

MINUTE ITEM

12. APPLICATION TO EXTEND TERMS OF LEASE P.R.C. 502.1, TIDE AND SUBMERGED LANDS IN CRESCENT CITY HARBOR, DEL NORTE COUNTY, CRESCENT CITY HARBOR DISTRICT OF THE COUNTY OF DEL NORTE - W.O. 3347.

It was noted that the following were present in connection with the presentation of Calendar Item 55 attached:

Herbert M. Moore, Chairman of the Board of Commissioners
Alvin J. Phillips, Harbor Commissioner

~~UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:~~

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AN AMENDMENT BY MUTUAL CONSENT TO LEASE P.R.C. 502.1, ISSUED TO CRESCENT CITY HARBOR DISTRICT, TO PROVIDE FOR:

1. CHANGE OF THE TERMINATION DATE OF THE LEASE TERM FROM FEBRUARY 10, 1965 TO FEBRUARY 10, 1984.
2. CHANGE OF THE RENTAL SCHEDULE TO \$500 PER YEAR THROUGH FEBRUARY 9, 1964; \$1000 PER YEAR FROM FEBRUARY 10, 1964 THROUGH FEBRUARY 9, 1974; \$2000 PER YEAR FROM FEBRUARY 10, 1974 TO FEBRUARY 9, 1984.
3. DELETION OF PARAGRAPH 21 "THAT THE DISTRICT OR THE HEIRS AND ASSIGNS OF, OR ANY SUCCESSOR IN INTEREST THERETO, SHALL HAVE THE RIGHT TO RENEW THIS AGREEMENT FOR TWO (2) PERIODS OF TEN (10) YEARS EACH UPON SUCH REASONABLE TERMS AND CONDITIONS AS THE STATE OR ANY SUCCESSOR IN INTEREST THERETO, MIGHT IMPOSE."

Attachment

Calendar Item 55 (1 page)

CALENDAR ITEM

55.

APPLICATION TO EXTEND TERMS OF LEASE P.R.C. 502.1, TIDE AND SUBMERGED LANDS IN CRESCENT CITY HARBOR, DEL NORTE COUNTY, CRESCENT CITY HARBOR DISTRICT OF THE COUNTY OF DEL NORTE - W.O. 3347.

Lease P.R.C. 502.1, covering approximately 108 acres of tide and submerged lands in Crescent City Harbor, was issued to Crescent City Harbor District for a 15-year term from February 10, 1950, at an annual maximum rental of \$1500, computed as \$500 plus 50% of the gross income over \$1000 annually from subleases of bare lands. To date the State has received only the base rental of \$500. No additional income is anticipated in the foreseeable future. The lease provides for renewal for two periods of 10 years each upon such reasonable terms as may then be imposed. The lands are used by the lessee principally for the operation of a wharf for the shipment of lumber and for use by fishermen, both commercial and pleasure. Some additional revenue is derived from a small bait and tackle store, from a restaurant, and from lumber storage, but the annual income from these sources has not exceeded \$1000.

The Crescent City Harbor District was formed pursuant to Statutes of 1931, Chapter 204, as a county-wide district, and is empowered to develop, lease and own lands and to levy taxes for the maintenance and development of facilities. For the past seven years county taxes have accounted for 44% of the total revenue.

In accordance with Paragraph 20, providing for the amendment or alterations of the lease by mutual consent, and in order to qualify for a \$250,000 loan from the State Small Craft Harbor Commission to further develop its facilities in an attempt to be self-sustaining, the District has submitted a request for the extension of the lease term for 25 years to 1984 at a rental to be determined now, rather than to exercise the renewal provisions.

A review of the District records and a forecast of future income from the proposed harbor development indicates that a fair rental of the State lands would be \$500 per year for five years, \$1000 per year for the next 10 years, and \$2000 per year for the final 10 years. This proposed rental schedule has been agreed to by the District.

IT IS RECOMMENDED THAT THE EXECUTIVE OFFICER BE AUTHORIZED TO EXECUTE AN AMENDMENT BY MUTUAL CONSENT TO LEASE P.R.C. 502.1, ISSUED TO CRESCENT CITY HARBOR DISTRICT, TO PROVIDE FOR:

1. CHANGE OF THE TERMINATION DATE OF THE LEASE TERM FROM FEBRUARY 10, 1965 TO FEBRUARY 10, 1984.
2. CHANGE OF THE RENTAL SCHEDULE TO \$500 PER YEAR THROUGH FEBRUARY 9, 1964; \$1000 PER YEAR FROM FEBRUARY 10, 1964 THROUGH FEBRUARY 9, 1974; \$2000 PER YEAR FROM FEBRUARY 10, 1974 TO FEBRUARY 9, 1984.
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