

Staff Report 16

LESSEE/APPLICANT:

Tahoe Trust General Partnership, a California general partnership; and Spirit of Tahoe, LLC, a Delaware limited liability company

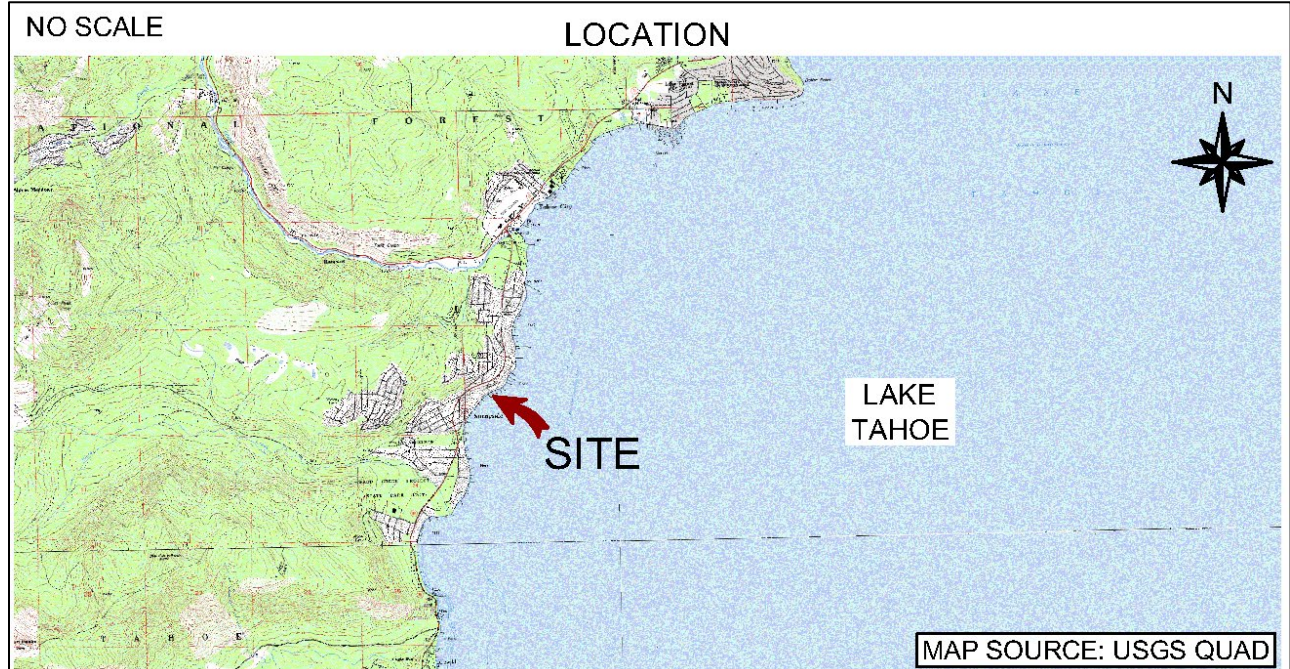
PROPOSED ACTION:

Issuance of a General Lease – Recreational Use.

AREA, LAND TYPE, AND LOCATION:

Sovereign land in Lake Tahoe, adjacent to 1324 and 1330 West Lake Boulevard, near Tahoe City, Placer County (as shown in Figure 1).

