

**CALENDAR ITEM  
C22**

A 8  
S 4

10/19/12  
PRC 5637.1  
V. Caldwell

**AMENDMENT OF LEASE AND CONTINUATION OF RENT**

**LESSEES:**

Shawn Berrigan and Diane House

**AREA, LAND TYPE, AND LOCATION:**

0.765 acres, more or less, of sovereign land in the Sacramento River, adjacent to 11740 Highway 160, town of Courtland, Sacramento County

**AUTHORIZED USE:**

Continued operation, use, and maintenance of an existing commercial marina, known as Courtland Docks, consisting of a floating boat dock used for side tie berthing, a boat lift, pilings, gangway, a platform, debris diverter, buoy, and deck.

**LEASE TERM:**

10 years, beginning October 22, 2007.

**CONSIDERATION:**

Minimum annual rent in the amount of \$2,100, against five percent of annual gross income from berthing and 10 percent of annual gross income derived from all other activities conducted on or over the Lease Premises.

**SPECIFIC LEASE PROVISIONS:**

Insurance:

Liability of no less than \$2,000,000 combined single limit coverage

Bond:

\$50,000

**PROPOSED AMENDMENT:**

Amend Section 1 (Surety Bond) to revise the surety bond or other security amount from \$50,000 to \$10,000 effective October 19, 2012. All other terms and conditions of the lease shall remain in effect without amendment.

**OTHER PERTINENT INFORMATION:**

1. Applicants own the upland adjoining the lease premises.

CALENDAR ITEM NO. **C22** (CONT'D)

2. On December 3, 2007, the Commission authorized a General Lease – Commercial Use to Shawn Berrigan and Diane House for an existing commercial marina known as Courtland Docks. The lease will expire on October 21, 2017.
3. At the time the lease was issued, the docking facilities were in a state of disrepair. Due to the deteriorated condition, the amount of the surety bond was set at \$50,000 as security to complete repairs and replacement of the majority of the floating docks. The Lessees completed the agreed upon repairs by May 1, 2008. Between issuance of the Lease and the completion of the repairs, the Lessees were unable to obtain the surety bond due to several factors, including ongoing litigation concerning ownership of the marina and the downturn in the economy. That litigation has been settled and the Lessees have requested a reduction in the amount of the surety bond with completion of the repairs and to cure the default due to lack of a surety bond. Staff is now recommending that the surety bond be decreased from \$50,000 to \$10,000, a level currently being applied to similar marina leases.
4. This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff conducted a review of the rent under this lease, and recommends the minimum annual rent be continued at \$2,100 per year, against five percent of annual gross income from berthing and 10 percent of annual gross income derived from all other activities conducted on or over the Lease Premises, effective October 22, 2012.
5. The staff recommends that the Commission find that the subject continuation of rent and reduction in surety does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

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

**EXHIBIT:**

- A. Site and Location Map

CALENDAR ITEM NO. **C22** (CONT'D)

