

MINUTE ITEM

This Calendar Item No. C44 was approved as Minute Item No. 44 by the California State Lands Commission by a vote of 3 to 0 at its 8-17-04 meeting.

CALENDAR ITEM

C44

A 15,8

S 14,5

08/17/04
PRC 6836 WP 6836.1
N. Quesada

ASSIGNMENT OF LEASE

LESSEE/ASSIGNORS:

Frank Schmiedel, individually and
The Boathouse in Locke, Inc., a California Corporation
13900 River Road
Walnut Grove, CA 95691

River Island Land Co., Inc., a California Corporation
9224 Lake Conroe Drive
Conroe, Texas 77304-1021

ASSIGNEE:

George Heiner

AREA, LAND TYPE, AND LOCATION:

1.456 acres, more or less, of sovereign lands in the Sacramento River, at Locke, near the city of Walnut Grove, Sacramento County.

AUTHORIZED USE:

Continued use and maintenance of an existing commercial marina, boat repair, and storage building.

LEASE TERM:

25 years, beginning January 1, 1985.

CONSIDERATION:

\$3,711 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease and payment of 1.5 cents per gallon on the first 100,000 gallons, and 2.0 cents per gallon on any amount over 100,000 gallons of fuel sold.

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OTHER PERTINENT INFORMATION:

1. Assignee is currently in escrow to purchase the uplands adjoining the lease premises.
2. On May 23, 1985, the Commission authorized a General Lease – Commercial Use to Frank Schmiedel, individually and The Boathouse in Locke, Inc. On December 10, 1997, Frank Schmiedel and The Boathouse in Locke, Inc. assigned the lease to River Islands Land Co., Inc., a California corporation without obtaining the Commission's consent as required by the lease. River Islands Land Co., Inc. now wants to assign the lease to George Heiner who is purchasing the marina and the adjacent uplands.
3. The marina consists of boat slips, indoor boat storage, a boat lift/launch in conjunction with the boat storage, a boat repair shop, a fuel dock and a fuel pump. The facilities located on the State Lease parcel consist of approximately 59 covered berths, a walkway, gangway, two side ties, a debris/current diverter and portion of the boat storage building.
4. A storage statement certificate is required to operate a gasoline dispensing facility and aboveground fuel storage tank from the State Water Resources Control Board on tanks with a capacity of 1,320 gallons or more. One of the existing tanks is 200 gallons and the second one is 6,000 gallons. An annual permit is also required by Sacramento Metropolitan Air Quality Management District. The District inspects the tank, equipment, maintenance, and fuel sale records annually. No known violations have occurred on the fuel storage tanks. The current owner has obtained the required permit from the Sacramento Metropolitan Air Quality Management District, and is in the process of registering with the State Water Resources Control Board.
5. Back rent in the amount of \$15,866 plus \$3,711 in annual rent for 2005 will be paid at the close of escrow should the Commission approve this item, which will bring the lease rental payments current through December 31, 2005.

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6. **Lease Ratification and Assignment:** Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it 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, sections 15060 (c)(3) and 15378.

EXHIBIT:

- A. Location Map

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

1. RATIFY THE ASSIGNMENT OF LEASE PRC 6836.1, A GENERAL LEASE – COMMERCIAL USE, AS REPRESENTED ON THE SOVEREIGN LANDS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, FROM FRANK SCHMIEDEL, INDIVIDUALLY, AND THE BOATHOUSE IN LOCKE, INC., TO RIVER ISLANDS LAND CO., INC., A CALIFORNIA CORPORATION
2. AUTHORIZE THE ASSIGNMENT OF LEASE NO. PRC 6836.1, A GENERAL LEASE - COMMERCIAL USE, AS REPRESENTED IN THE SOVEREIGN LANDS SHOWN ON EXHIBIT A ATTACHED

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AND BY THIS REFERENCE MADE A PART HEREOF, FROM RIVER ISLANDS LAND CO., INC., A CALIFORNIA CORPORATION, TO GEORGE HEINER; EFFECTIVE UPON THE CLOSE OF ESCROW, BUT IN NO EVENT SHALL THIS APPROVAL EXTEND BEYOND OCTOBER 31, 2004.

