

# Staff Report 01

**LESSEE:**

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Big Water View, LLC

**PROPOSED ACTION:**

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Revision of Rent and Bond.

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

Sovereign land in Lake Tahoe located adjacent to 7220 North Lake Boulevard, Tahoe Vista, Placer County (as shown in Figure 1).

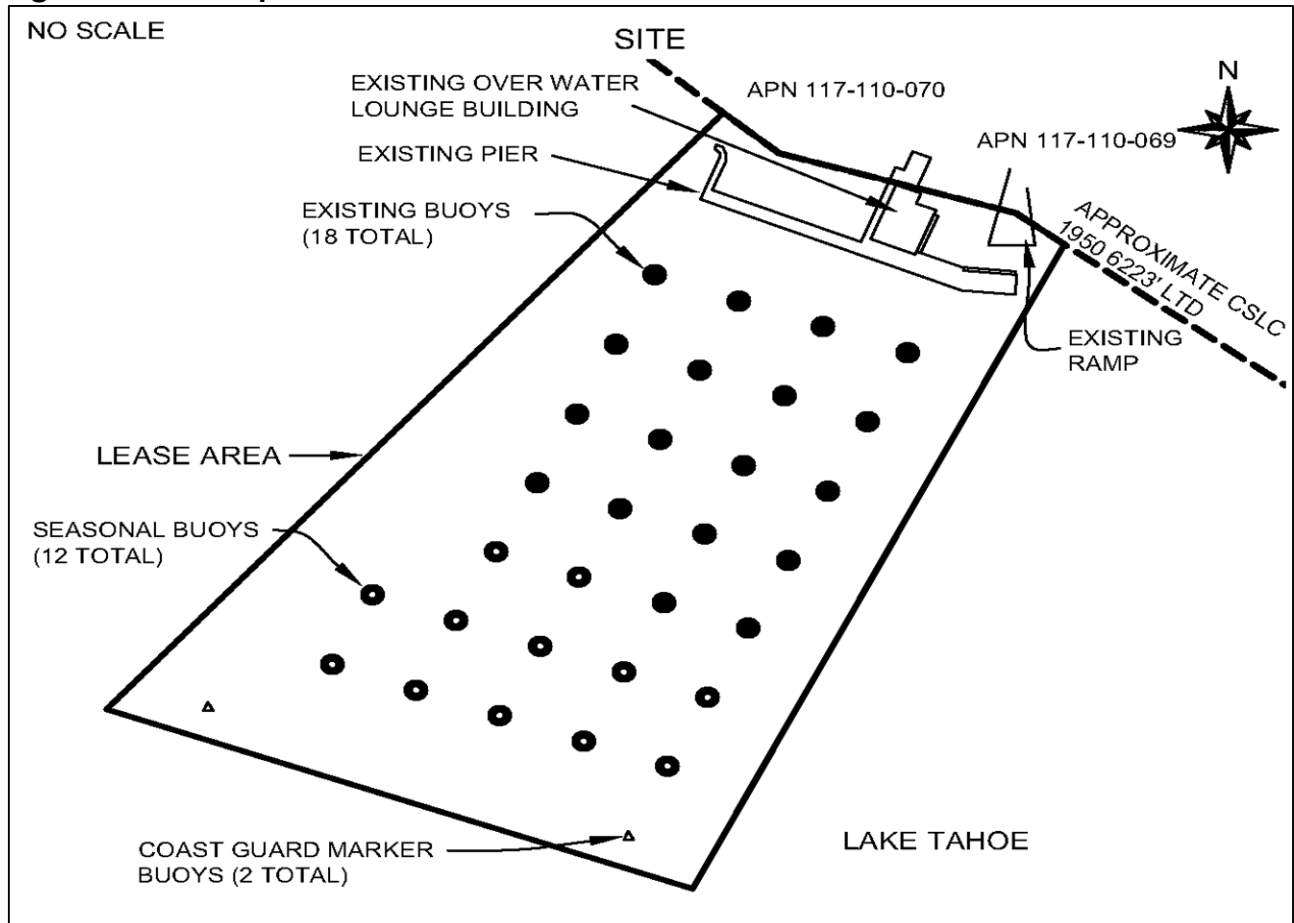
**Figure 1. Location**



**AUTHORIZED USE:**

Continued use and maintenance of a commercial marina (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 August 14, 2014.

**CONSIDERATION:**

The lease provides that Lessor may modify the rent and bond periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent and bond under this lease and recommends that the base rent be revised from \$8,279.37 per year to \$13,724 per year, adjusted annually by the Consumer Price Index, and the bond increased from \$25,000 to \$300,000, effective August 14, 2024.

## **OTHER PERTINENT INFORMATION:**

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1. Approval or denial of the revision of rent and bond is a discretionary action by the Commission. Each time the Commission approves or rejects a revision of rent and bond, 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 February 20, 2015, the Commission authorized a 20-year General Lease – Commercial Use ([Item 25, February 20, 2015](#)) to Big Water View, LLC for continued use and maintenance of a bulkhead pier with a bar/lounge over the water, boat ramp, 18 mooring buoys, 12 seasonal mooring buoys, 12 seasonal boat slips, and two marker buoys, and for maintenance dredging. The lease authorization included an endorsement of a sublease to the Tahoe Vista Inn and Marina LLC for management and operation of the marina facilities and to Captain Jon's LLC for management and operation of the bar/lounge over the water, both ending on May 16, 2027. On June 21, 2018, the Commission authorized an agreement and consent to encumbrance of a lease ([Item 18, June 21, 2018](#)), effective June 21, 2018.
3. Under the terms of the current lease, the lessee holds a surety bond in the amount of \$25,000. This amount is subject to increase over the lease term and serves the purpose of being able to mitigate costs that might otherwise be shouldered by the state, including where the state may take restorative actions with the leased premises upon lease termination or abandonment of the lease premises. A bond adjustment is currently appropriate to ensure bonding is consistent with estimated removal costs. Staff recommend increasing the bond from \$25,000 to \$300,000 to protect the state from liability in the event of a default by lessee. The lease will expire on August 13, 2034.
4. This action is consistent with the "Address current and future risk and liabilities" in the "Meeting Evolving Public Trust Needs" Strategic Focus Area of the Commission's 2021-25 Strategic Plan.
5. Approving the revision of rent and bond 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, sections 15060, subdivision (c)(3), and 15378, subdivision (b)(5).

**RECOMMENDED ACTION:**

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It is recommended that the Commission:

**AUTHORIZATION:**

Approve the revision of base rent for Lease PRC 5739 from \$8,279.37 per year to \$13,724 per year, adjusted annually by the Consumer Price Index, and an increase in the bond from \$25,000 to \$300,000, effective August 14, 2024.