

MINUTE ITEM

This Calendar Item No. 20,
was approved as Minute Item
No. 20 by the State Lands
Commission by a vote of 3 CALENDAR ITEM
to 0 at its 10-29-79 20.
meeting.

10/79
PRC 3376
Atkins

AMENDMENT OF COMMERCIAL
LEASE PRC 3376.1

BACKGROUND:

On July 17, 1979 the Commission approved the assignment of Lease PRC 3376.1 as amended, to The Huntington Partnership; which lease provides for a term of 30 years beginning August 1, 1979, an annual rental based upon 6% of gross annual income with a \$4,600 minimum; a provision for liability insurance of \$1,000,000 combined single limit, and a lease area to contain a maximum of 40 boat slips. The facility covered by this lease is a commercial marina.

CURRENT SITUATION:

The staff has been contacted by The Huntington Partnership concerning several revisions to their lease, which are necessary for project success. The staff recommends the following amendments to meet both the lessee's needs and the Commission's requirements.

1. A lease term of 43 years beginning December 1, 1979, with the State reserving the right to fix a different rental on the 25th anniversary of the lease. This term is needed to satisfy the requirements of prospective lenders for the project, and to allow loan terms that are compatible to project feasibility.
2. A construction beginning date of May 1, 1980 with completion by May 1, 1981.
3. Delete standard lease covenants 5, 10, 19, 23, 24, and 25, which are inappropriate to this type of transaction, and amend standard covenant 2a to reflect a 25-year rent review.
4. The added provision whereby the lessee must pay a royalty of \$0.25 a cubic yard to the Commission, for any dredged material removed from the leased area.

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5. The addition of 43 boat slips to make a total of 83 in the lease area, in accordance with environmental documentation prepared by the City of Huntington Beach. These additional slips will require the annual rental minimum to be raised to \$9,000.
6. The recognition that a maximum of 10% of the boat slips may be utilized for liveaboards. Any use must conform to any City, County, State or Federal laws pertaining to this use.

The staff views these requests as reasonable, and in the State's best interests. In addition, this lease provides substantial income for the use of State land.

7. The applicant is the permittee of the upland owner.
8. Approval of mortgagee protection language whereby California Federal Savings and Loan Association may take over operations in the leased area in case the lessee is unable to comply with lease provisions or make loan payments.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 & 2.
- B. Cal. Adm. Code: Title 2, Div. 3.

OTHER PERTINENT INFORMATION:

1. A negative declaration was prepared by the City of Huntington Beach, pursuant to CEQA and implementing regulations.
2. This project is situated on State land identified as possessing significant environmental value pursuant to P.R.C. 6370.1, and is classified in a use category, Class B, which authorized Limited Use.

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Staff has coordinated this project with those agencies and organizations which nominated the site as containing significant environmental values. They have found this project to be compatible with their nomination.

3. This project is currently being reviewed by the Coastal Commission.

APPROVALS OBTAINED:

City of Huntington Beach.

FURTHER APPROVALS REQUIRED:

Coastal Commission, Regional Water Quality Control Board, United States Army Corps of Engineers.

EXHIBITS:

- A. Land Description.
- B. Location Map.
- C. Negative Declaration.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS PROJECT BUT THAT A NEGATIVE DECLARATION HAS BEEN PREPARED BY THE CITY OF HUNTINGTON BEACH, ON JULY 27, 1979.
2. CERTIFY THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED IN THE NEGATIVE DECLARATION.
3. DETERMINE THAT THE PROJECT WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
4. DETERMINE THAT THE PROJECT IS CONSISTENT WITH THE PROVISIONS OF ARTICLE 6.5, OF TITLE 2, OF THE CAL. ADM. CODE.
5. FIND THAT GRANTING OF THE LEASE WILL HAVE NO SIGNIFICANT EFFECT UPON ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1, OF THE P.R.C.
6. AUTHORIZE AMENDMENT OF LEASE PRC 3376.1 TO THE HUNTINGTON PARTNERSHIP OF A COMMERCIAL LEASE FROM DECEMBER 1, 1979, WHICH IS ON FILE IN THE OFFICE OF THE COMMISSION, ON THE LAND DESCRIBED IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

