

MINUTE ITEM  
This Calendar Item No. 1  
was approved as Minute Item  
No. 1 by the State Lands  
Commission by a vote of 3  
to 0 at its 8-2-87  
meeting.

CALENDAR ITEM

A 58

S 37

08/03/87  
WP 5807  
Poe

ASSIGNMENT OF GENERAL PERMIT-RECREATIONAL USE  
AND ACCEPTANCE OF PARTIAL PAYMENT OF PAST DUE RENT  
AS SETTLEMENT FOR ALL BACK RENTS

APPLICANT: Southwest Savings and Loan Association  
c/o Mr. David W. Crumpacker, Attorney  
11355 West Olympic Boulevard  
Los Angeles, California 90064

BACKGROUND:

On March 19, 1980 (Minute Item 9), the State Lands Commission authorized the issuance of a ten-year General Permit - Recreational Use, to Joseph and Barbara Noble for incidental dredging and construction of a bulkhead, pedestrian ramp, and seven boat docks for private recreational use in the Huntington Harbour Main Channel, Orange County. The permit was subsequently amended to change the name of the Permittee to J. B. and D. Enterprises, again amended by Commission action on June 23, 1983 (Minute Item 15) for the following purposes; 1) reduce the number of boat slips to five; 2) provide for a new land description; 3) increase in consideration; 4) provide for a surety bond; and 5) provide for construction limiting dates of November 1, 1983 to November 1, 1984, and again amended on April 25, 1985 to extend construction limiting dates.

PRESENT SITUATION:

Subsequently, the Permittee's (J. B. & D. Enterprises) adjoining upland came under financial difficulty, and in advance of pending foreclosure from its lender, Southwest Savings and Loan Association, entered Chapter 11 - bankruptcy. The State's Permit is listed as an asset under the bankruptcy action, and no rents were paid during 1985 and 1986. The bankruptcy stay over the Permit prevented any action by staff to terminate. During this period, insurance and bond requirements have been unfulfilled.

CALENDAR ITEM 4 (CONT'D)

Negotiations between lender and the State's Permittee have recently been concluded, and with a release from the bankruptcy action, an agreement has been reached whereby the Permit is to be assigned to Southwest Savings and Loan. In exchange for the assignment, the assignee has agreed to pay (\$2,485) one-half (1/2) of unpaid rent up to and including March 14, 1987, and full rental thereafter. Assignee also agrees to diligently pursue a qualified purchaser for the upland property appurtenant to the subject Permit area thereby maximizing the intended use of the area under permit.

After thorough review, Staff recommends approval of the proposed Permit Assignment. An assignment is considered beneficial to the State by allowing recapture of a portion of unpaid back rent, and by the renewal of insurance and bond coverage, thereby eliminating the current liability exposure from the premises under permit.

AB 884: N/A

OTHER PERTINENT INFORMATION:

1. 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.

CALENDAR ITEM 1 (CONT'D)

2. APPROVE THE ACCEPTANCE OF THE PAYMENT OF \$2,485 FROM THE PROPOSED ASSIGNEE AS PAYMENT IN FULL OF ALL UNPAID RENTS DUE UP TO AND INCLUDING MARCH 14, 1957.
3. APPROVE THE ASSIGNMENT OF GENERAL PERMIT - RECREATIONAL USE PRC 5807 TO SOUTHWEST SAVINGS AND LOAN ASSOCIATION, UNDER THE TERMS AND CONDITIONS AS SET FORTH IN THE EXECUTED COMMISSION'S STATE LEASE ASSIGNMENT FORM NO. 51.11, ON FILE WITH THE STAFF OF THE COMMISSION.