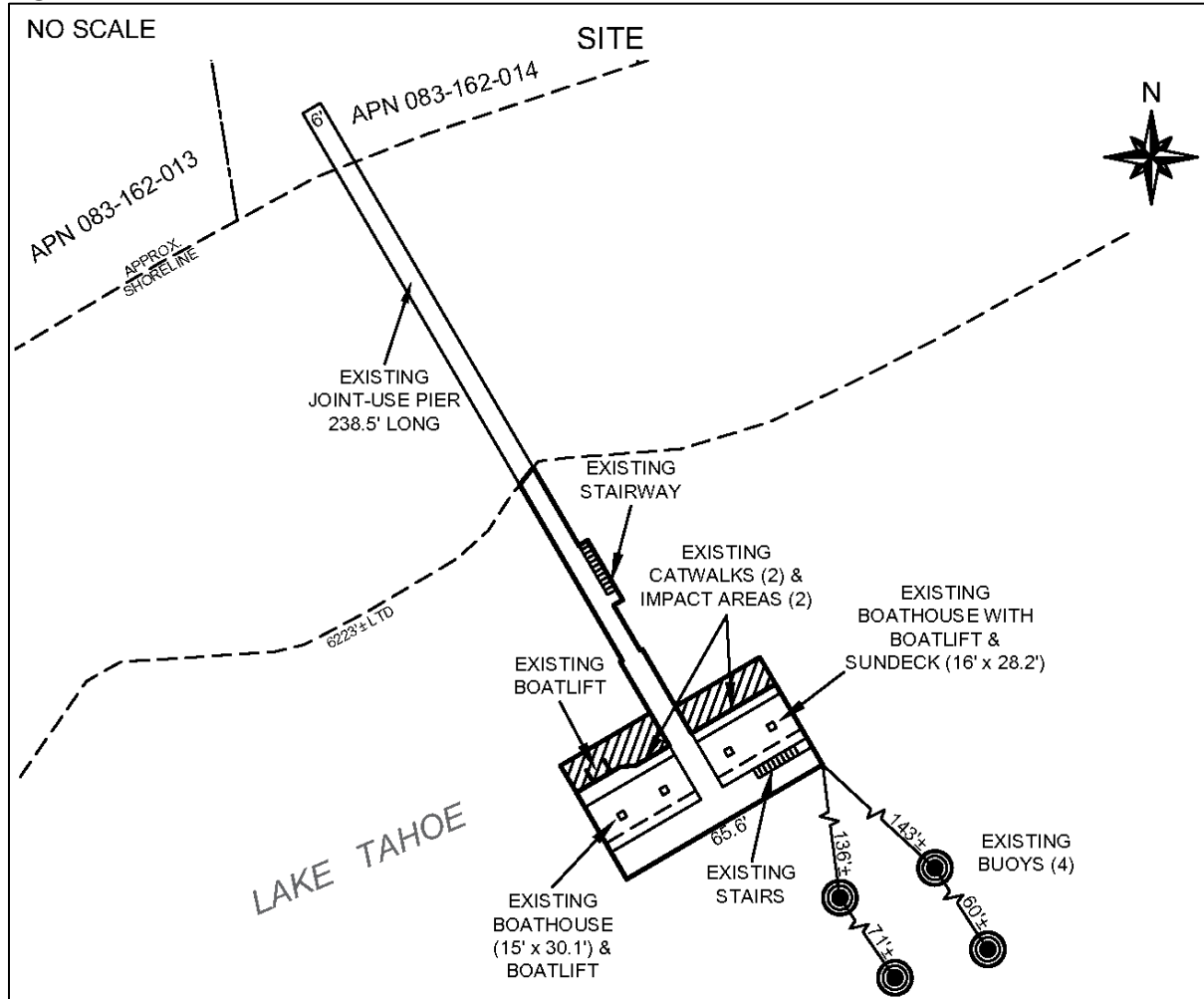
Figure 1. Location



AUTHORIZED USE:

Use of a joint-use pier with two boathouses, three boat lifts, sundeck with stairs, and four mooring buoys (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:

10 years, beginning October 19, 2023.

CONSIDERATION:

\$3,393 per year, with an annual Consumer Price Index adjustment; and compensation for unauthorized occupation in the amount of \$1,339 for the period prior to October 19, 2023.

SPECIFIC LEASE PROVISIONS:

- Liability insurance in an amount no less than \$1,000,000 per occurrence.
- Lessee acknowledges that a Tahoe Regional Planning Agency (TRPA) permit or registration may be required for the Authorized Improvements and failure to obtain a permit or registration from TRPA and maintain compliance with that permit or registration may result in TRPA imposing civil penalties and will constitute a breach of the lease.
- Lessee acknowledges that the hazards associated with climate change may require additional maintenance or protection strategies regarding the improvements on the lease premises.
- Lessee agrees that the public be allowed to pass and repass under the pier on the landward end of the pier, with signs posted on each side of the pier, to provide continuous shoreline access to the Public Trust easement below elevation 6228.75 feet, Lake Tahoe Datum (LTD).
- Lessee shall not store any personal items or construct any improvements in the Public Trust easement that may impair the public's right of access for navigation, fishing, and Public Trust-consistent recreational uses.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6216, 6301, 6501.1, 6503, 6503.5, and 6505.5; California Code of Regulations, title 2, sections 2000 and 2003.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