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EXHIBIT "A"

LAND DESCRIPTION

WP 3376

A parcel of submerged land in the State-owned channel of Huntington Harbour, fractional Section 19, T5S, R11W, and fractional Section 24, T5S, R12W, S8M, in the City of Seal Beach, Orange County, California, described as follows:

BEGINNING at the most easterly corner of Tideland Location No. 141, as shown upon that certain map filed in Book 3, Page 45, Record of Surveys, Orange County Recorders Office, thence the following five courses:

1. N 73° 45' 00" W 545.24 feet (along the northeasterly line of said Tideland Location No. 141)
2. N 16° 15' 00" E 260.00 feet;
3. S 73° 45' 00" E 598.66 feet;
4. S 41° 53' 59" W 210.65 feet;
5. S 12° 03' 54" E 79.63 feet to the point of beginning.

END OF DESCRIPTION

Prepared *J. A. Kunnicke* Checked *J. J. [unclear]*
Reviewed *Gary A. Holden* Date *6/29/79*
[Signature]

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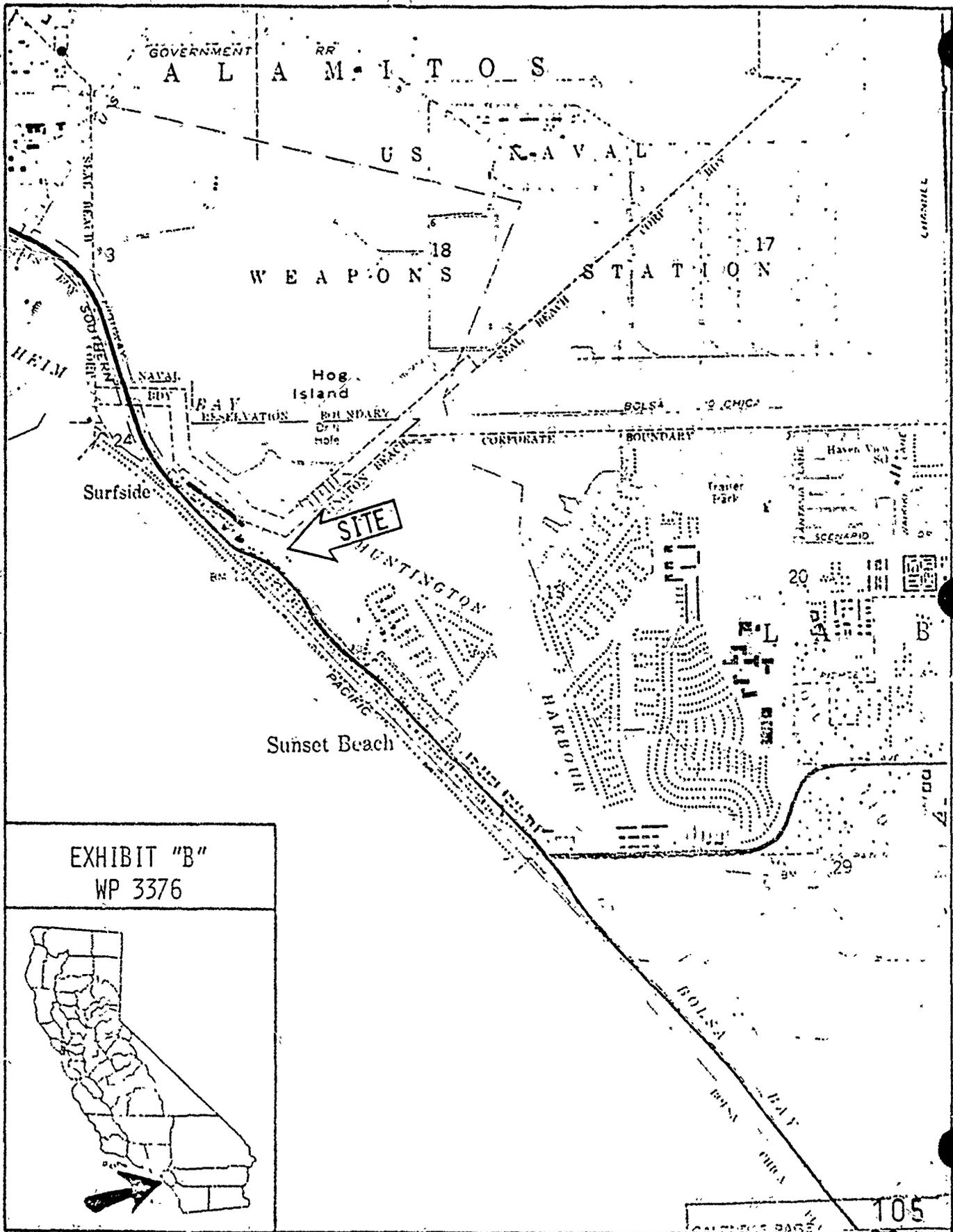


