

**CALENDAR ITEM
C09**

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05/05/08
PRC 5167.1
V. Caldwell

REVISION OF RENT

LESSEE:

Buffer Properties, LLC
1577 Garden Highway
Sacramento, California 95833

AREA, LAND TYPE, AND LOCATION:

One acre, more or less, of sovereign lands in the Sacramento River, adjacent to the Garden Highway, city of Sacramento, Sacramento County.

AUTHORIZED USE:

Commercial marina and restaurant.

LEASE TERM:

49 years, beginning June 18, 1976.

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 Minimum Annual Rent be revised from \$250 per year to \$17,393 per year, effective June 18, 2008.

OTHER PERTINENT INFORMATION:

1. On June 22, 1976, the Commission authorized a General Lease – Commercial Use to John K. Johnson, Loraine C. Patching, and John D. Cox for a term of 15 years with one ten-year renewal period. On September 22, 1983, the Commission approved an assignment of the General Lease – Commercial Use to Virgin Sturgeon, Inc. The Lease expired on June 17, 1991. On February 5, 1992, the Commission authorized an Amended and Restated Lease to Virgin Sturgeon, Inc. for ten years beginning June 18, 1991, and on February 27, 1996, the Commission authorized an amendment of Lease PRC 5167.1 to extend the term of the Lease to expire on June 17, 2025.

CALENDAR ITEM NO. **C09** (CONT'D)

2. On December 9, 2003, the Commission authorized an assignment from Virgin Sturgeon, Inc., to Buffer Properties, LLC. Following the assignment, the Commission authorized a sublease from Buffer Properties, LLC to Virgin Sturgeon, Inc. That sublease expires June 17, 2025. On March 22, 2007, Virgin Sturgeon, Inc, sub-subleased the property to Virgin Sturgeon, LLC. That sub-sublease lease will expire on March 21, 2012.

EXHIBIT:

- A. Site And Location Map

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:

APPROVE THE REVISION OF RENT FOR LEASE NO. PRC 5167.1 TO REVISE THE MINIMUM ANNUAL RENT FROM \$250 PER YEAR TO \$17,393 PER YEAR, EFFECTIVE JUNE 18, 2008.