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 12-9-04 meeting.

CALENDAR ITEM
C05

A 15, 26

S 05, 14

PRC 7123

12/09/04
WP 7123.1
L. Burks

GENERAL LEASE - COMMERCIAL USE

APPLICANT:

Seven Resorts, Inc.
8095 Rio Blanco Road
Stockton, California 95219

AREA, LAND TYPE, AND LOCATION:

1.5 acres, more or less, of tide and submerged lands in Disappointment Slough on Bishop Tract, near the city of Stockton, San Joaquin County.

AUTHORIZED USE:

Continued use and maintenance of an existing commercial marina consisting of two boat docks improved with 12 covered berths, 39 uncovered berths, 300 lineal feet of side ties, a 250 foot accommodation dock, walkways, boat hoist, and bulkhead.

LEASE TERM:

Ten years, beginning March 26, 2004.

CONSIDERATION:

$4,486 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Liability insurance with a combined single limit coverage of no less than $1,000,000.

Bond: $20,000.

OTHER PERTINENT INFORMATION:

1. Applicant has a right to use the uplands adjoining the lease premises.

2. On January 21, 1988, the Commission authorized a seven and one-half year General Lease - Commercial Use, with two successive renewal options of ten years, to Seven Resorts, Inc., a Nevada Corporation, dba Seven Crown Resorts, dba Paradise Point Marina. On November 15, 1994, the Commission authorized the first ten-year renewal option to Seven Resorts, Inc. Seven Resorts is now applying to exercise the second and final ten-year renewal option, effective March 26, 2004. In addition, pursuant to Consideration under Section 1 - Basic Provisions, "should Lessee exercise the options to renew granted under this lease, the consideration set forth herein shall be subject to modification by Lessor, as specified in the Lease". Therefore, the rent is being changed from $3,780 per year to $4,486 per year, effective March 26, 2004.

3. Less than half of the water improvements at the marina are under this lease due to the fact that Bishop Cut is not a natural waterway and therefore not subject to State Lands Commission jurisdiction. The marina improvements in Disappointment Slough, however, are occupying sovereign lands, and therefore subject to Lease No. PRC 7123.1.

4. 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.

5. 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.

EXHIBIT:

A. Site Plan
B. Location Map

PERMIT STREAMLINING ACT DEADLINE:
N/A

RECOMMENDED ACTION:
IT IS RECOMMENDED THAT THE COMMISSION:

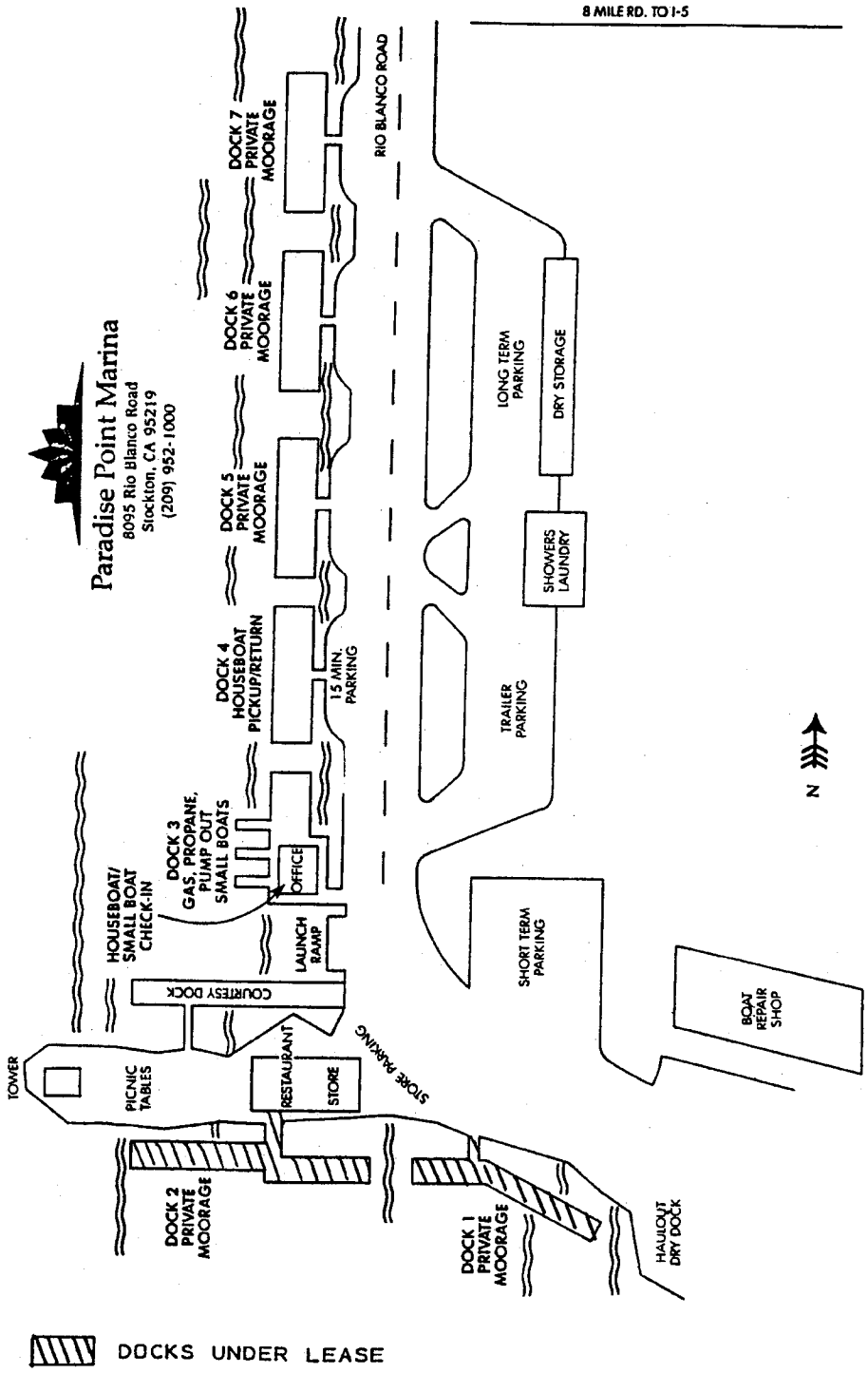
CEQA FINDING:
FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES; TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 2905(a)(2).

