

Staff Report 04

LESSEE/APPLICANT:

Chambers Landing Partnership, a California General Partnership

SUBLESSEE:

LT Chambers, LLC, a California limited liability company

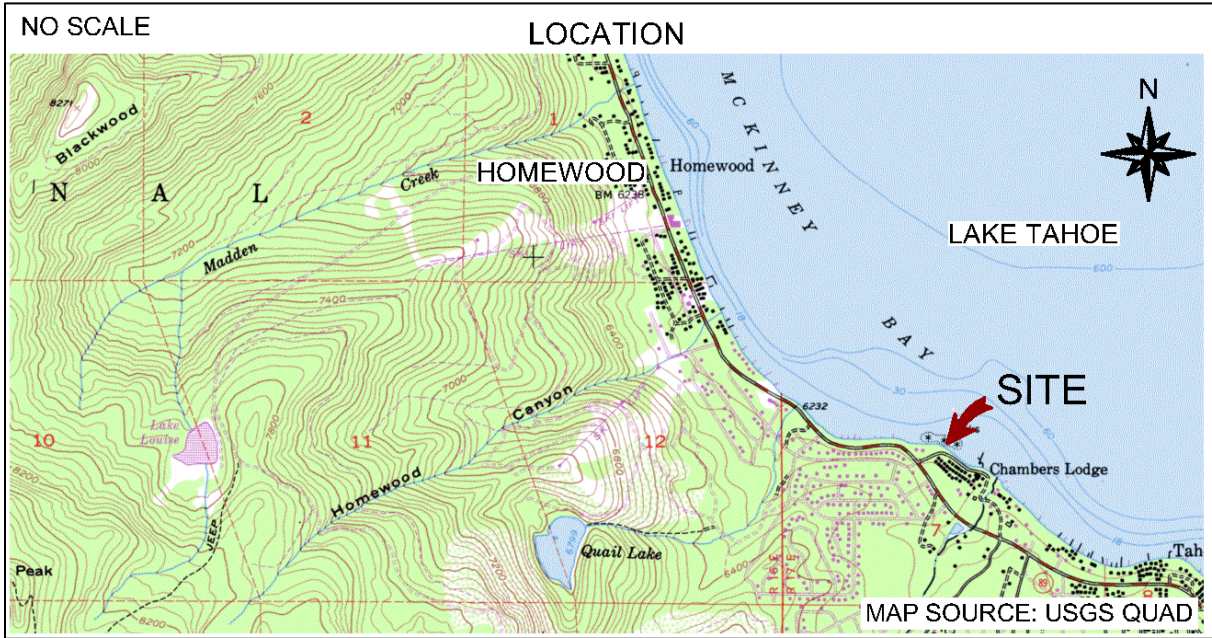
PROPOSED ACTION:

Endorsement of a Sublease.

AREA, LAND TYPE, AND LOCATION:

Sovereign land in Lake Tahoe, adjacent to 6500 West Lake Boulevard, near Homewood, Placer County (as shown in Figure 1).

