MINUTE ITEM

This Calendar Item No. C28 was approved as Minute Item No. 28 by the California State Lands Commission by a vote of 2 to 0 at its 12 08 05 meeting.

CALENDAR ITEM
C28

A 54

S 27

PRC 7332

12/08/05
WP 7332.1
M. Hays

APPROVAL OF SUBLEASE AND REVISION OF RENT

LESSEE/SUBLESSOR:
Santa Catalina Island Company
P. O. Box 737
Avalon, CA 90704

SUBLESSEE:
Catalina Boat Yard, Inc.
P.O. Box 2476
Avalon, CA 90704

AREA, LAND TYPE, AND LOCATION:
0.03 acres, more or less, of sovereign lands in the Pacific Ocean, near Pebbly Beach, Santa Catalina Island, Los Angeles County.

AUTHORIZED USE:
LEASE: Continued use and maintenance of an existing concrete ramp.

SUBLEASE: Storage and repair of boats and provision of other marine services located on the upland, which consists of a concrete boat ramp, a portion of which is on State lands.

TERM:
LEASE: 15 years, beginning January 1, 2000.

SUBLEASE: Two years, beginning January 1, 2003 and a one-year extension beginning January 1, 2005.

CONSIDERATION:
LEASE: $1,282 per annum; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SUBLEASE: $32,198 minimum annual rent payable in monthly installments of $2,683.17; annual rent includes uplands not included in the lease premises.

OTHER PERTINENT INFORMATION:

1. The Lessee owns the upland property adjacent to the Lease Premises and has in the past leased the upland property to a commercial marine repair operator, which includes a concrete boat ramp, a portion of which extends onto State land in the Pacific Ocean at Pebbly Beach.

2. On September 19, 2000, the Commission authorized a new 15-year lease to the Santa Catalina Island Company and approved a sublease to the Pebbly Beach Marine Center, Inc. The sublease expired on December 31, 2002, and on January 1, 2003, the Catalina Boat Yard, Inc., became the new operator. The Lessee is now applying for approval of the current operator as a sublessee to PRC 7332.1. Staff has reviewed the current lease agreement between the Lessee and Sublessee and recommends approval of the sublease.

3. The lease provides that the Commission may modify the annual rent periodically during the lease term. Staff has conducted a review of the rent pursuant to the lease terms and recommends that the rent be revised from $1,282 per year to $1,542 per year, effective January 1, 2006.

   The recommended rent is based on adjustment of the prior rent by application of the Consumer Price Index (CPI). The adjustment does not obligate the Commission to use the CPI to adjust future rents.

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 and Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

SUBLEASE

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).

RENT REVIEW

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.

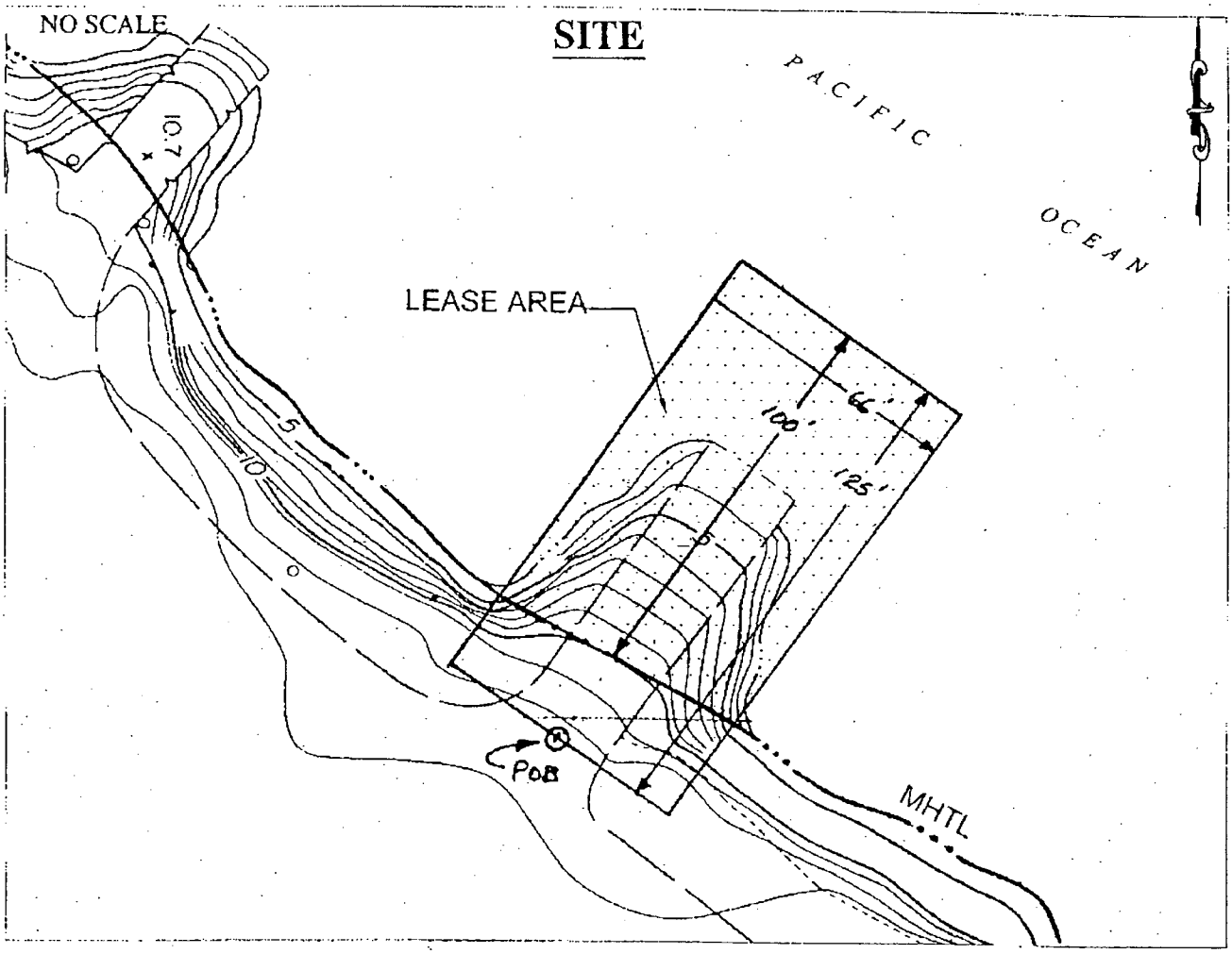
SIGNIFICANT LANDS INVENTORY FINDING:

