THE CITY OF SACRAMENTO AND CRAB ADDISON, INC., A TEXAS CORPORATION, COVERING A PORTION OF THE AREA OF THE SACRAMENTO RIVER UNDER MASTER LEASE NO. PRC 7001.1.

Embassy Suites Hotel
(Opening Spring 2002)



This exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by Lessee or other parties, and is not intended to be, nor shall it be construed as, a waiver or limitation of any state interest in the subject or other property.

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Exhibit A 91384
WP 7001

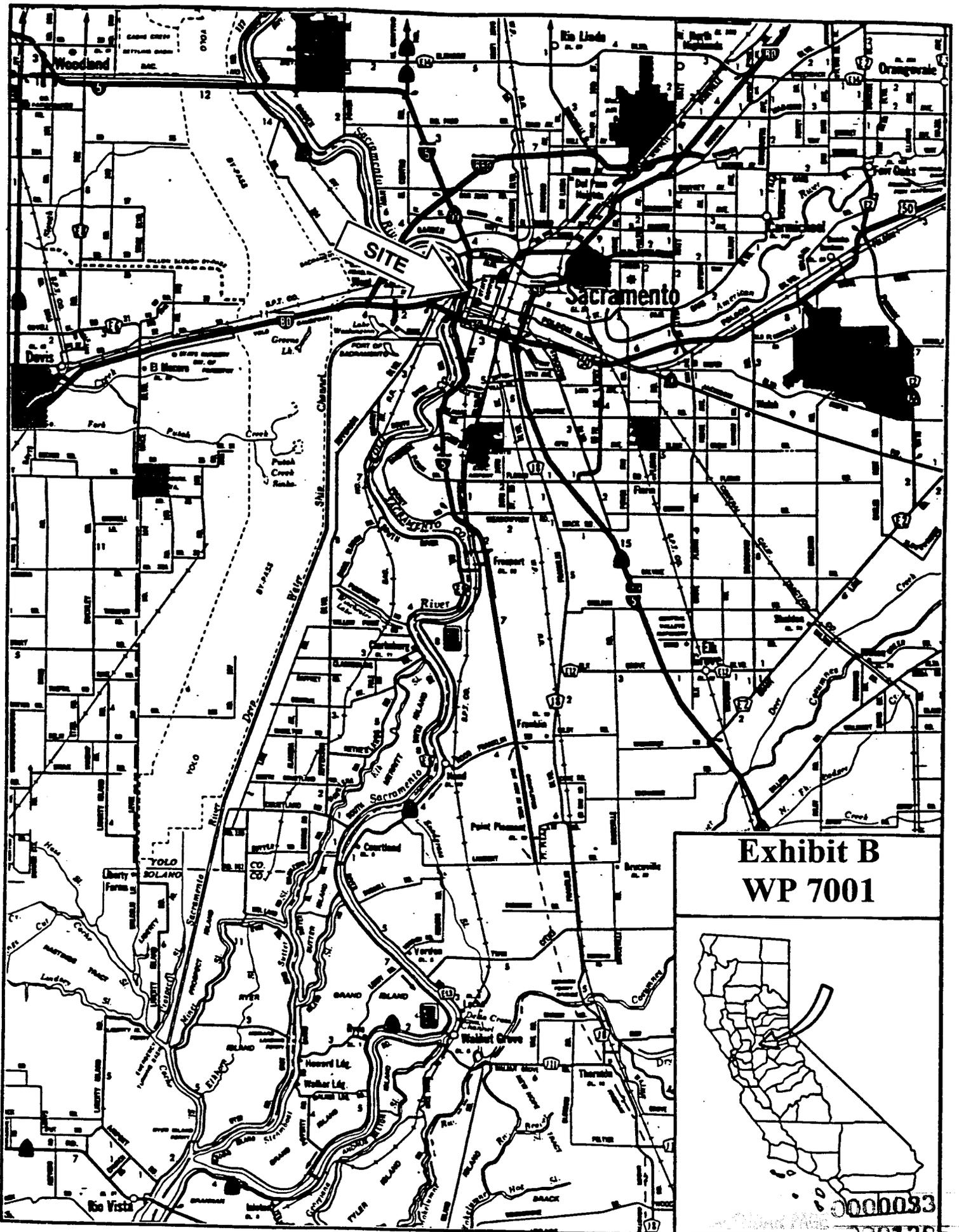


Exhibit B
WP 7001



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91386