

MINUTE ITEM

This Calendar Item No. C7
was approved as Minute Item
No. 7 by the State Lands
Commission by a vote of 2
to 0 at its 7/24/86
meeting.

CALENDAR ITEM

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07/24/86

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APPROVE REDUCTION IN INSURANCE COVERAGE REQUIREMENT

LESSEES: Clarence J. Richard and
Robert A. Klemmedson
dba Port Suisun
1216 Upper Happy Valley Road
Lafayette, California 94549

AREA, TYPE LAND AND LOCATION:
A 1.99-acre parcel of tide and submerged land,
located in Suisun Slough, Solano County.

LAND USE: Commercial marina.

TERMS OF ORIGINAL LEASE:

Initial period: 20 years beginning July 1,
1978.

Surety bond: \$5,000.

Public liability insurance: Combined single
limit coverage of \$500,000.

Consideration: \$1,100 per annum or
five percent of gross income
per annum; five-year rent
review.

LESSEE STATUS:

Lessee is owner of upland.

AB 384: N/A.

OTHER PERTINENT INFORMATION:

1. Current Situation: At the May 22, 1986
State Lands Commission meeting an amendment

CALENDAR ITEM NO. 607 (CONT'D)

to Lease PRC 5738 was approved, in part, to increase the required combined single limit insurance coverage to \$500,000 from \$300,000. Although both the Lessee and his insurance broker have diligently attempted to obtain the required amount, the maximum insurance coverage they could obtain was \$300,000. Their success in acquiring this amount was partially based on the fact that in eight years no claim has been filed against the marina operation. Letters attesting to the insurance company refusals are on file in the office of the Commission.

The lessee's equity in the real property in conjunction with the marina operation is estimated at one and one-half million dollars which would be at stake primarily in case of a lawsuit.

For these reasons, staff recommends the reduction in insurance requirements be approved.

2. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. APPROVE REDUCTION IN THE COMBINED SINGLE LIMIT INSURANCE REQUIREMENT TO \$300,000 FOR LEASE PRC 5738, GENERAL LEASE - COMMERCIAL USE; ALL OTHER TERMS AND CONDITIONS SHALL REMAIN UNCHANGED.

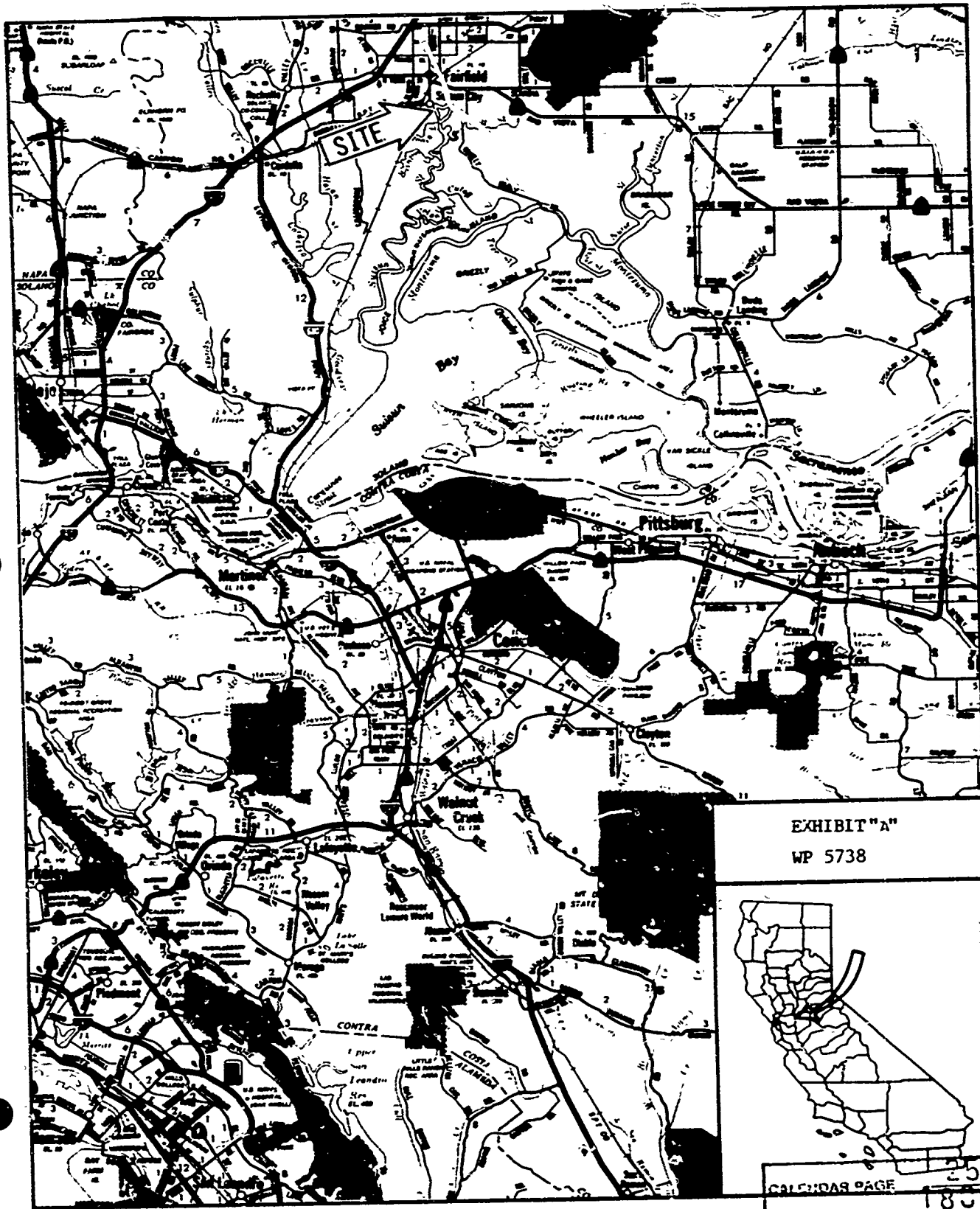


EXHIBIT "A"
 WP 5738



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