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.

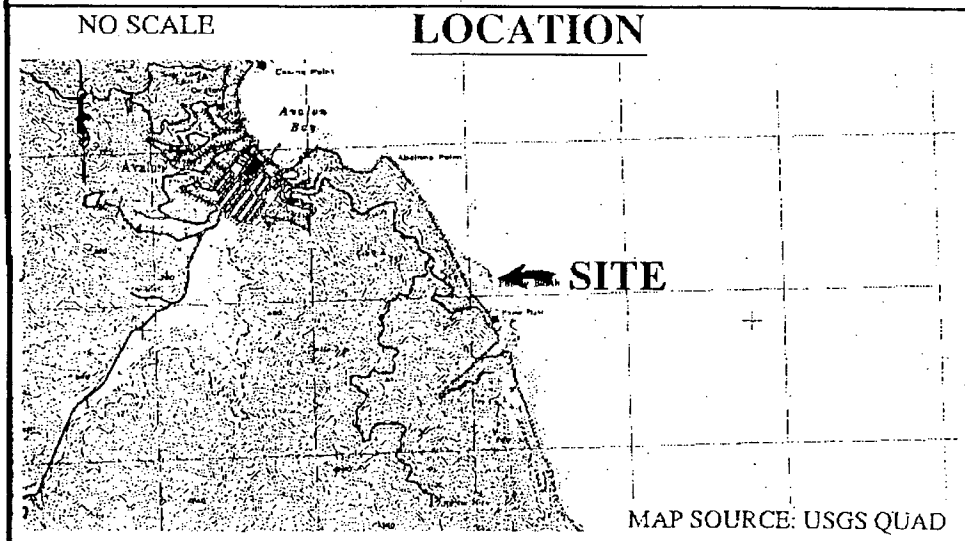
AUTHORIZATION:

AUTHORIZE THE SUBLEASE FROM SANTA CATALINA ISLAND COMPANY TO CATALINA BOAT YARD, INC., OF A PORTION OF THE LEASE NO. PRC 7332.1, ON FILE WITH THE CALIFORNIA STATE LANDS COMMISSION, EFFECTIVE JANUARY 1, 2003, FOR A TERM OF THREE YEARS, AS SHOWN ON EXHIBIT A AND BY THIS

REFERENCE MADE A PART HEREOF AND APPROVE THE REVISION IN ANNUAL RENT FOR PRC 7332.1 FROM $1,282 PER TO $1,542 PER YEAR, EFFECTIVE JANUARY 1, 2006.

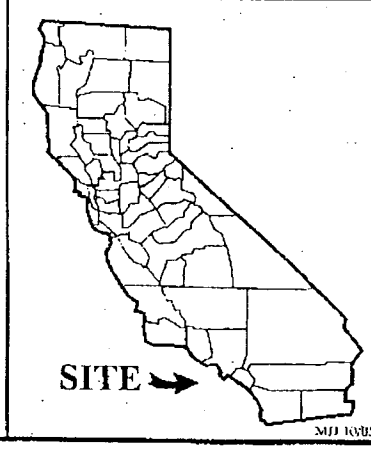


BOAT RAMP, PEBBLY BEACH AREA



MAP SOURCE: USGS QUAD

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.

Exhibit A

WP 7332.1
SANTA CATALINA ISLAND CO
GENERAL LEASE
COMMERCIAL USE
CATALINA ISLAND
LOS ANGELES COUNTY