

MINUTE ITEM

This Calendar Item No. C11 was approved as Minute Item No. 11 by the California State Lands Commission by a vote of 3 to 4 at its 02/05/07 meeting.

**CALENDAR ITEM
C11**

A 78
S 39

02/05/07
PRC 8054.1
J. Brown

REVISION OF RENT

LESSEE:

BAE Systems San Diego Ship Repair, Inc.
P. O. Box 13308
San Diego, CA 92170

AREA, LAND TYPE, AND LOCATION:

0.66 acres, more or less, of sovereign lands in San Diego Bay, city of San Diego, San Diego County.

AUTHORIZED USE:

Use and maintenance of an 8' x 6' mooring dolphin, a portion of a dry dock facility adjacent to Pier 1, and appurtenant use areas waterward of the U.S. Pier Head Line, to accommodate the repair of deep draft vessels at Piers No. 1 and 4.

LEASE TERM:

35 years, 8 months, and 16 days, beginning December 15, 1998.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that the rent be revised from \$1,486 per year to \$25,472 per year, effective December 15, 2005.

OTHER PERTINENT INFORMATION:

1. Lessee has the right to use the uplands adjoining the lease premises.
2. Lessee is a tenant of the Port of San Diego and operates a ship repair facility in central San Diego Bay. The majority of the Lessee's facility is on sovereign lands legislatively granted to the San Diego Unified Port District pursuant to Chapter 67, Statutes of 1962, as amended.

CALENDAR ITEM NO. C11 (CONT'D)

3. On December 16, 1998, the Commission authorized a General Lease - Industrial Use to Southwest Marine, Inc. for the use of four acres of sovereign lands under its jurisdiction for the construction, use and maintenance of a 20' x 20' mooring dolphin and an existing drydock facility and appurtenant lease area adjacent to existing Pier 1. The Lessee has provided notice that the name of the company has been changed from Southwest Marine, Inc., to BAE Systems San Diego Ship Repair, Inc.
4. On December 3, 1999, the Commission authorized an amendment to the lease to remove the 20' x 20' dolphin adjacent to Pier 1, to construct and maintain an 8' x 6' dolphin, and maintain a portion of the auxiliary floating drydock facility and appurtenant use area waterward of the U.S. Pierhead Line adjacent to Pier 4.
5. The Lessee is presently working with the San Diego Regional Water Quality Control Board (Board) to remedy a waste discharge violation. The Board has released a Tentative Cleanup and Abatement Order that would require remediation of contaminated sediments located within and adjacent to the existing lease area. The Board has not acted on the Tentative Cleanup and Abatement Order.
6. Staff continues to monitor actions of the Board on the Tentative Cleanup and Abatement Order to determine whether further action is required by the Commission.
7. 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 and Site Map

CALENDAR ITEM NO. C11 (CONT'D)

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:

AUTHORIZE THE REVISION OF RENT FOR LEASE NO. PRC 8054.1 FROM \$1,486 PER YEAR TO \$25,472 PER YEAR, EFFECTIVE DECEMBER 15, 2005.

