

MINUTE ITEM

This Calendar Item No. 14
was approved as Minute Item
No. 14 by the State Lands
Commission by a vote of 3
to 0 at its 10/26/78
meeting.

MINUTE ITEM

10/78
Scott

14. GENERAL LEASE - COMMERCIAL USE - W 21709 - PRC 5583

During consideration of Calendar Item 14, attached, Mr. Mac Mailes, Assistant City Manager of Sacramento, and Mr. Richard Hyde, Chief Counsel for the Sacramento Redevelopment Agency, appeared on behalf of the City's interest in this matter.

Their main concern was reaching an agreement with Mr. Harvey to provide his fair share of financing the development of adequate long-term parking for his development as well as for future development on the waterfront in that area.

This issue was then discussed at length with the final agreement being set forth below. The resolution as presented was approved by a vote of 3-0 on the condition that:

1. There be an exchange of letters or contracts between Mr. Harvey and the City's Redevelopment Agency with respect to the parking problem; and
2. The Commission would not execute a lease with the applicant, Walter Harvey, nor issue a final notice of determination until the City of Sacramento and Mr. Harvey have either entered into a contract or executed a letter of agreement stating that Mr. Harvey will participate in his share of public parking in the Docks Specific Plan area, Sacramento County.

Attachment: Calendar Item 14 (8 pages)

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CALENDAR ITEM

14.

10/78
W 21709
Scott

GENERAL LEASE
COMMERCIAL USE

APPLICANT: Walter M. Harvey
P. O. Box 1222
Sacramento, California 95806

AREA, TYPE LAND AND LOCATION: Approximately 12,000 square foot (0.27 + acre) parcel of tide and submerged land in the bed of the Sacramento River, City of Sacramento, Sacramento County.

LAND USE: Reconstruction of an existing pier structure, mooring of an existing floating riverboat restaurant adjacent to the pier and construction of a small retail shop on the existing pier.

TERMS OF PROPOSED LEASE:

Initial period: 20 years from January 1, 1979.

Renewal Options: 2 successive renewal periods, of 20 years and 9 years respectively.

Surety bond: \$5,000.

Public liability insurance: Bodily injury and property damage insurance with a single limit coverage of not less than \$1,000,000.

CONSIDERATION: First year: 1.5% of the annual gross income less a \$2,400 minimum rent to be paid upon lessee's occupancy of the leased area or June 1, 1979 which ever shall occur first;

Second year: 1.5% of the annual gross income less a \$2,400 minimum annual rent period paid in advance on January 1, 1980;

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Third and the remainder of the lease term:
1.5% of the annual gross income less a
\$6,000 annual minimum rent paid in advance
on January 1, 1981 and on January 1 of
every year thereafter.

BASIS FOR CONSIDERATION:

Percentage of gross income pursuant to
2 Cal. Adm. Code 2005.

PREREQUISITE TERMS, FEES AND EXPENSES:

Filing fee and environmental costs have
been received.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 & 2.
- B. Cal. Adm. Code: Title 2, Div. 3.

OTHER PERTINENT INFORMATION:

1. The applicant proposes to reconstruct an existing pier structure in the Sacramento River at the foot of "O" Street within the City of Sacramento. Upon completion of the reconstruction of the pier the proposed project calls for the mooring of a floating riverboat restaurant now located in Burlingame and at a later date the construction on a portion of the renovated pier of a small retail store. Applicant will be required to begin construction and occupy the leased area within a 1-year period beginning June 1, 1979.
2. Because of the type development proposed for the lease area the Commission's standard lease form has been modified in order to incorporate special language necessary to implement rental based on a percentage of gross income.

Staff believes that the percentage of annual gross income as rental for this type of highly commercial development will exceed the amount of rental which would be charged using land value as a basis.

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3. The annual rental will be based on a percentage of the gross income derived by the lessee from the leased area and not on the appraised value of the land; therefore the standard 5-year rent review provision normally contained in the Commission's standard lease form has been deleted.

Staff feels that the interests of the Commission and the State insofar as maintaining annual rentals at current market levels are better protected through the percentage of gross income method and not the 5-year rent review method in cases of this type.

