

MINUTE ITEM

This Calendar Item No. 17
approved as Minute Item
No. 17 by the State Lands
Commission by a vote of 2
to 0 at its 5/28/86
meeting.

CALENDAR ITEM

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08/28/86
G 04-02.10
Townsend
Simmons

LEASE APPROVAL UNDER CHAPTER 1095, STATUTES OF 1978
GRANTED LANDS - CITY OF EUREKA AND
EUREKA REDEVELOPMENT AGENCY

LESSOR: City of Eureka
531 "K" Street
Eureka, California 95501

LESSEE: City of Eureka
Redevelopment Agency
Attn: Dennis Ivey
531 "K" Street
Eureka, California 95501

BACKGROUND:

As provided for by Chapter 1095, Statutes of 1978, all leases or permits in excess of one year in duration, for the use of granted tide and submerged lands, entered into or issued by the City of Eureka, shall not be valid without the prior written approval of the State Lands Commission. The statute further provides that the Commission shall have 60 days after submittal of a proposed lease or permit in which to approve any such lease or permit.

CURRENT SITUATION:

The City of Eureka has submitted, for Commission approval, an "Option to Lease" and "Lease Agreement" between the City and the Redevelopment Agency, for the construction of offshore oil drilling platform modules, and other oil processing-related structures and coastal dependent industrial projects.

The proposed Option is for a period of ten months, and provides the Redevelopment Agency with the necessary time to obtain the required permits for the project. The Option further allows the Redevelopment Agency to conduct soil tests, measurements of

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elevations, surveys and examinations of the property, and to observe filling, containment, shoring, dewatering, and compaction practices on the proposed lease premises.

The proposed lease is for a term of ten years, with one renewal option of ten years. The minimum annual rental during the original term of the lease, to be paid by the Redevelopment Agency, is \$86,400. Upon renewal, a reappraisal will be made to determine the fair market value of the lease premises. The minimum annual rental is subject to adjustment on the fifth anniversary of the beginning date of the lease and of the beginning date of the renewal period according to a formula to conform with the increases or decreases in the Consumer Price Index. In no event, however, shall the adjustments result in an annual rental lower than the respective minimum annual rental then in effect.

The lease provides for general liability insurance in the amount of \$5,000,000, combined single limit coverage, and for a surety bond in the amount of \$100,000. The lease further provides that all reasonable precautions will be taken to prevent pollution and contamination of the environment and that all statutes, rules and regulations, including, but not limited to, the CEQA shall be fully complied with at all times.

The staff of the Commission has reviewed the Option to Lease and the Lease Agreement, and feels that the agreements are fair and reasonable, and that the consideration is equitable.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Adm. Code 15378.

EXHIBITS: A. Mitigated Negative Declaration.
B. Site Map.

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IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. APPROVE THE OPTION TO LEASE AND LEASE AGREEMENT ON FILE IN THE PRINCIPAL OFFICE OF THE COMMISSION BETWEEN THE CITY OF EUREKA AND THE EUREKA REDEVELOPMENT AGENCY, COVERING GRANTED LANDS LOCATED IN THE CITY OF EUREKA, HUMBOLDT COUNTY.

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CITY OF EUREKA



531 K Street • Eureka, California 95501-1165 • (707) 443-7331

MITIGATED NEGATIVE DECLARATION

PROJECT TITLE: Offshore Oil Production Module Assembly Yard

PROJECT LOCATION: 658 West Waterfront Drive

APPLICANT: City of Eureka
531 "K" Street
Eureka, CA 95501

LCP LAND USE/ZONING DESIGNATION: "CW" Waterfront Commercial, "MC" Waterfront Industrial

MITIGATION: As is described in the application.

PROJECT DESCRIPTION: Develop and operate a coastal dependent industrial assembly yard. The site will be located on Humboldt Bay and adjacent uplands in the City of Eureka, California. Site development will consist of minor leveling and grading; dredging of a barge slip to accommodate a 100' x 400' barge; construction of an approximately 90' x 75' pile supported transfer pier joining the uplands to the barge slip; four cluster pile barge mooring dolphins; relocation of an access road to a nearby City owned dock; development of associated utilities, sidewalks, landscaping, parking, fencing, lighting, and street access. Related building development at the site includes construction of a permanent warehouse, work shop and office structures. Development also envisions demolition of several existing storage buildings and a small office.

