

**CALENDAR ITEM
C26**

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12/03/08
PRC 4598.9
PRC 7578.9
N. Smith

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AMENDMENT OF LEASES

LESSEES:

PRC 4598.9
County of Santa Clara
70 W. Hedding Street
San Jose, California 95110

PRC 7578.9
City of Palo Alto
250 Hamilton Avenue
Palo Alto, California 94301

SUBLESSEE:

Environmental Volunteers
210 High Street
Palo Alto, California 94301

AREA, LAND TYPE, AND LOCATION:

PRC 4598.9: 234 acres, more or less and PRC 7578.9: 11.2 acres, more or less of sovereign lands in the city of Palo Alto, Santa Clara County.

AUTHORIZED USE:

PRC 4598.9; construction, operation, maintenance of a yacht harbor and related facilities; and PRC 7578.9; construction of a sailing station facility, demolition of existing boat launch and backfilling and revegetation, restoration of marshlands; and public access improvements.

LEASE TERM:

PRC 4598.9: 46 years – four months, beginning June 2, 1971
PRC 7578.9: 49 years, beginning April 1, 1992

CALENDAR ITEM NO. **C26** (CONT'D)

CONSIDERATION:

PRC 4598.9 and PRC 7578.9: the public use and benefit; with the State reserving the right at any time to set a monetary rental if the Commission finds such action to be in the State's best interest.

PROPOSED AMENDMENTS:

PRC 4598.9: amend lease premises to delete the Sea Scout building.

PRC 7578.9: amend lease premises to include the Sea Scout building, including rehabilitation and relocation of the building, construction of trail improvements, installation of a public restroom and approval of sublease to Environmental Volunteers, extend the term of the lease for an additional seven years – six months. All other terms and conditions of the leases shall remain in effect without amendment.

OTHER PERTINENT INFORMATION:

1. In the 1920' and 1930's the city of Palo Alto (City) acquired a number of parcels in Santa Clara County that were derived from State Swamp and Overflow Patents. Navigable bodies of water, namely Mayfield Slough and San Francisquito Creek, meandered throughout the parcels. Since the acquisition of these parcels, rather haphazard development has occurred on the properties, and assorted dredging and filling has taken place, so that the natural waterways are obscured and in many places are filled and suitable for development. In avoidance of the time, expense, and uncertainties required to confirm the respective interests of either parties, Leases Nos. PRC 4598.9 and PRC 7578.9 were issued without prejudice to any other claims, demands, causes of action, contentions, or assertions by either party.
2. The City has applied to the Commission to amend Lease Nos. PRC 4598.9 and PRC 7578.9 to allow relocation and rehabilitation of an existing Sea Scout building, construction of trail improvements, installation of a public restroom, and to request consideration of sublease to the Environmental Volunteers (EV) for use and maintenance of the Sea Scout Building, the trail improvements and the public restroom.
3. The EV is a non-profit organization devoted to promoting the understanding of and responsibility for the environment through hands-on science education. Other than relocation of the Sea Scout Building to higher ground EV anticipates no changes to the defining historic characteristics of the building, and plans no additions and only very minor exterior alteration. The plan for rehabilitation and adaptive re-use will be consistent with the Secretary of the Interior's standards for Historic Rehabilitation and in accordance with the City's analysis that building

CALENDAR ITEM NO. **C26** (CONT'D)

needs to be raised to higher elevation to avoid problems related to water incursion from high tides. The EV and City have entered into a long term lease for the rehabilitation and relocation of the Sea Scout Building, along with construction of trail improvements and installation of a public restroom.

4. **Amendment of Lease PRC 4598.9 and sublease of Lease PRC 7578.9:** Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060 (c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14 California Code of Regulations, section 15060 (c)(3) and 15378.

5. **Amendment of Lease PRC 7578.9:** A Mitigated Negative Declaration was prepared and adopted on August 26, 2008, for this project by the City of Palo Alto. The California State Lands Commission's staff has reviewed such document. A Mitigated Monitoring Program was adopted by the City of Palo Alto.
6. This activity involves lands identified as possessing significant environmental values pursuant to Public resources Code sections 6370, et. seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS OBTAINED:

San Francisco Bay Conservation and Development Commission, San Francisco Bay Region Regional Water Quality Control Board and city of Palo Alto

EXHIBITS:

- A. PRC 4598.9 - Site Map
- B. PRC 4598.9 - Legal Description
- C. PRC 7578.9 – Site Map
- D. PRC 7578.9 – Legal Description
- E. Mitigation Monitoring Program

PERMIT STREAMLINING ACT DEADLINE:

May 23, 2009

CALENDAR ITEM NO. **C26** (CONT'D)

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

AMENDMENT OF LEASE PRC 4598.9 AND SUBLEASE OF LEASE PRC 7578.9: FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060 (c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AMENDMENT OF LEASE PRC 7578.9: FIND THAT A MITIGATED NEGATIVE DECLARATION AND A MITIGATION MONITORING PROGRAM WERE PREPARED AND ADOPTED FOR THIS PROJECT BY THE CITY OF PALO ALTO AND THAT THE COMMISSION HAS REVIEWED AND CONSIDERED THE INFORMATION CONTAINED THEREIN.

ADOPT THE MITIGATION MONITORING PROGRAM, AS CONTAINED IN THE ENVIRONMENTAL DOCUMENT, ATTACHED HERETO AS EXHIBIT C.

SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

AUTHORIZATION:

1. AUTHORIZE AMENDMENT OF LEASE NO. PRC 4598.9 A GENERAL LEASE – PUBLIC AGENCY USE TO COUNTY OF SANTA CLARA, TO DELETE A PORTION OF THE LEASE PREMISES AS DESCRIBED IN EXHIBIT A AND BY THIS REFERENCE MADE A PART HEREOF, EFFECTIVE DECEMBER 3, 2008; ALL OTHER TERMS AND CONDITIONS OF THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.
2. AUTHORIZE THE AMENDMENT OF LEASE NO. PRC 7578.9, A GENERAL LEASE – PUBLIC AGENCY USE, TO THE CITY OF PALO ALTO, OF LANDS SHOWN ON EXHIBIT C AND

CALENDAR ITEM NO. **C26** (CONT'D)

DESCRIBED ON EXHIBIT D ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, EFFECTIVE DECEMBER 3, 2008, TO INCLUDE THE SEA SCOUT BUILDING, INCLUDING REHABILITATION AND RELOCATION OF THE BUILDING, CONSTRUCTION OF TRAIL IMPROVEMENTS, INSTALLATION OF A PUBLIC RESTROOM AND EXTEND THE TERM OF THE LEASE FOR AN ADDITIONAL SEVEN YEARS – SIX MONTHS; ALL OTHER TERMS AND CONDITIONS OF THE LEASE WILL REMAIN IN EFFECT WITHOUT AMENDMENT.

3. APPROVED BY ENDORSEMENT A SUBLEASE FROM THE CITY OF PALO ALTO TO ENVIRONMENTAL VOLUNTEERS, EFFECTIVE OCTOBER 23, 2008.