

# Staff Report 17

**LESSEE:**

Lakeside Park Association

**PROPOSED ACTION:**

Revision of Rent

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

Sovereign land in Lake Tahoe, adjacent to 4041 Lakeshore Boulevard, South Lake Tahoe, El Dorado County (as shown in Figure 1).

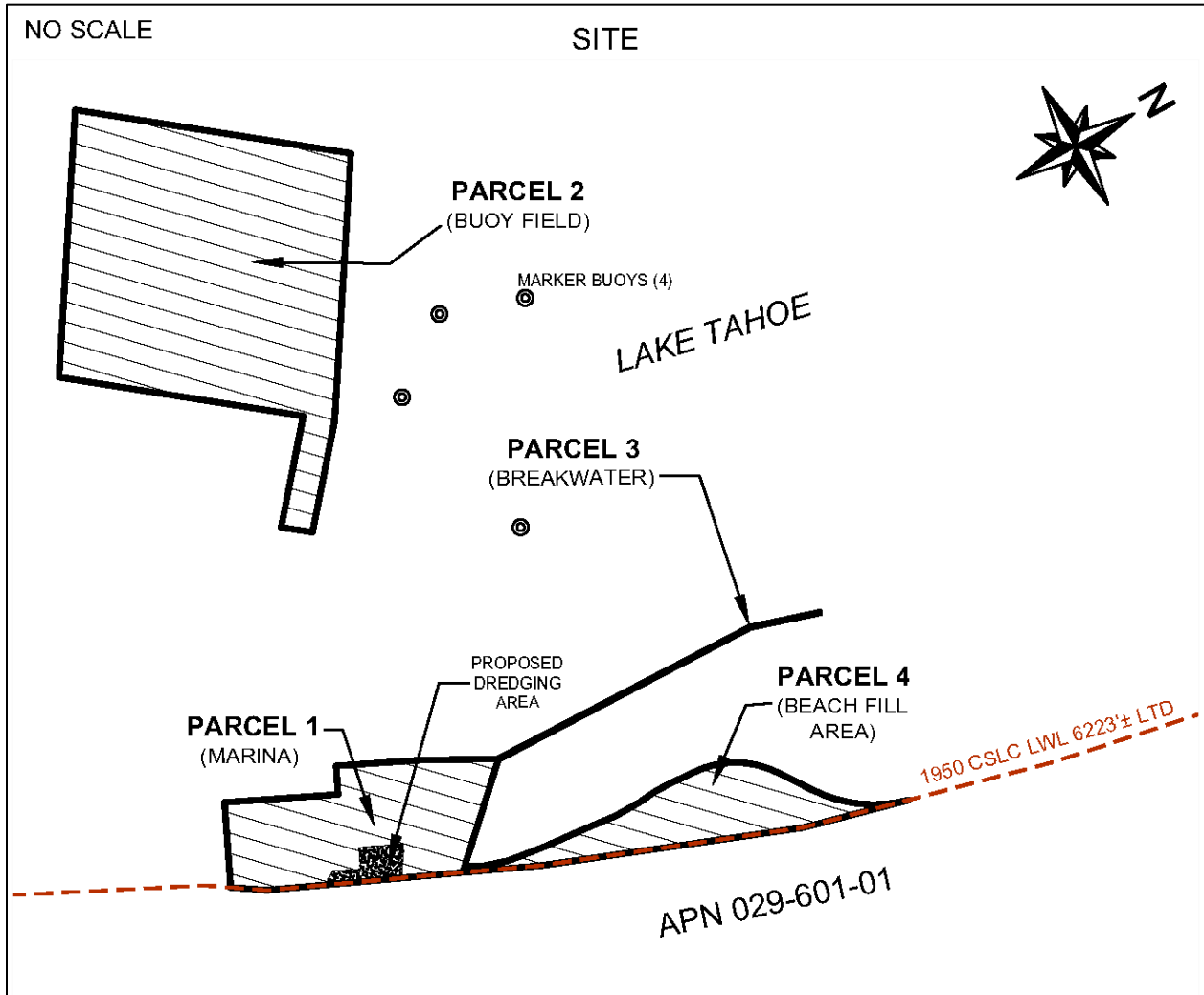
**Figure 1. Location**



**AUTHORIZED USE:**

Continued use and maintenance of a commercial marina known as Lakeside Marina with 10 mooring buoys, four marker buoys, and one-time maintenance dredging; and continued use and maintenance of an existing beach, fill, and freestanding sheetpile breakwater known as Lakeside Park Association (LPA) Beach and Swim Area (as shown in Figure 2).

