

MINUTE ITEM

This Calendar Item No. 17
was approved as Minute Item
No. 17 by the State Lands
Commission by a vote of 2
to 0 at its 11/23/81
meeting.

CALENDAR ITEM

17

11/23/81
WP 5467
Maricle

I. RESCIND PRIOR AUTHORIZATION FOR
APPROVAL OF SUBLEASE - PRC 5467.1
(SHERMAN TO BOTHWELL)

II. APPROVE NEW SL LEASE - PORTION OF PRC 5467.1
(SHERMAN TO ZEMOGH)

SUBLESSOR: Robert M. Sherman
P. O. Box 4234
Burlingame, California 94010

SUBLESSEE: Frank E. Zemogh
930 Vista Grande
Millbrae, California 94030

AREA, TYPE LAND AND LOCATION:
1.419 acres of filled and unfilled tidal lands
and submerged lands, Burlingame, San Mateo
County.

LAND USE: Operation of a floating restaurant.

I. RESCIND PRIOR AUTHORIZATION FOR
APPROVAL OF SUBLEASE - PRC 5467.1
(SHERMAN TO BOTHWELL)

On September 29, 1981, Minute Item 10, the Commission authorized approval of a sublease between Robert M. Sherman and Lloyd Bothwell, as to a portion of State lease PRC 5467.1. Mr. Sherman and Mr. Bothwell have since terminated their relationship, as advised under letter dated October 7, 1981. Mr. Sherman has also entered into a proposed sublease with Mr. Frank E. Zemogh, of Millbrae. The terms of the proposed sublease are set forth below.

II. APPROVE NEW SUBLEASE - PORTION OF
LEASE PRC 5467.1
(SHERMAN TO ZEMOGH)

TERMS OF PROPOSED SUBLEASE:
Term:

Five years, January 1,
1982 through December 31,
1986.

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Rent:

A. Eight percent of Gross Monthly Sales, paid in arrears, to Robert M. Sherman against a guaranteed minimum.

B. Guaranteed Minimum:

1. \$3,000 per month for six months.
2. \$3,500 per month for the next six months.
3. \$4,000 per month, for the 1983 Calendar year.
4. \$5,000 per month for the 1984 Calendar year.
5. \$5,500 per month for the 1985 Calendar year.
6. \$6,050 per month for the 1986 Calendar year.

Insurance:

Sublessee to provide and pay for public liability insurance policy secured from a responsible insurance company, in which the limits of liability shall not be less than a combined limit of \$1,000,000. Said policy shall name Lessor and the State of California as additional insureds.

Renewal options: One period of nine years.

AREA SUBLET TO ZEMOGH:

-- Main and second deck of the floating restaurant.

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- Water area covered by floating restaurant.
- Non-exclusive right to use adjacent parking area, for restaurant and bar business.

PREREQUISITE TERMS, FEES AND EXPENSES:
Applicant is lessee.

Processing costs have been received.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

AB. 884: N/A.

OTHER PERTINENT INFORMATION:

1. An EIK is not required. This transaction is within the purview of 2 Cal. Adm. Code 2907, Class 1(B), which exempts an existing structure or facility that is in an acceptable state of repair and there is no evidence of record to show injury to adjacent property, shoreline erosion, or other types of environmental degradation.
2. This project is situated on State land identified as possessing significant environmental values pursuant to P.R.C. 6370.1, and is classified in a use category, Class C, which authorizes Multiple Use.

Staff review indicates that there will be no significant effect upon the identified environmental values. This is an existing facility for which no adverse comments have been received.

3. As owner and Lessor, the State's income derived from Lease PRC 5467.1 is presently \$750 per annum, or 2.5 percent of the Lessee's gross income, whichever is greater, with the right of the State to establish a new rental on the eighth

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anniversary of the lease. Payments made to the Sublessor (Sherman) under this sublease, would result in increased revenue to the State.

APPROVALS OBTAINED:
None.

FURTHER APPROVALS REQUIRED:
None.

