

**CALENDAR ITEM
C09**

A 2,5
S 4,6

02/08/11
WP 4485.1
M. Clark

GENERAL LEASE – COMMERCIAL USE

APPLICANT:

Richard Sorensen
dba Rio Ramaza Marina
P.O. Box 203
Citrus Heights, California 95611

AREA, LAND TYPE, AND LOCATION:

3.25 acres, more or less, of sovereign land in the Sacramento River, adjacent to 10,000 Garden Highway, near the town of Verona, Sutter County.

AUTHORIZED USE:

Operation, use and maintenance of a commercial marina consisting of walkways, uncovered floating docks, electric boat lift, debris deflector, and approximately 80 pilings.

LEASE TERM:

20 years, beginning August 1, 2010

CONSIDERATION:

Annual rent of five percent of the gross income derived from the berthing, docking, and mooring of boats and ten percent from all other gross income generated on the Lease Premises; with a minimum annual rent in the amount of \$952, with the state reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance with coverage of no less than \$2,000,000.

Bond:

\$10,000

Other:

The lease contains provisions that the Lessee must implement the Commission's "Best Management Practices for Marina

CALENDAR ITEM NO. C09 (CONT'D)

Owners/Operators” and incorporate the Commission’s “Best Management Practices for Berth Holders and Boaters” into Lessee’s berth rental agreements, including additional Best Management Practices (BMPs) the Commission subsequently deems appropriate for either of the above categories. In addition to the inclusion of the BMPs for Berth Holders and Boaters into the berth rental agreements, the Lessee shall post such publication in prominent places within the lease premises. The Lessee shall provide the Commission, on the first anniversary of the lease and tri-annually thereafter, a report on compliance with all BMPs.

BACKGROUND:

On July 30, 1970, the Commission authorized a General Lease – Commercial Use to 4-Jay Investments, Inc., doing business as Rio Ramaza Marina, for a 25-year term beginning on November 21, 1969. On January 24, 1980, the lease was amended to update the lease form, revise the annual rent, and authorize a new 20-year term beginning August 1, 1979. Two additional amendments to the lease occurred in 1981 and 1984 to revise the lease area. The lease expired on July 31, 1999 and went into holdover status.

On September 3, 1999, the upland was deeded to the Applicant. Between 1999 and 2008, staff made many attempts to bring the Applicant under lease. In October 2008, the Applicant submitted an application for a new General Lease – Commercial Use along with \$6,000 to be applied toward the outstanding rent including penalty and interest. Staff continued to attempt to bring the Applicant under lease however the Applicant was nonresponsive. As a result, on August 20, 2010, the Commission authorized termination of the month-to-month tenancy of PRC 4485.1 and authorized an ejectment and enforcement action against the Applicant if the Applicant failed within 60 days to complete the application process, submit a repair plan, and pay additional back rent plus penalty and interest.

Since the above Commission action, staff has worked with the Applicant to comply and has successfully negotiated a new lease which is now before the Commission. The Applicant has submitted the back rent and staff will continue to monitor the completion of the repairs outlined in the five year work plan submitted.

OTHER PERTINENT INFORMATION:

1. Applicant owns the uplands adjoining the lease premises.

CALENDAR ITEM NO. C09 (CONT'D)

2. The Rio Ramaza Marina occupies approximately 3.25 acres of sovereign land in the Sacramento River and approximately 1,700 feet of river frontage along Garden Highway. The Applicant operates a recreational vehicle and event park on the upland and docking and launching facilities on the lease premises. The marina consists of four uncovered floating boat docks, an electric boat lift and 50 exposed pilings left over from eight docks that have been removed for repairs. The Applicant has submitted a five year plan that will include restoring the facility to its original 12 dock layout and converting a large barge, located within the lease area, into a bait and tackle shop. All repair work is projected for the next five years and the Applicant is required to work with all appropriate agencies to authorize the proposed work. Staff anticipates bringing an amendment back to the Commission at some time in the future for authorization of any additional marina facilities as a result of the work plan.
3. Staff is recommending that the Commission consider accepting rent in the amount of \$8,608.80, including any penalty and interest that has accrued, for the period from August 1, 2006 through July 31, 2010.
4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2 California Code of Regulations, section 2905 (a)(2).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

4. 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.

EXHIBITS:

- A. Site and Location Map
- B. Land Description

RECOMMENDED ACTION:

It is recommended that the Commission:

CALENDAR ITEM NO. **C09** (CONT'D)

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15061 as a categorically exempt project, class 1, existing facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

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. Accept back rent in the amount of \$8,608.80, which includes penalty and interest for the period August 1, 2006 to July 31, 2010.
2. Authorize issuance of a General Lease – Commercial Use to Richard Sorensen dba Rio Ramaza Marina beginning August 1, 2010, for a term of 20 years, for the continued use and maintenance of an existing marina consisting of walkways, floating docks, electric boat lift, and pilings as shown on Exhibit A (for reference purposes only) and as described in Exhibit B attached and by this reference made a part hereof; annual rent of five percent of the gross income derived from the berthing, docking, and mooring of boats and ten percent from all other gross income generated on the Lease Premises; with a minimum annual rent in the amount of \$952, with the state reserving the right to fix a different rent periodically during the lease term, as provided in the lease; liability insurance in the amount of no less than \$2,000,000; and a surety bond in the amount of \$10,000.