

## STAFF SUMMARY FOR FEBRUARY 21, 2020

**12C. EXECUTIVE DIRECTOR'S REPORT – KELP LEASE TERMINATION****Today's Item****Information** **Action** 

Report of The Abalone Farm, Inc.'s termination of its lease for administrative kelp beds 204 and 207.

**Summary of Previous/Future Actions (N/A)****Background**

On Dec 2, 2019, FGC received written notice from Ray Fields, president of The Abalone Farm, Inc. (tenant) requesting termination for administrative kelp beds 204 and 207 (Exhibit 1).

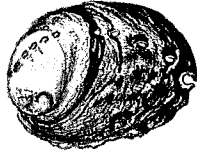
The current lease agreement provides that if the tenant becomes unable to continue operating the lease for commercial kelp harvest for reasons beyond the tenant's ability to control, the tenant may terminate the lease after 30 days written notice to the State.

Based on correspondence and consultation with DFW, staff has determined that the termination notice was submitted as a result of the land owner's determination to not renew the shore-based facility lease for The Abalone Farm, Inc. and, therefore, the notice meets the requirements of Section 25 of the lease agreement. The lease has been terminated effective January 1, 2020.

**Significant Public Comments (N/A)****Recommendation (N/A)****Exhibits**

1. [Letter from Ray Fields, The Abalone Farm, Inc.](#), received Dec 2, 2019

**Motion/Direction (N/A)**



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**THE ABALONE FARM, INC.**

P.O. BOX 136 CAYUCOS, CA 93430 805/995-2495 FAX # 805/995-0236 LIC # 0014 DEALER # 6862

November 26, 2019

Elizabeth Pope  
Fish and Game Commission  
1416 Ninth St., Suite 1320  
Sacramento, CA 95814

Dear Ms. Pope,

I am writing to you to give notice that The Abalone Farm, Inc. would like to terminate our leases on kelp beds 204 and 207. The Abalone Farm will be ceasing commercial operations at the end of this year and will no longer have a need for a reliable source of kelp.

Thank you for your assistance in this manner. The kelp leases were an important part of our business these past decades, and we have always enjoyed a good working relationship with the Commission.

Best regards,

Ray Fields  
President, The Abalone Farm, Inc.