EXHIBIT: A. Vicinity Plat.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH DOCUMENT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21084, 14 CAL. ADM. CODE 15100 ET SEQ., AND 2 CAL. ADM. CODE 2907.
2. RESCIND ITS PRIOR APPROVAL OF A SUBLEASE OF A PORTION OF LEASE PRC 5467.1, BETWEEN ROBERT M. SHERMAN AND LLOYD BOTHWELL, AS APPROVED UNDER MINUTE ITEM 10, ON SEPTEMBER 29, 1981.
3. APPROVE BY ENDORSEMENT A SUBLEASE OF A PORTION OF LEASE PRC 5467.1, BETWEEN ROBERT M. SHERMAN, AS SUBLESSOR, AND FRANK E. ZEMOGH, AS SUBLESSEE, UNDER THE TERMS DESCRIBED HEREIN, EFFECTIVE JANUARY 1, 1982.

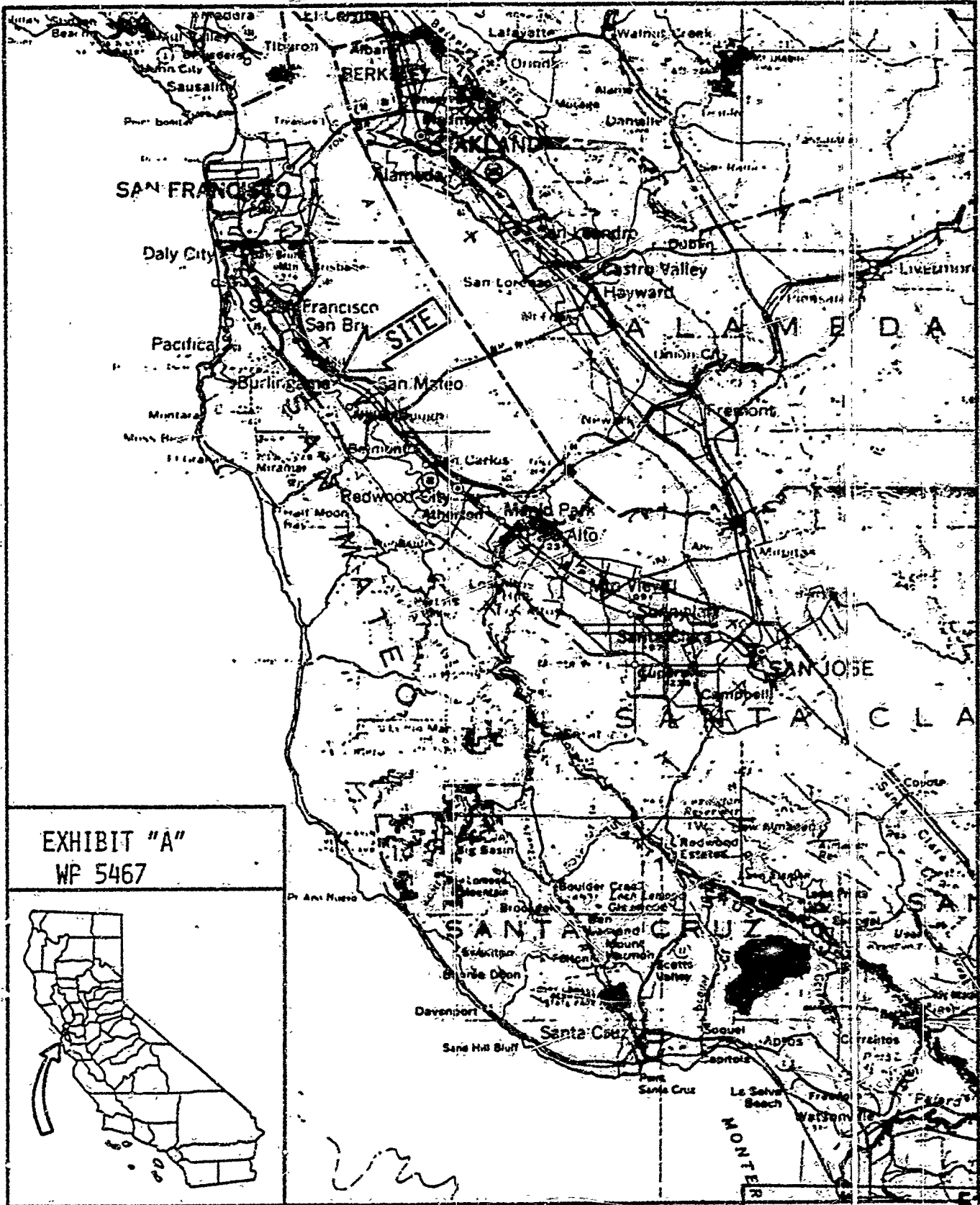


EXHIBIT "A"
 WF 5467