On June 19, 2014, the Commission authorized a General Lease – Recreational Use, to Simone Hotaling Hoag, as Trustee of the Nonexempt Trust B Under the Carl L. Hoag, Jr. and Simone Hotaling Hoag Revocable Trust dated November 7, 1990; Simone Hotaling Hoag, as Trustee of Trust C Under the Carl L. Hoag, Jr. and Simone Hotaling Hoag Revocable Trust dated November 7, 1990; Simone Hotaling Hoag, as Trustee of the Simone Hotaling Hoag Revocable Trust dated June 1, 1992; Simone H. Hoag, as Trustee of the Simone H. Hoag Tahoe Residence Trust A dated September 3, 2010; Simone H. Hoag, as Trustee of the Simone H. Hoag Tahoe Residence Trust B dated September 3, 2010; Simone H. Hoag, as Trustee of the Simone H. Hoag Tahoe Residence Trust C dated September 3, 2010; and Spirit of Tahoe, LLC, a Delaware Limited Liability Company, for the use and maintenance of a joint-use pier with two boathouses, three boat lifts, sundeck with stairs, and four mooring buoys ([Item 37, June 19, 2014](#)). On April 19, 2018, the Commission authorized a revision of rent for the use of the pier with two boathouses, three boat lifts, sundeck with stairs, and

four mooring buoys ([Item 23, April 19, 2018](#)). The lease expired on May 27, 2023. Ownership interest of the 1324 West Lake Boulevard property was transferred from Simone Hotaling Hoag, et al. on June 21, 2022, to the Tahoe Trust General Partnership, a California General partnership, but is still retained by the same family.

The Applicant is now applying for a General Lease – Recreational Use for the continued use of the joint-use pier with two boathouses, three boat lifts, sundeck with stairs, and four mooring buoys. Registration with TRPA is current (No. 11436, 11440, 11641). Staff is recommending the lease start at the Commission meeting date of October 19, 2023, with compensation in the amount of \$1,339 for the period prior to the proposed October 19 start date.

The subject facilities are privately owned and maintained and facilitate recreational boating. Recreational boating is a water-dependent use that is generally consistent with the common law Public Trust Doctrine. The California Legislature has identified private recreational boating facilities as an authorized use of Public Trust land. (Pub. Resources Code, § 6503.5)

The four mooring buoys are located directly lakeward of the upland properties and occupy a relatively small area of the lake. The subject pier with two boathouses, three boat lifts, and sundeck with stairs is built on pilings, and the topography is flat and sloped, with small to medium sized rocks scattered across the shoreline, making the shoreline difficult to access for pedestrians in this area. Public access for pedestrians and lake-related activities is available at varying water levels underneath the pier within the Public Trust easement. Applicant agrees to allow the public to pass and re-pass under the pier in the Public Trust easement. Signs are required to be posted on each side of the pier identifying the designated public passageway and are required to be in place at all times.

Although the sundeck with stairs is a private use of public property, and not a Public Trust consistent use, the sundeck is built onto the existing boathouse directly waterward of 1324 W. Lake Blvd. and does not expand the footprint of the subject facilities. While new sun decks are not generally authorized, sun decks that have been in place for many years and previously authorized have been permitted, so long as they do not significantly interfere with Public Trust needs or activities.

The use and maintenance of this sundeck was authorized by the Commission on June 19, 2014 ([Item 37, June 19, 2014](#)). Therefore, staff recommends the continued authorization of the sundeck. However, the proposed lease contains terms limiting expansion of the sundeck and the ability to rebuild if substantially damaged.

The proposed lease does not alienate the State's fee simple interest or permanently impair public rights. The lease is limited to a 10-year term, does not grant the lessee exclusive rights to the lease premises, and reserves an easement to the public for Public Trust-consistent uses. Upon termination of the lease, the lessee may be required to remove all improvements from State land and restore the lease premises to their original condition.