EXHIBIT "B"
WP 3376



ENVIRONMENTAL CLEARANCE REPORT
CITY OF HUNTINGTON BEACH, CALIFORNIA

APPLICANT: The Huntington Partnership/John M. Cope

ADDRESS: 16400 Pacific Coast Highway, Huntington Beach, CA. 92649

PROJECT TITLE: ND 79-54 (UP 76-23-AR 77-196-TPM 79-566)

PROJECT DESCRIPTION: Addition to existing commercial marine/commercial retail/office complex. Additional number of slips will be 83 & the additional square footage approx. 45,000 sq. ft.

PROJECT LOCATION: 16400 Pacific Coast Highway, Huntington Beach, CA.

An initial study has been conducted by the City of Huntington Beach Department of Planning and Environmental Resources. The initial study consisted of a review of the Environmental Information Form submitted by the project sponsor and is supported by adequate data to support the findings stated below. Based on the initial study it has been found:

EIR REQUIRED

The proposed project may have a significant effect on the environment and, therefore, an Environmental Impact Report must be prepared. The EIR is to be prepared by ___ a designated Consultant or ___ the Planning Staff.

TENTATIVE
NEGATIVE
DECLARATION

The proposed project will not have a significant effect on the environment. Therefore, it is recommended that no Environmental Impact Report be required for this project.

RECEIVED
CITY OF HUNTINGTON BEACH
PLANNING DEPARTMENT
AUG 24 1 2 PM '79

Any comments on the Tentative Negative Declaration shall be submitted to the City of Huntington Beach Department of Planning and Environmental Resources for reply and inclusion in the report to the discretionary body. All comments and/or information pertaining to the Tentative Negative Declaration should be filed in writing with the Department of Planning and Environmental Resources no later than 5:00 p.m. on the tenth day following the posting of this document.

7/27, 1979.
Date of Posting

FINAL
NEGATIVE
DECLARATION

The Negative Declaration was adopted by the Board of Zoning Adjustment on August 8, 1979.

SIGNED: _____

TITLE: _____

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NOTICE OF DETERMINATION

NOTICE IS HEREBY GIVEN that a determination has been made with respect to the below described project.

APPLICANT The Huntington Partnership/John M. Cope
 ADDRESS 16400 Pacific Coast Highway, Huntington Beach, CA. 92649
 PROJECT TITLE ND 79-54 (UP 76-23-AR 77-196-TPM 79-566)
 PROJECT DESCRIPTION Addition to existing commercial marina/commercial retail/office complex. Additional number of slips will be 83 & the additional square footage approx. 45,000 sq. ft.
 LOCATION 16400 Pacific Coast Highway, Huntington Beach, CA.

The above described project was: APPROVED ON August 8, 1979
 DISAPPROVED ON _____
 By: Board of Zoning Adjustments
Discretionary Body

The project ___ will, X will not, have a significant effect on the environment.

If approved, having a significant effect, a statement of Overriding Considerations is attached.

- () An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA (EIR # _____).
- () A Negative Declaration was prepared for this project pursuant to the provisions of CEQA. A copy of the Negative Declaration (Environmental Clearance Report) is attached.

The EIR is available for review at the City of Huntington Beach Department of Planning and Environmental Resources.

DATE MAILED: _____ SIGNED: James R. Brown
 TITLE: Associate Planner

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