Meeting Date: 12/17/24 Lease Number: 8105 Staff: M. McGough

Staff Report 08

APPLICANT:

Jaroth II, LLC, a Delaware limited liability company

PROPOSED ACTION:

Issuance of a General Lease – Recreational Use.

AREA, LAND TYPE, AND LOCATION:

Sovereign land located in Lake Tahoe, adjacent to Assessor's Parcel Number 117-020-026, Tahoe Vista, Placer County (as shown in Figure 1).

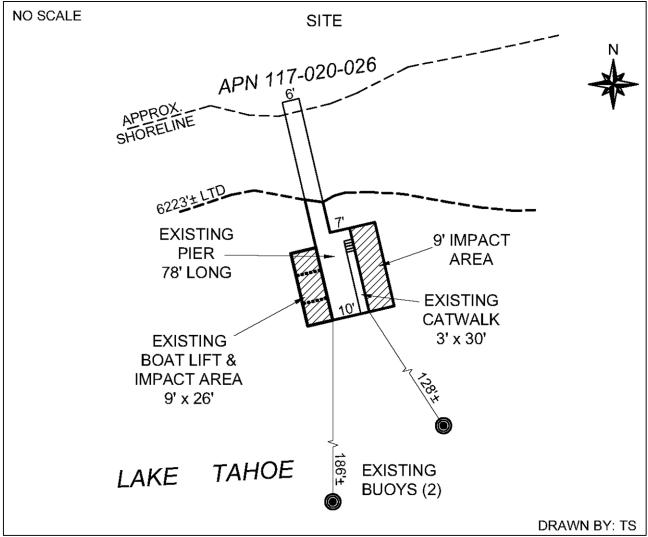
Figure 1. Location



AUTHORIZED USE:

Use of an existing pier, boat lift, and two 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 December 17, 2024.

CONSIDERATION:

\$1,253 per year, with an annual Consumer Price Index adjustment, and \$3,700 for the unauthorized occupation of state land for the period prior to December 17, 2024.

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 will not store any personal items or construct any improvements in the Public Trust easement which may impair the public's right of access, for navigation, fishing, and Public Trust consistent recreational uses.
- Lessee agrees that the public be allowed to pass and repass under 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 agrees the provisions of Section 3, Paragraph 11 shall also extend to the period of Lessee's unauthorized occupation of state-owned lands, from January 4, 2022 to December 16, 2024.

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 February 22, 2013, the Commission authorized a termination of lease and issuance of a General Lease – Recreational Use to Jaroth II, LLC, a Delaware Limited Liability Company, for an existing pier, boat lift, and two mooring buoys adjacent to 6103 North Lake Boulevard, Tahoe Vista, Placer County (<u>Item 05,</u> <u>February 22, 2013</u>). On February 7, 2017, the Commission authorized a revision of

annual rent from \$1,646 to \$1,213 (<u>Item 16, February 7, 2017</u>). That lease expired on January 3, 2022.

The Applicant is applying for a General Lease – Recreational Use, for the use of an existing pier, boat lift, and two mooring buoys. On June 18, 2024, the boat lift and two mooring buoys were registered with TRPA (Mooring Registration No. 10336).

On the previous lease, the aforementioned improvements were associated with 6103 North Lake Boulevard, Tahoe Vista (Placer County APN: 117-020-009). This parcel is situated upland of the littoral parcel adjacent to the lease premises.

On May 14, 2024, the Applicant was issued a deed restriction from TRPA which created a project area of three parcels: 180 Rim Drive, Tahoe Vista (Placer County APN: 117-010-010); 6103 North Lake Boulevard, Tahoe Vista (Placer County APN: 117-020-025), and a littoral parcel located at Placer County APN: 117-020-026. The deed restriction permanently reassociated the littoral parcel (APN: 117-020-026) with 180 Rim Drive (APN: 117-010-010), the parcel directly westward of 6103 North Lake Boulevard. Pursuant to this deed restriction, the improvements associated with the littoral parcel may only be used by the owners of 180 Rim Drive. Additionally, ownership of the property at 6103 North Lake Boulevard was recently transferred from the Applicant to a new owner. Therefore, the Applicant is applying for a lease with the improvements to be associated with the littoral parcel (APN: 117-020-026) and with 180 Rim Drive, Tahoe Vista (APN: 117-010-010).

The Applicant owns the upland at 180 Rim Drive, which is not a littoral parcel, however due to the TRPA deed restriction, the parcel identified as 180 Rim Drive has been permanently associated with the littoral parcel located at Placer County APN: 117-020-026 (which is also owned by the Applicant).

While the Applicant submitted their application on March 16, 2023, staff discovered multiple unauthorized improvements on the lease premises which required further documentation of either authorization for the construction and use of said improvements, or evidence of their removal. On October 10, 2024, the Applicant's agent submitted dated photos showing the unauthorized improvements had been removed.

The topography at this location is steep and rocky, consisting of medium to large rocks which makes the shoreline not easily accessible to pedestrians in this area. The pier is built on pilings, and public access for pedestrians is available at varying water levels by stepping under the shore-end of the pier within the Public Trust Easement. Applicant thus agrees to allow the public to pass and re-pass under the pier from the shore 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.

The subject improvements 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 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.

Staff recommends that the Commission accept compensation from the Applicant for the unauthorized occupation of State land in the amount of \$3,700 to compensate for the period of unauthorized occupancy prior to December 17, 2024.

The lease provisions regarding indemnity will be extended to apply from January 4, 2022, the day following the expiration of the previous lease, through December 16, 2024, the day before the beginning of the proposed lease.

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 <u>California's Fourth Climate Change Assessment</u>, 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 drier 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 high wind events and damaging 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; is consistent with the common law Public Trust Doctrine; 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 lease, the Applicant may be required to remove the existing improvements. The lessee has no right to a new lease or to renewal of any previous lease.
- 2. This action is consistent with the "Leading Climate Activism" and "Meeting Evolving Public Trust Needs" Strategic Focus Areas of the Commission's 2021-2025 Strategic Plan Additional content.
- 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 15061 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:

Find that the proposed lease 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 lease; is consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

AUTHORIZATION:

- 1. Accept compensation from the applicant in the amount of \$3,700, for the unauthorized occupation of State land for the period prior to December 17, 2024.
- 2. Authorize issuance of a General Lease Recreational Use to the Applicant beginning December 17, 2024, for a term of 10 years, for the use of an existing pier, boat lift, and two mooring buoys; annual rent in the amount of \$1,253, with an annual Consumer Price Index adjustment; and liability insurance in an amount no less than \$1,000,000 per occurrence.