

**CALENDAR ITEM
C11**

A 8

09/20/13

PRC 3773.1

S 5

PRC 701.1

R. Boggiano

GENERAL LEASE – INDUSTRIAL USE

APPLICANTS:

W. Kent Ramos and Kyle Ramos

AREA, LAND TYPE, AND LOCATION:

Sovereign land located in the Sacramento River, adjacent to 1555 South River Road, in the city of West Sacramento, Yolo County.

AUTHORIZED USE:

Continued use and maintenance of an industrial transient accommodation dock facility for fueling consisting of an existing concrete pier, ramp, five three-pile dolphins, and an uncovered floating boat dock.

LEASE TERM:

10 years, beginning October 1, 2012.

CONSIDERATION:

\$961 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 in an amount no less than \$1,000,000 per occurrence.

BACKGROUND:

Ramos Oil Company distributes bulk and pre-packaged petroleum products to businesses and individual customers in California and Nevada from their upland facility located adjacent to the Sacramento River. It also provides fleet fueling, lubrication consulting, and transportation services. Ramos Oil had two leases with the Commission, Lease No. PRC 3773.1, and Lease No. PRC 701.1. The leases authorized separate wharf and docking facilities adjacent to the upland.

On April 24, 1980, the Commission authorized Lease No. PRC 3773.1, a General Lease-Industrial Use, to Southern Pacific Pipelines for a term of 10 years. On

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March 23, 1982, the Commission authorized the assignment of the lease to Ramos Oil Company (Ramos Oil). The lease expired on September 30, 1989, and was put into holdover status while Ramos Oil negotiated with staff on the proposed construction of a new 360-berth marina. The proposed marina project was abandoned. On December 31, 1992, the upland property transferred to W. Kent Ramos and Kyle Ramos. The existing docking facilities are currently used as a transient accommodation dock to fuel larger vessels and consist of an existing concrete pier, ramp, five three-pile dolphins, and an uncovered floating boat dock. No fuel pumps are located on the facilities. A fuel truck is driven from the adjacent upland onto the fixed pier above the dock and a hose is lowered down to the floating boat dock to fuel vessels.

On October 28, 1982, the Commission authorized a 30 year lease, No PRC 701.1, Aminoil Terminals, Inc. That company was later merged into Phillips Petroleum Company and on October 21, 1987 the Commission authorized assignment of the lease from Phillips Petroleum Company to Ramos Oil Company, Inc. The authorized wharf was originally used to off load barges of petroleum products but has not been used since the 1950,'s, when the Southern Pacific pipeline was completed and put into service. The wharf was in disrepair prior to the transfer of the lease to Ramos Oil and no revenue has been generated from the use of the wharf. Pursuant to the terms of Lease No. PRC 701.1, the Lessee is required to remove any facilities and restore the lease premises. The lease expired on August 28, 2012.

In 1992, Ramos Oil challenged the boundary of State jurisdiction in the Sacramento River at this location and ceased rental payments to the Commission on both leases. Commission staff has worked with the Applicants to settle the issues of jurisdiction in the Sacramento River, outstanding rent on both leases, negotiate a new lease for Lease No. PRC 3773.1., and remove the remnant wharf facilities associated with Lease No. PRC 701.1.

Staff reached a settlement with the Applicants to resolve the above issues and the Applicants have requested further discussion with staff regarding a title settlement to resolve any outstanding land title issues associated with any State interest landward of the existing levee.

OTHER PERTINENT INFORMATION:

1. The Applicants own the upland adjoining the lease premises. The Applicants are now applying for a new General Lease – Industrial Use.
2. Staff negotiated back rent on Lease No. PRC 3773.1 in the amount of \$4,805, for the period of October 1, 2007 to September 30, 2012.

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3. Staff negotiated a settlement agreement for Lease No. PRC 701.1 in the amount of \$11,628 and restoration of the lease premises. The Applicants have also agreed to remove the remaining remnant facilities pursuant to the terms of the lease and restore the lease premises as nearly as possible to the conditions prior to construction.
4. The staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, Title 14, section 15300 and California Code of Regulations, Title 2, section 2905.

5. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. 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.

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (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 section 6370 et seq.

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AUTHORIZATION:

1. Authorize acceptance and execution by the Executive Officer or his/her designee of a settlement agreement for Lease No. PRC 701.1 in the amount of \$11,628 and the completion of restoration of the lease premises pursuant to the terms of the lease.
2. Authorize acceptance of rent for Lease No. PRC 3773.1 in the amount of \$4,805, for the period of October 1, 2007 to September 30, 2012.
3. Authorize issuance of a General Lease – Industrial Use to W. Kent Ramos and Kyle Ramos, beginning October 1, 2012, for a term of 10 years, for the use and maintenance of a commercial transient accommodation dock facility consisting of an existing concrete pier, ramp, five three-pile dolphins, and an uncovered floating boat dock as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; annual rent in the amount of \$961 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; and liability insurance in an amount no less than \$1,000,000 per occurrence.