The proposed lease requires the Lessee to insure the lease premises and indemnify the State for any liability incurred as a result of the lessee's activities thereon. The lease also requires the payment of annual rent to compensate the people of the State for the occupation of the public land involved.

CLIMATE CHANGE:

Climate change significantly affects inland non-tidal lakes such as Lake Tahoe. The frequency and severity of natural disasters like flooding, wildfire, drought, extreme heat, and storms are increasing throughout the state of California, including the Sierra Nevada mountains, and will continue to accelerate through the end of the century. Structures along the shores of inland lakes are particularly vulnerable to the more frequent and extreme weather events and shifts in seasonal characteristics.

According to [California's Fourth Climate Change Assessment](#), released in 2018, the most significant impacts of climate change in the Sierra Nevada Region are more intense heat, precipitation extremes, declining snowpacks, and changes in streamflow timing. The long-term warming trend will lead to warmer and shorter winters, and longer and dryer summers. Successive dry and warm winters are resulting in minimal snowpack, increased winter streamflows and floods, and decreased spring and summer runoff. Prolonged low lake levels will become normal. Low lake level conditions can create more expansive beaches and increased shoreline access in dry months. However, these conditions interfere with boat launching and mooring facilities. This impact is most noticeable where the facilities are sited on shallow, low gradient lake bottom locations.

Dry winters will be punctuated with exceedingly wet years where prolonged and excessive precipitation can produce flash floods. High precipitation in these years will result in higher lake levels, causing beaches to narrow and reducing public access. Extra saturation of the soil can increase erosion, especially following intense wildfire seasons. Surface runoff water may carry more sediment into the lake, adversely impacting water quality and clarity.

Climate change may also lead to more intense and unpredictable storm events and winds. These storms may deviate from prevailing wind patterns for the region. These winds can accelerate shoreline erosion in some areas or cause erosion in areas not typically subject to erosion. Additionally, these winds can increase wave damage on structures and boats along the lake.

Improvements authorized under this lease may require more frequent inspection and maintenance to ensure they are not displaced during storm events. Watercraft moored to buoys, piers, or docks are also vulnerable to damage from high wind events and excessive waves.

CONCLUSION:

For all the reasons above, staff believes the issuance of this lease will not substantially interfere with Public Trust needs at this location, at this time, and for the term of the proposed lease; and is in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the application is a discretionary action by the Commission. Each time the Commission approves or rejects a use of sovereign land, it exercises legislatively delegated authority and responsibility as trustee of the State's Public Trust lands as authorized by law. If the Commission denies the application, the Applicant may be required to remove the joint-use pier, two boathouses, three boat lifts, sundeck with stairs, and four mooring buoys, and restore the premises to their original condition. The lessee has no right to a new lease or to renewal of any previous lease.
2. This action is consistent with the "Meeting Evolving Public Trust Needs" and the "Leading Climate Activism" Strategic Focus Areas of the Commission's 2021-2025 Strategic Plan.
3. Staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

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

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

PUBLIC TRUST AND STATE'S BEST INTERESTS:

1. Find that the pier with two boathouses, three boat lifts, and four mooring buoys will not substantially impair the public rights to navigation and fishing or substantially interfere with the Public Trust needs and values at this location, at this time, and for the term of the proposed lease; and is in the best interests of the State.
2. Find that the existing and continuing use and maintenance of the sundeck with stairs is not generally associated with Public Trust uses, but the current use does not substantially interfere with Public Trust needs and values at this location, at this time; and
3. Find that issuing the proposed lease is in the best interests of the State.

AUTHORIZATION:

1. Authorize issuance of a General Lease – Recreational Use to the Applicant beginning October 19, 2023, for a term of 10 years, for the use of a joint-use pier with two boathouses, three boat lifts, sundeck with stairs, and four mooring buoys; with annual rent in the amount of \$3,393 per year, with an annual Consumer Price Index adjustment; and liability insurance in an amount no less than \$1,000,000 per occurrence.
2. Authorize acceptance of compensation from the Applicant in the amount of \$1,339 for unauthorized compensation of State Land for the period prior to October 19, 2023.