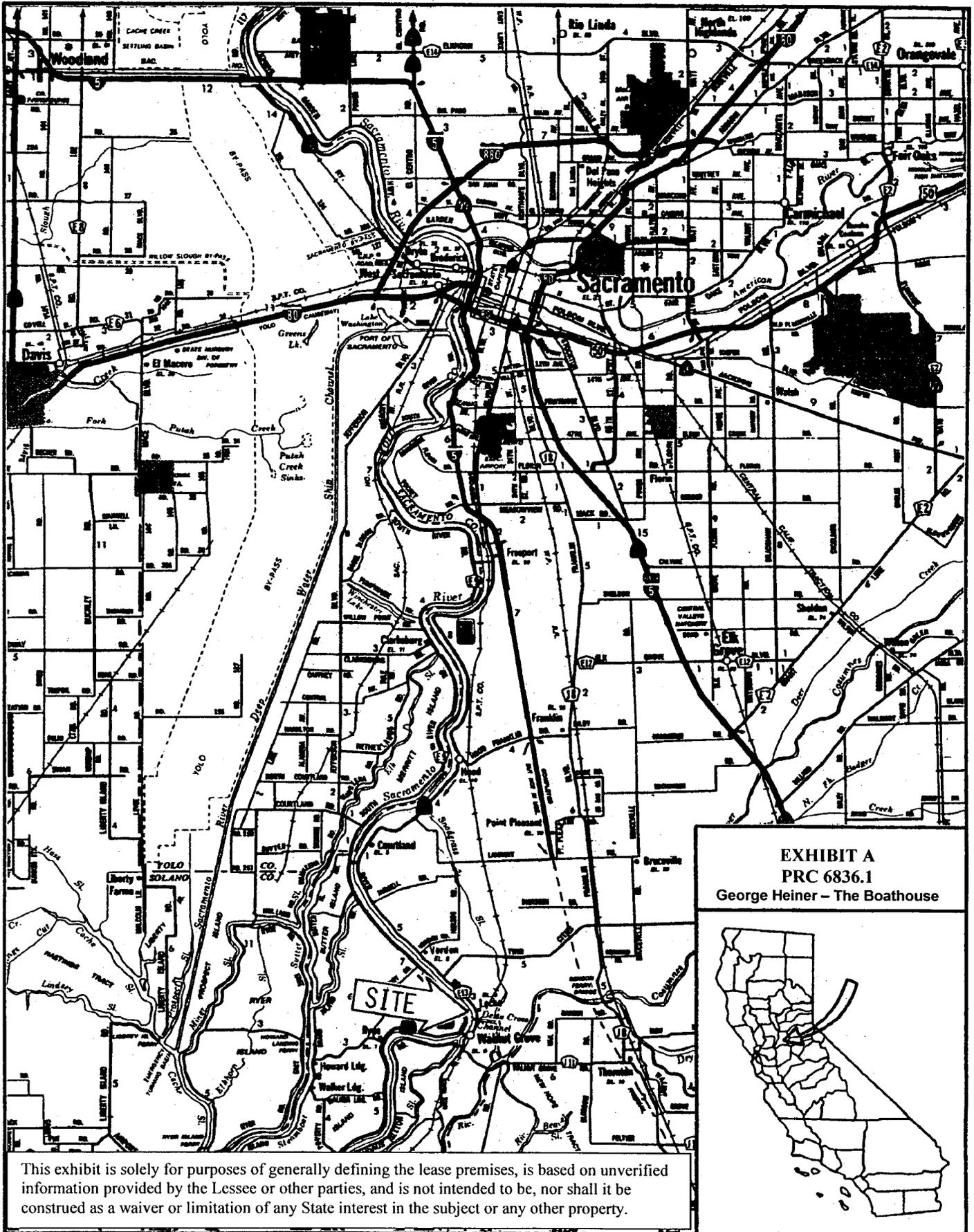


EXHIBIT A
PRC 6836.1
George Heiner - The Boathouse

This exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the 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 any other property.

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