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:

1. AUTHORIZE ISSUANCE OF THE SECOND TEN-YEAR RENEWAL OPTION TO SEVEN RESORTS, INC., OF A GENERAL LEASE - COMMERCIAL USE, BEGINNING MARCH 26, 2004, FOR CONTINUED USE AND MAINTENANCE OF AN EXISTING COMMERCIAL MARINA AS REPRESENTED ON THE LAND SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; LIABILITY INSURANCE FOR A COMBINED SINGLE LIMIT COVERAGE OF NO LESS THAN $1,000,000; SURETY IN THE AMOUNT OF $20,000.

2. APPROVE THE REVISION OF RENT FOR LEASE NO. PRC 7123.1 FROM $3,780 PER YEAR TO $4,486 PER YEAR, EFFECTIVE MARCH 26, 2004.



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.

Exhibit A
WP 7123

LMB 9/27/04

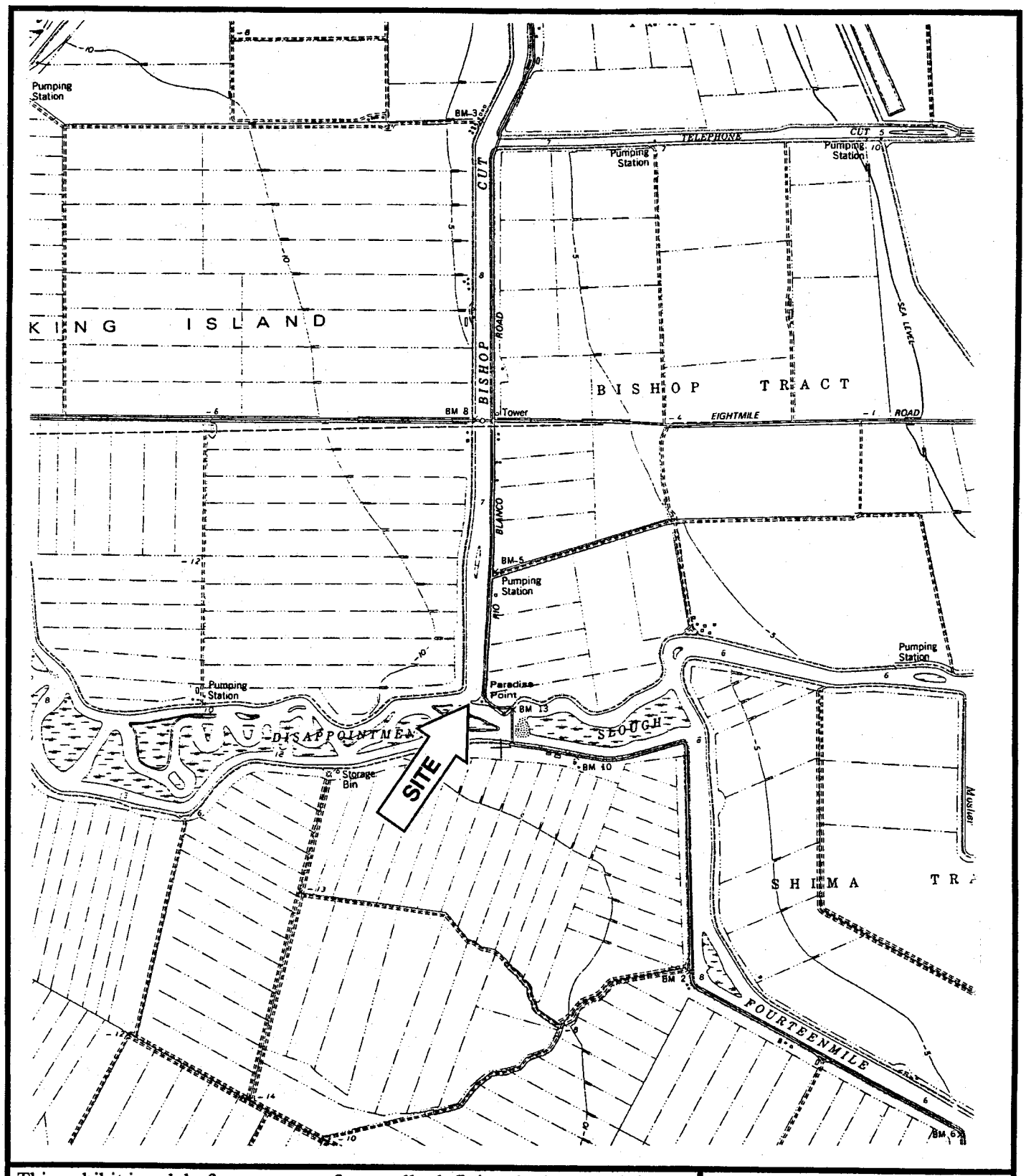


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Exhibit B
WP 7123

SOURCE: USGS

LMB 9/21/04