FINDING OF NO SIGNIFICANT EFFECT:

It has been determined, after review and evaluation, that the proposed project will not have a significant effect on the environment.

The material supporting the above finding is contained in the Initial Study prepared by the Department of Community Development, Room 207, second floor, Eureka City Hall, 531 "K" Street, Eureka, CA, telephone 443-7331. Copies of documents relating to this project are available for review upon request.

4/3/86
Date

Kevin Hamblin
Kevin Hamblin, Director
Department of Community Development

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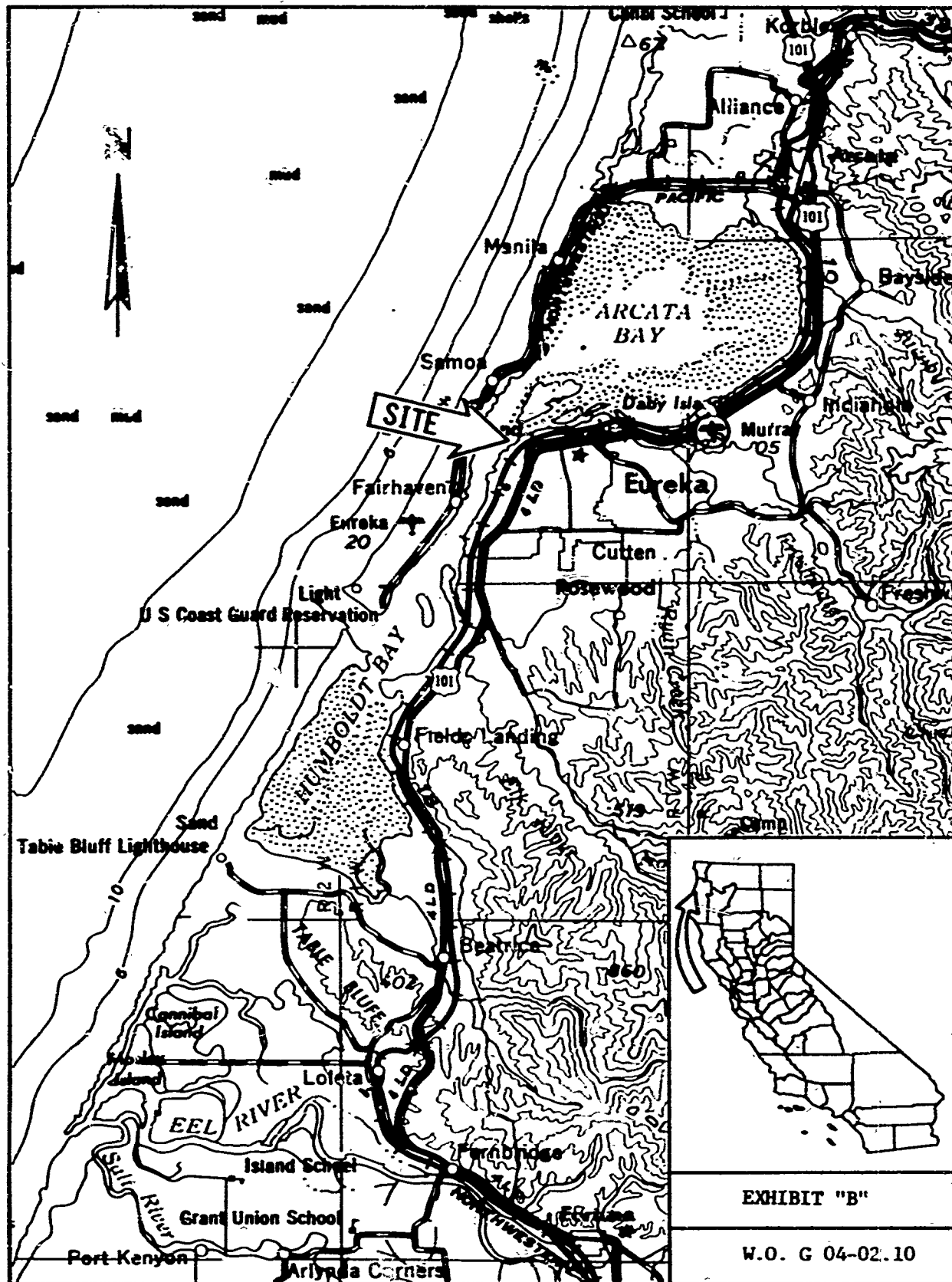


EXHIBIT "B"

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