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

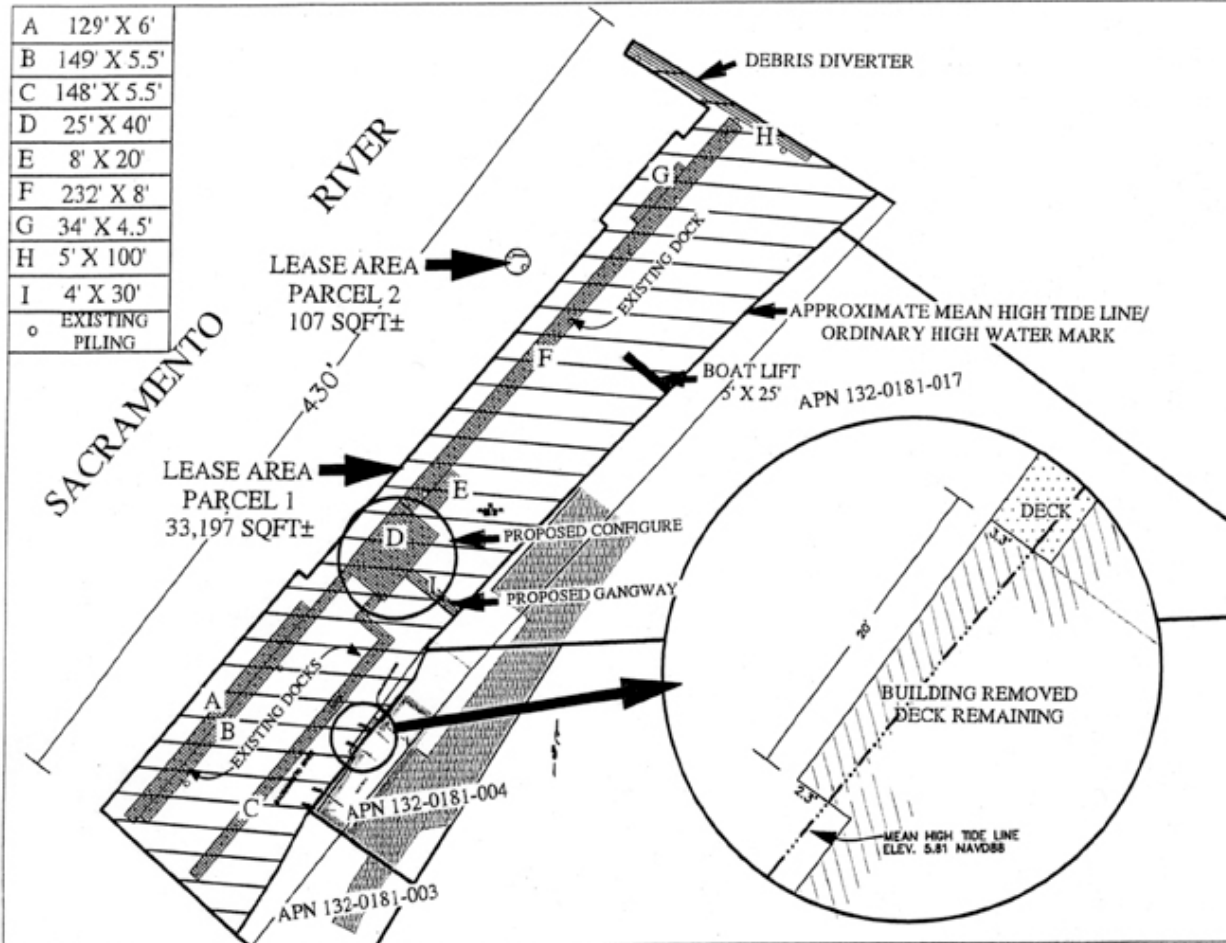
Find that the subject continuation of rent and reduction in surety is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

**AUTHORIZATION:**

1. Authorize the amendment of Lease No. PRC 5637.1, a General Lease – Commercial Use, effective October 19, 2012, to revise the surety bond from \$50,000 to \$10,000; all other terms and conditions of the lease will remain in effect without amendment.
2. Approve the continuation of rent for Lease No. PRC 5637.1 at \$2,100 per year, effective October 22, 2012.

NO SCALE

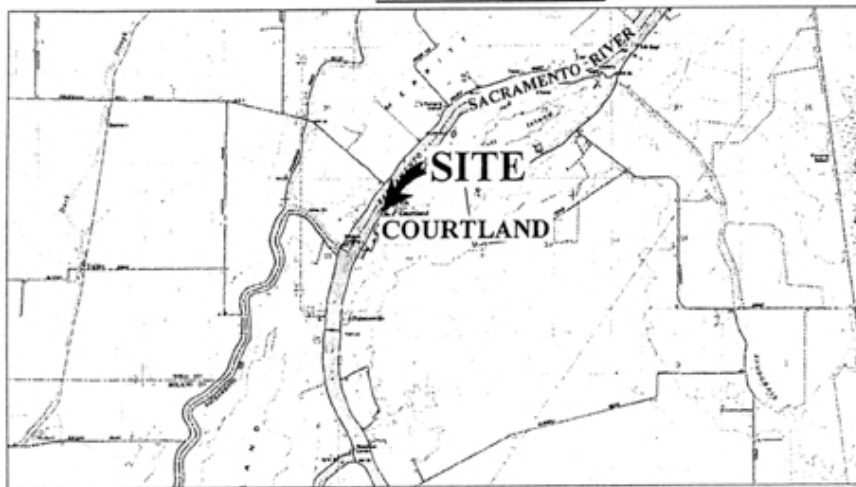
# SITE



COURTLAND DOCKS, SACRAMENTO RIVER  
11740 HIGHWAY 160 COURTLAND, CA

NO SCALE

# LOCATION



MAP SOURCE: USGS QUAD

## Exhibit A

PRC 5637.1  
BERRIGAN/HOUSE  
APN 132-0181-004  
GENERAL LEASE -  
COMMERCIAL USE  
SACRAMENTO COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.