**Figure 2. Site Map**



NOTE: This depiction of the lease premises is based on unverified information provided by the Applicant or other parties and is not a waiver or limitation of any State interest in the subject or any other property.

**TERM:**

20 years, beginning June 7, 2004.

**CONSIDERATION:**

The lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease and recommends that the minimum rent for Lakeside Marina be revised from \$5,687 per year to \$21,517 per year, effective June 7, 2023, and that the rent for LPA Beach and Swim Area be revised from \$23,187 per year to \$11,920 per year, effective June 7, 2021, with the amount of \$22,534 paid towards annual rent for the period of June 7, 2021 through June 6, 2023 to be credited to the current annual rent due.

**OTHER PERTINENT INFORMATION:**

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1. Approval or denial of the revision of rent is a discretionary action by the Commission. Each time the Commission approves or rejects a revision of rent, it exercises legislatively delegated authority and responsibility as trustee of the State's Public lands as authorized by law. The Lessee has no right to a new lease or to renewal of any previous lease.
2. On June 7, 2004, the Commission authorized a 20-year General Lease – Commercial and Recreational Use to the Lessee ([June 7, 2004, Item 13](#)) for an existing commercial marina, 10 mooring buoys, four marker buoys, a freestanding sheetpile breakwater, two swim lines, two swim platforms, swim area, and beach and fill (beach accretion area). On June 28, 2010, the Commission authorized an amendment of lease for one-time maintenance dredging ([June 28, 2010, Item 44](#)). On September 1, 2011, the Commission authorized a second amendment to remove the two swim lines, two swim platforms, and the swim area ([September 1, 2011, Item 19](#)). On October 14, 2014, the Commission authorized a revision in the minimum annual rent for Lakeside Marina from \$23,019 to \$5,687 and the annual rent for LPA Beach and Swim Area from \$23,598 to \$23,187, effective June 7, 2014 ([October 14, 2014, Item 55](#)). This reduction in the minimum annual rent for Lakeside Marina was made to correct a mistake on the marina's revenue reporting. The Lessee had previously reported gross income for watercraft rental operations located outside the Lease Premises. On June 29, 2015, the Commission authorized a third amendment to include another one-time maintenance dredging within the marina area ([June 29, 2015, Item 40](#)). The lease will expire on June 6, 2024.
3. The recommendation for this rent review includes a reduction in the annual rent for the LPA Beach and Swim Area. In 2019, staff started the rent review on the fifth anniversary of the lease pursuant to the lease provisions. During the review,

the Lessee's representative informed staff that LPA provides public access across its privately-owned property to access the beach accretion area. Public access is allowed free of charge during the off-season and allowed with a charge during the summer season when a gate attendant is present. Prior to 2019, staff was not aware of the public access provided within the lease premises. Since then, staff and the Lessee's representative have worked on negotiating a revised rent and reached an agreement in 2023. Because the beach can only be used as a beach and cannot be built upon, staff recommend applying a utility discount. Staff also recommend a public access discount to account for the public access LPA provides through its upland property to the beach accretion area from Labor Day to Memorial Day of each year.

4. With the rent review beginning in 2019, staff intended to recommend a revision of rent effective June 7, 2020. Due, in part, to staff delays, completion of the rent review and negotiations took longer than anticipated. Therefore, staff recommends the revision of rent for the LPA Beach and Swim Area become effective June 7, 2021, and a credit of \$22,534 for the period of June 7, 2021 through June 6, 2023 be applied towards the current rent due. Because the minimum annual rent for Lakeside Marina is based upon a percentage of the most recent gross income figures, staff recommends the proposed revision of minimum annual rent become effective June 6, 2023.
5. This action is consistent with the "Meeting Evolving Public Trust Needs" Strategic Focus Area of the Commission's 2021-25 Strategic Plan.
6. Approving the revision of rent is not a project as defined by the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

## **RECOMMENDED ACTION:**

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It is recommended that the Commission:

### **AUTHORIZATION:**

1. Approve the revision of minimum annual rent for the commercial use portion (Lakeside Marina) of Lease PRC 5883 from \$5,687 per year to \$21,517 per year, effective June 7, 2023.

2. Approve the revision of annual rent for the recreational use portion (Lakeside Park Association Beach and Swim Area) for Lease PRC 5883 from \$23,187 per year to \$11,920 per year, effective June 7, 2021.
3. Approve applying credit in the amount of \$22,534 paid towards annual rent for the period of June 7, 2021 through June 6, 2023 to the current annual rent due.