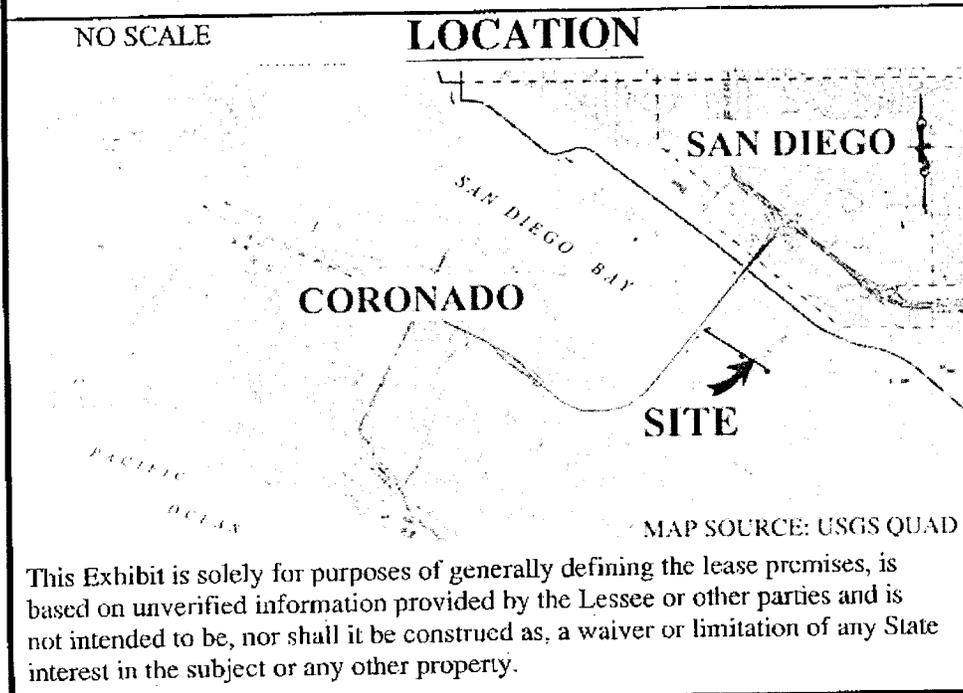
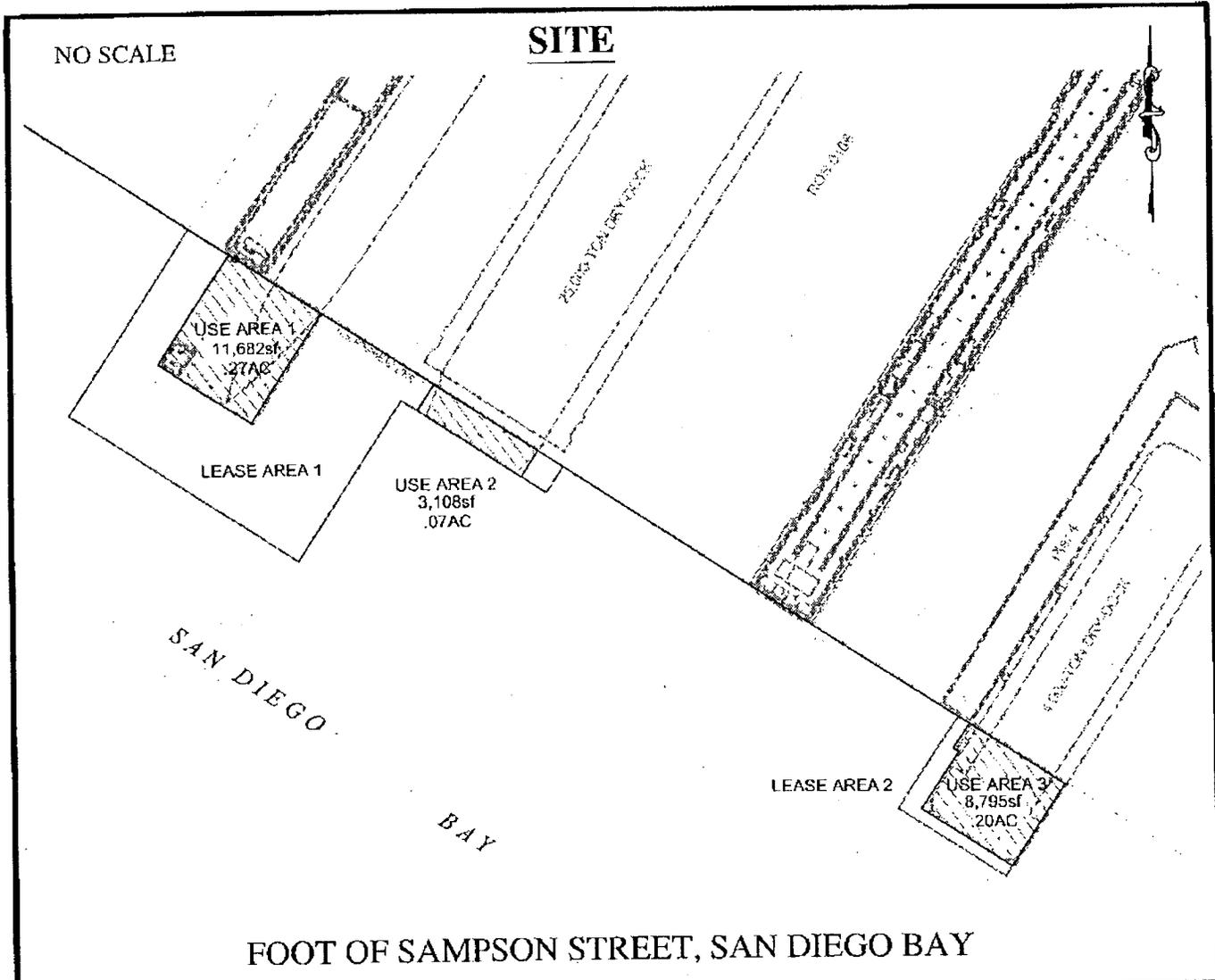


Exhibit A
 PRC 8054.1
 BAE SYSTEMS
 GENERAL LEASE
 INDUSTRIAL USE
 SAN DIEGO BAY
 SAN DIEGO COUNTY



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CALENDAR PAGE

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