4. Special provisions have been incorporated in the proposed lease form requiring the maintenance by lessee of certain records and books which shall be available for staff review in order to assure proper reporting of annual gross income by lessee.
5. A negative declaration was prepared by the Commission's staff, pursuant to CEQA and implementing regulations. A copy of the negative declaration is attached.
6. This project is situated on State land identified as possessing significant environmental values pursuant to P.R.C. 6370.1, and is classified in a use category, Class B, which authorizes Limited Use.

Staff has coordinated this project with those agencies and organizations who nominated the site as containing significant environmental values. They have found this project to be compatible with their nomination.

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FURTHER APPROVALS REQUIRED:

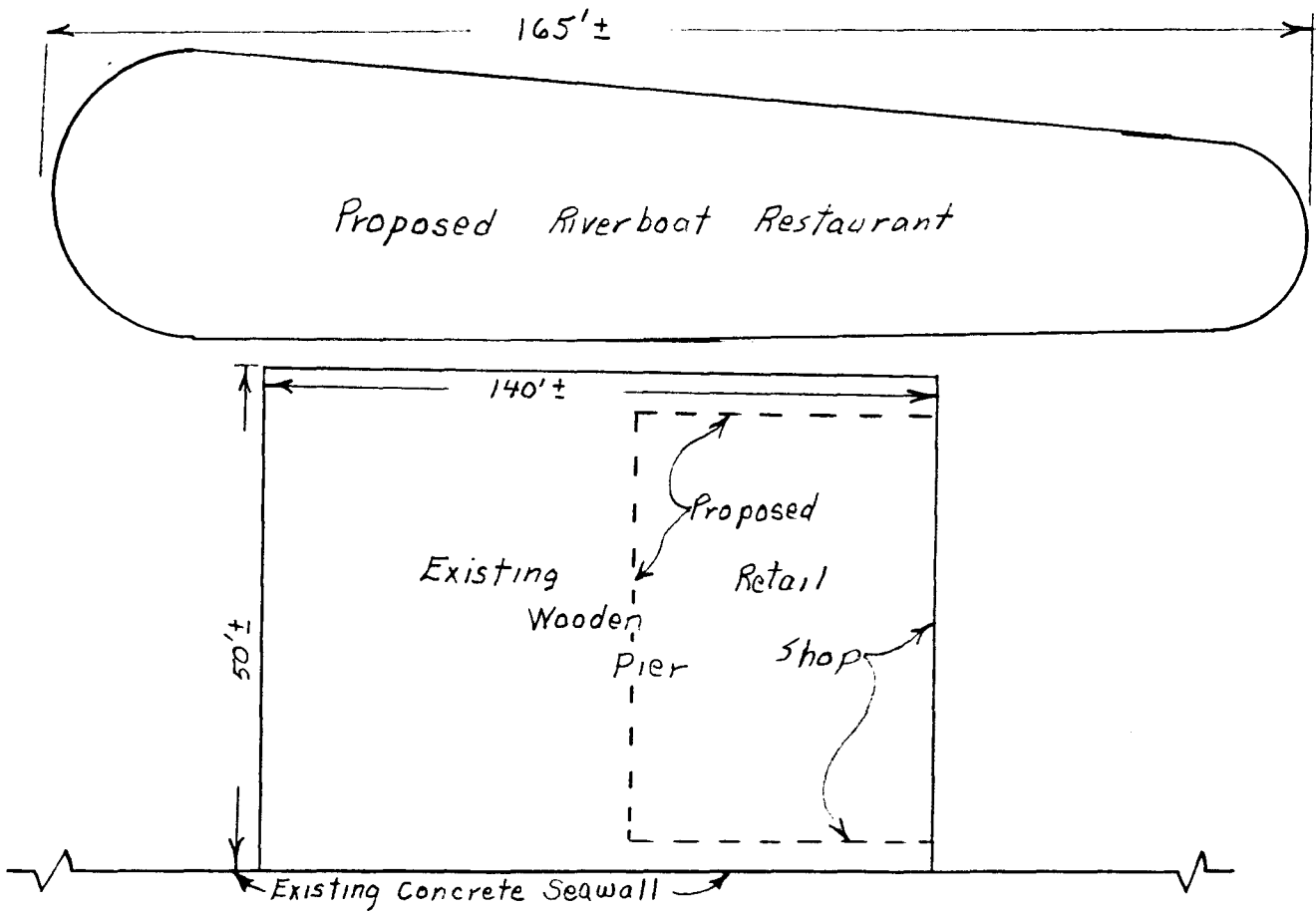
United States Army Corps of Engineers,
City of Sacramento, Sacramento Redevelopment
Agency, Water Quality Control Board.

