

MEETING
STATE OF CALIFORNIA
STATE LANDS COMMISSION

ORIGINAL

CALIFORNIA STATE LANDS COMMISSION
100 HOWE AVENUE
SUITE 100 SOUTH
EXECUTIVE CONFERENCE ROOM
SACRAMENTO, CALIFORNIA

TUESDAY, MAY 31, 2005
10:00 A.M.

JAMES F. PETERS, CSR, RPR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

APPEARANCES

BOARD MEMBERS

Mr. Cruz M. Bustamante, Lieutenant Governor, Chairperson,
represented by Ms. Lorena Gonzalez-Bradford (via
teleconference)

Mr. Tom Campbell, Director of Finance, represented by
Ms. Anne Sheehan (via teleconference)

STAFF

Mr. Paul Thayer, Executive Officer

Mr. Jack Rump, Chief Counsel

Mr. Lorna Burks

Ms. Kimberly Lunetta, Executive Assistant

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Item 01 - Willow Berm Nexgen, A Limited Liability Company(Lessee: Bank of Marin (Secured-Party Lender) Consider Approval of an "Agreement and Consent to Encumbrancing of Lease" for General Lease - Commercial Use No. PRC 8229.1, of sovereign lands located in the Mokelumne River, adjacent to Andrus Island, Sacramento County, for continued use and maintenance of an existing commercial marina	1
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PROCEEDINGS

ACTING COMMISSIONER GONZALEZ-BRADFORD: I'm Lorena Gonzalez-Bradford. I call this meeting of the State Lands Commission to order. Mr. Thayer, as this is a telephone conference meeting, will you call the roll of the Commissioners in attendance and discuss the purpose of the meeting today.

EXECUTIVE OFFICER THAYER: Certainly.

Commissioner Sheehan?

ACTING COMMISSIONER SHEEHAN: Present.

EXECUTIVE OFFICER THAYER: Commissioner Gonzalez-Bradford?

ACTING COMMISSIONER GONZALEZ-BRADFORD: Present.

EXECUTIVE OFFICER THAYER: Commissioner Aronberg?

And we know she's not present.

This is a special meeting of the State Lands Commission, which we called in consultation with your offices, because, as we have in the past, there was a business in the state that stood to lose, you know, a fair amount of money if they were put through a long delay in approval of what they're proposing.

We had almost the exact same kind of meeting also over a marina last June or July as well. So something the Commission has done as part of its policy of being a business-friendly agency.

And the basic proposal is from Willow Berm Marina to refinance their debt. They're working with the Bank of Marin. The total loan is for about \$8 million. And it will consolidate several outstanding loans at a lower interest rate. And the delay, according to the bank, could very likely have caused for the interest rate to have gone up and they'd end up being out more money.

So that's basically what it is. It's very routine. The staff generally looks at these encumbrances, and that's exactly what's before the Commission, is a request to encumbrance the lease for the purpose of getting this loan. And what we look at is generally whether or not the lease amount is consistent with the value of the lease and the improvements. And we found that to be the case.

And to make sure that the money is not being taken out to do improvements somewhere else.

And thirdly, to ensure that the lending institution is on the up-and-up and isn't some sort of fly-by-night operation. Lorna Burks has worked on that for us.

And is there anything, Lorna, you want to add to all of that.

MS. BURKS: No. This is one of our very good marina lessees that we have in the Delta area.

EXECUTIVE OFFICER THAYER: And so that would be our staff presentation.

ACTING COMMISSIONER GONZALEZ-BRADFORD: Okay, that was the staff presentation?

EXECUTIVE OFFICER THAYER: Well, yeah. I guess that's both the purpose and the staff presentation, but we need to do the minutes. I'm not following the schedule here.

ACTING COMMISSIONER GONZALEZ-BRADFORD: Do we need to approve minutes first from the last meeting or can we go ahead and approve this -- or make the -- or call for a motion on this item?

EXECUTIVE OFFICER THAYER: Why don't we finish off the item and then do the minutes.

ACTING COMMISSIONER SHEEHAN: I will move approval of the agreement and consent to encumbrance of the lease for the general lease for the Willow Berm Project.

ACTING COMMISSIONER GONZALEZ-BRADFORD: And I second that. I guess that makes it a unanimous yes vote. And the second order of business --

CHIEF COUNSEL RUMP: We should do that by roll call, if we can.

EXECUTIVE OFFICER THAYER: Jack advises that I should call the roll on that to make sure it's clear.

Commissioner Sheehan?

ACTING COMMISSIONER SHEEHAN: Yes.

EXECUTIVE OFFICER THAYER: Commissioner
Gonzalez-Bradford?

ACTING COMMISSIONER GONZALEZ-BRADFORD: Yes.

EXECUTIVE OFFICER THAYER: Thank you.

ACTING COMMISSIONER GONZALEZ-BRADFORD: As the
second item of business, can we have the adoption of the
minutes from the Commission's last meeting?

ACTING COMMISSIONER SHEEHAN: Yes. I'll move
approval of the minutes from the April 26th, 2005 meeting.

ACTING COMMISSIONER GONZALEZ-BRADFORD: I second
it.

EXECUTIVE OFFICER THAYER: Commissioner Sheehan?

ACTING COMMISSIONER SHEEHAN: Aye.

EXECUTIVE OFFICER THAYER: Commissioner
Gonzalez-Bradford?

ACTING COMMISSIONER GONZALEZ-BRADFORD: Aye.

And now just to double check, is there anyone
present at any of the locations that wishes to address the
Commission during the public comment period?

ACTING COMMISSIONER SHEEHAN: No one in my
office.

ACTING COMMISSIONER GONZALEZ-BRADFORD: Nobody
here.

EXECUTIVE OFFICER THAYER: And nobody here.

ACTING COMMISSIONER GONZALEZ-BRADFORD: All right. Are there any other matters to come before the Commission today?

As I understand, there is not a closed session today, so we are adjourned.

(Thereupon the California State Lands Commission meeting adjourned at 10:10 a.m.)

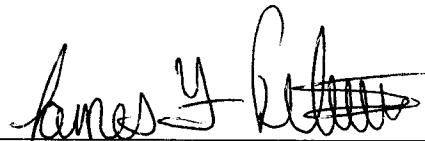
CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, and Registered Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing California State Lands Commission meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of June, 2005.



JAMES F. PETERS, CSR, RPR
Certified Shorthand Reporter
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