EXHIBIT A

PRC 3773.1

LAND DESCRIPTION

A parcel of tide and submerged land in the bed of the Sacramento River approximately one mile south of the Capitol Avenue bridge in the City of West Sacramento, Yolo County, State of California, and being more particularly described as follows:

COMMENCING at a point on the "Surveyed Contour Line" on the Sacramento River shown as Station W91 on Sheet 7 of 12 of that certain map filed in Book 28 of Surveys at Page 26, Sacramento County records, thence from said point of commencement along said "Surveyed Contour Line", South 41°08'47" West 51.70 feet to the POINT OF BEGINNING; thence leaving said "Surveyed Contour Line", and along the following eight (8) courses:

- 1) North 48°51'13" West 10.00 feet,
- 2) South 41°08'47" West 358.76 feet,
- 3) South 39°45'20" West 177.13 feet,
- 4) South 50°14'40" East 65.18 feet,
- 5) North 39°50'32" East 130.00 feet,
- 6) North 50°14'40" West 17.33 feet,
- 7) North 39°45'20" East 404.83 feet, and
- 8) North 48°51'13" West 29.34 feet to the point of beginning.

EXCEPTING THEREFROM any portions lying landward of the Ordinary High Water Mark of the Sacramento River.

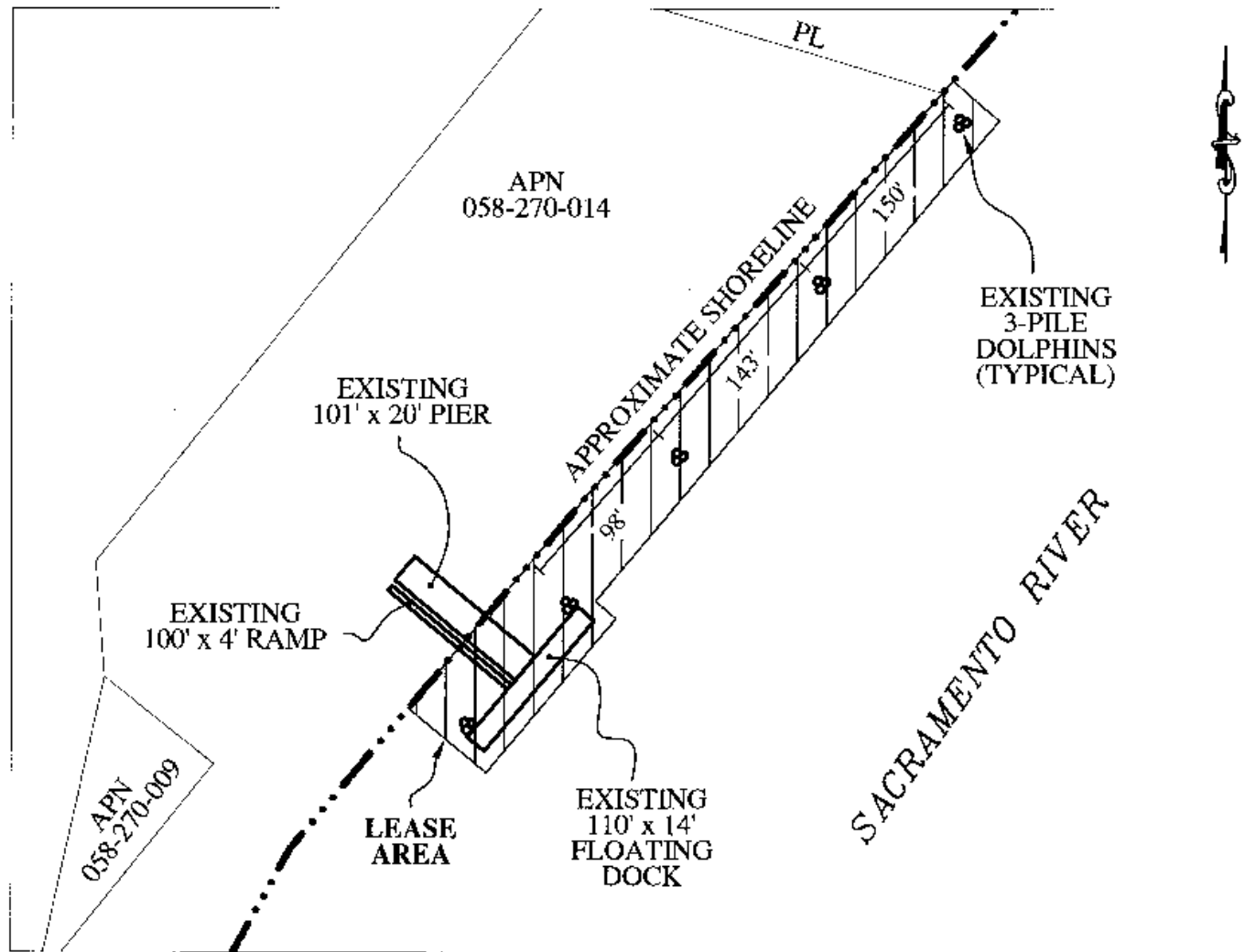
END OF DESCRIPTION

Prepared 01/30/2013 by the California State Lands Commission Boundary Unit.



NO SCALE

SITE



1555 SOUTH RIVER ROAD, WEST SACRAMENTO

NO SCALE

LOCATION



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 B

PRC 3773.1

RAMOS

APNs 058-270-009 &
058-270-014

GENERAL LEASE -
INDUSTRIAL USE
YOLO COUNTY



JWP 01/30/13