EXHIBITS: A. Site Map. B. Location Map.
 C. Negative Declaration - ND EIR 230.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS PROJECT BUT THAT A NEGATIVE DECLARATION HAS BEEN PREPARED BY THE COMMISSION'S STAFF.
2. CERTIFY THAT THE NEGATIVE DECLARATION NO. 230 HAS BEEN COMPLETED IN COMPLIANCE WITH CEQA, AS AMENDED, AND THE STATE EIR GUIDELINES, AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.
3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. FIND THAT GRANTING OF THE LEASE WILL HAVE NO SIGNIFICANT EFFECT UPON ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1, OF THE P.R.C.
5. AUTHORIZE ISSUANCE TO WALTER M. HARVEY OF A 20-YEAR GENERAL LEASE - COMMERCIAL USE FROM JANUARY 1, 1979, WITH LESSEE'S OPTIONS TO RENEW FOR 2 SUCCESSIVE RENEWAL PERIODS OF 20 YEARS AND 9 YEARS EACH; IN CONSIDERATION OF ANNUAL RENT TO BE COMPUTED AS FOLLOWS: FOR THE FIRST YEAR 1.5% OF THE ANNUAL GROSS INCOME LESS A \$2,400 MINIMUM TO BE PAID UPON LESSEE'S OCCUPANCY OF THE LEASED AREA OR JUNE 1, 1979 WHICHEVER SHALL OCCUR FIRST; FOR THE SECOND YEAR 1.5% OF THE ANNUAL GROSS INCOME LESS A \$2,400 ANNUAL MINIMUM PAID IN ADVANCE ON JANUARY 1, 1980; FOR THE THIRD YEAR AND THE REMAINDER OF THE TERM OF THE LEASE 1.5% OF THE ANNUAL GROSS INCOME LESS A \$6,000 ANNUAL MINIMUM PAID IN ADVANCE ON JANUARY 1, 1981, AND ON JANUARY 1 OF EVERY YEAR THEREAFTER; PROVISION OF A \$5,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR BODILY INJURY AND PROPERTY DAMAGE WITH A COMBINED SINGLE LIMIT COVERAGE OF NOT LESS THAN \$1,000,000; BEGIN CONSTRUCTION AND OCCUPY THE LEASE AREA WITHIN A 1-YEAR PERIOD FROM JUNE 1, 1979; FOR THE RECONSTRUCTION OF AN EXISTING PIER, MOORING OF AN EXISTING FLOATING RIVERBOAT RESTAURANT ADJACENT TO THE EXISTING PIER AND CONSTRUCTION OF A RETAIL SHOP ON THE EXISTING PIER ALL SHOWN ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