Figure 1. Location

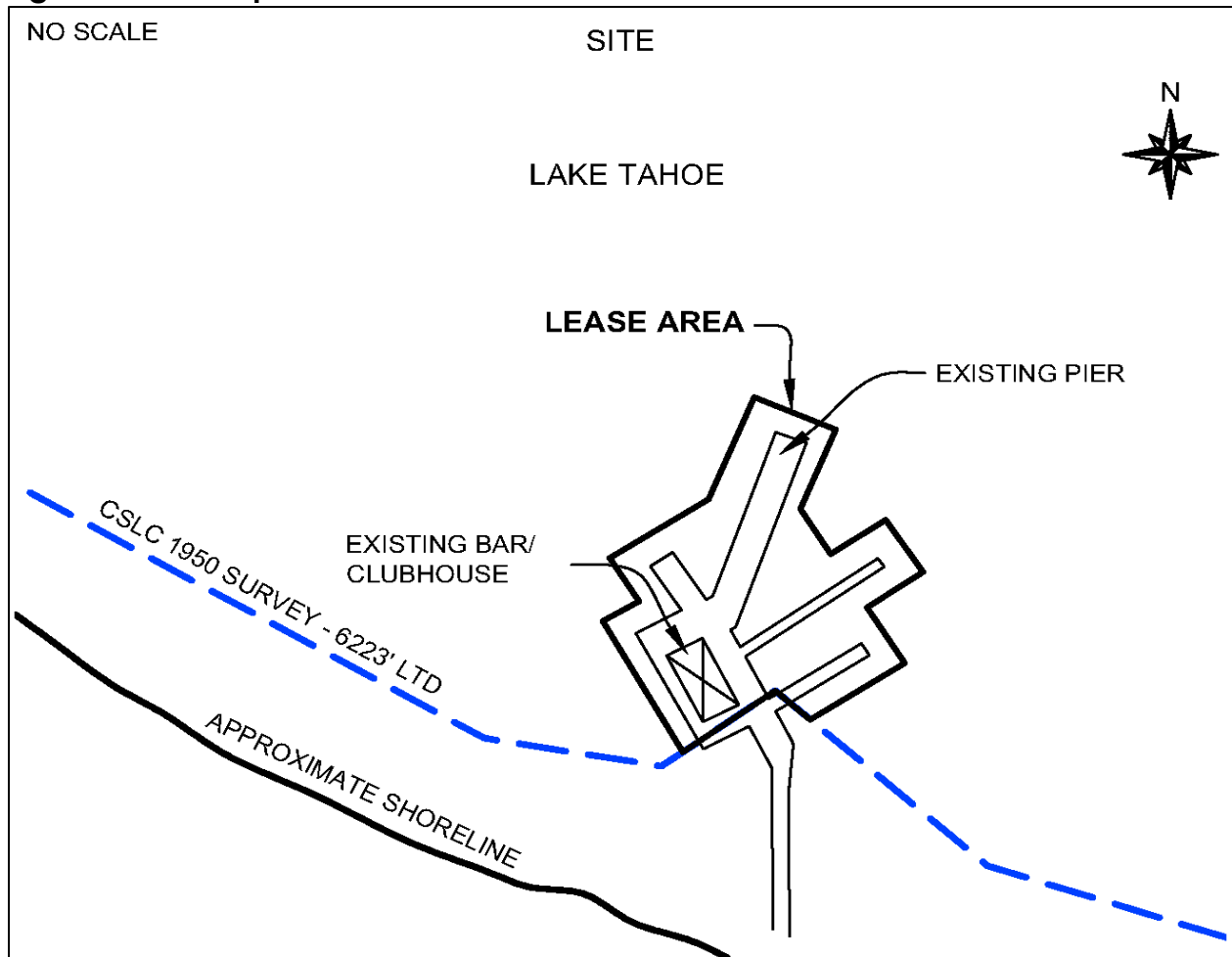


AUTHORIZED USE:

Lease: Continued use and maintenance of an existing commercial pier and bar/clubhouse.

Sublease: Operation and maintenance of a commercial pier and bar/clubhouse (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:

Lease: 15 years, beginning December 30, 2010, ending December 29, 2025.

Sublease: 3 years and 11 days, beginning December 19, 2022, ending December 29, 2025.

CONSIDERATION:

Minimum annual rent in the amount of \$14,769 per year against three percent of the gross income derived from the bar/clubhouse and all activities associated with the bar/clubhouse operations; and 10 percent of gross income derived from all other unauthorized activities conducted on or over the Lease Premises; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

- Liability insurance in an amount no less than \$5,000,000 per occurrence.
- Surety bond in the amount of \$40,000.
- The lease requires that the Lessee implement the Commission's "Best Management Practices for Guest Dock Users and Boaters," including additional Best Management Practices (BMPs) the Commission subsequently deems appropriate for the above. Lessee shall post the "BMPs for Guest Dock Users and Boaters" 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.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

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

PUBLIC TRUST AND STATE'S BEST INTERESTS:

On February 8, 2011, The Commission authorized a 15-year General Lease – Commercial Use, commencing December 30, 2010, to the Chambers Landing Partnership, a California General Partnership and a Sublease to RB Waterfronts, a California limited liability company, for the use and maintenance of an existing commercial pier and bar/clubhouse ([Item 34, February 8, 2011](#)). On May 24, 2012, the Commission authorized an amendment of lease for the extension of the middle pier finger and relocation of the catwalk to the northwest pier finger; the addition of special construction related lease provisions; and the replacement of Lease Exhibit A and Lease Section 3 ([Item 40, May 24, 2012](#)). On June 29, 2015, the

Commission authorized a revision of the minimum annual rent from \$8,475 per year to \$14,769 per year, effective December 30, 2015 ([Item 37, June 29, 2015](#)). On October 22, 2020, the Commission authorized a continuation of rent ([Executive Office Report, October 22, 2020](#)). The Lessee/Applicant is now applying for an endorsement of a new sublease with LT Chambers, LLC, a California limited liability company.

The Lessee entered into an agreement with the Sublessee, to manage the bar/clubhouse operations portion of the business which resides in the same footprint as the prior sublease. Because the bar/clubhouse resides over State land in Lake Tahoe, the Lessee is required to obtain an endorsement of the sublease from the Commission. The lease terms and conditions require the Lessor's evaluation of proposed assignees, sublessees, secured third parties and other transferees and to grant approval or disapproval according to the standard of commercial reasonableness considering the following factors within the context of the proposed use: the proposed party's financial strength and reliability, their business experience and expertise, their personal and business reputation, their managerial and operational skills, their proposed use and projected rental, as well as other relevant factors. Staff has reviewed the Sublessee's qualifications and deemed them acceptable for this use. All other lease terms and conditions shall remain in effect and without change.

The proposed endorsement of sublease for this improvement would not impede public access. The existing lease requires the Sublessee to insure the lease premises and indemnify the State. The authorized uses under the lease promote water-related public use of Public Trust land and provide a variety of visitor-serving amenities to help the public access and enjoy the lands.

The marina is located at 6500 West Lake Boulevard, near Homewood, California. The marina is frequently utilized for waterborne recreation activities and is a point of interest for tourists visiting Lake Tahoe. The pier and bar/clubhouse are open to the public during the summer season. Access to the pier is from the upland beach area and the waterside by boat. The pier has side tie and slip areas for the public's use to access the pier facilities and a restaurant that is located on the upland property of Chambers Landing.

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. The Applicant 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 "Leading Climate Activism" Strategic Focus Areas of the Commission's 2021 – 2025 Strategic Plan.
3. Endorsement of a sublease 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:

It is recommended that the Commission:

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed endorsement of sublease will not substantially interfere with the Public Trust needs and values at this location, at this time, and for the term of the lease; is consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

AUTHORIZATION:

1. Authorize, by endorsement, sublease between the Lessee and Sublessee, for continued use of an existing commercial pier and bar/clubhouse in the lease premises, beginning December 19, 2022, and ending on December 29, 2025.
2. All other lease terms and conditions shall remain in effect and without change.