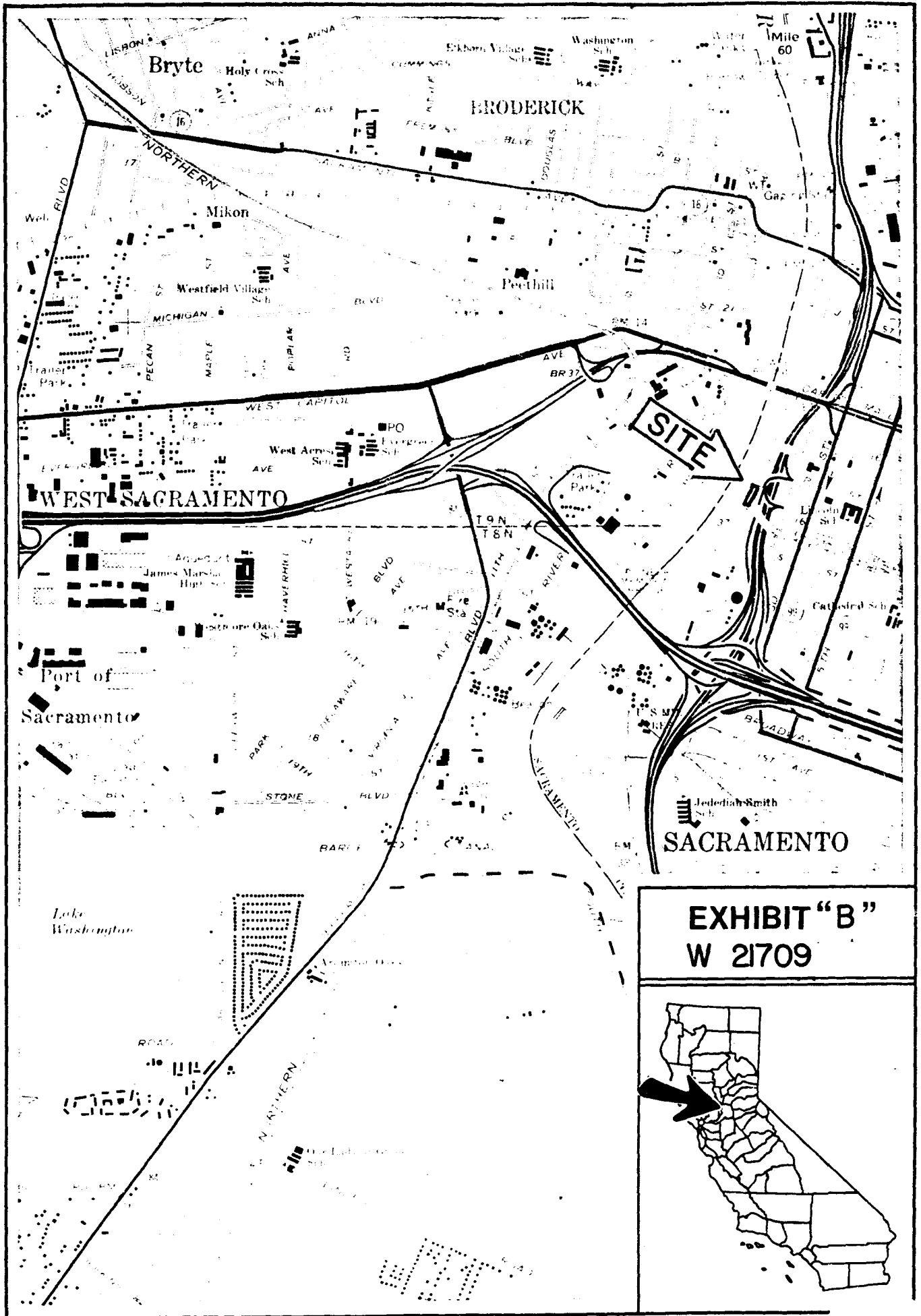
Sacramento
River



SITE MAP

EXHIBIT "A"

W 21709



SITE

EXHIBIT "B"
W 21709



EXHIBIT "C"

NEGATIVE DECLARATION

FLOATING RIVERBOAT RESTAURANT SACRAMENTO RIVER, SACRAMENTO COUNTY

W 21709

This Negative Declaration is prepared pursuant to Section 15083, California Administrative Code, Title 14, Division 6 and is based upon an Initial Study pursuant to 15080 and 15066 thereof.

DESCRIPTION

It is proposed by Walter M. Harvey to relocate an existing 165' riverboat restaurant to the site along the Sacramento River, Sacramento County, known as the "O" Street Pier. In addition to relocating the vessel, minor repairs will be made to the pier structure which is currently abandoned.

The restaurant will consist of a main level dining room, an upper level lounge and waiting area, and a third deck lounge and outdoor eating area. The facility, which will blend with the theme of Old Sacramento, will provide an additional tourist attraction to the area.

DETERMINATION

An initial study has been prepared and it is determined that the proposed project will not have a significant effect upon the environment.

1. There will be no significant growth inducing impact, inefficient energy consumption, air, water or noise pollution, or solid waste problems created as a result of implementation of this project.
2. There will be minimal impacts upon fish and wildlife.
3. No park lands, recreational areas, or historic and archaeological sites will be affected by the proposal.

4. No public services or utilities will be significantly affected by the proposal.
5. The **proposed project will not** narrow the range of beneficial uses of the environment or pose long-term risks to public health or safety.

The Negative Declaration has been prepared by the staff of the State Lands Commission. Additional copies of this document may be obtained from Ted Fukushima, State Lands Commission, 1807 - 13th Street, Sacramento, CA 95814, telephone number: (916) 322-7813.