

**CALENDAR ITEM
C19**

A 4
S 1

09/01/11
WP 5883.1
N. Lee

AMENDMENT OF LEASE

APPLICANT/LESSEE:

Lakeside Park Association, Inc.
4077 Pine Boulevard
South Lake Tahoe, CA 96150

AREA, LAND TYPE, AND LOCATION:

Sovereign land in Lake Tahoe, adjacent to 4041 Lakeshore Boulevard, city of South Lake Tahoe, El Dorado County.

AUTHORIZED USE:

Continued use and maintenance of a commercial marina known as Lakeside Marina consisting of an existing sheetpile-constructed marina facility, 10 mooring buoys, four marker buoys, one-time maintenance dredging, and a beach and swim area known as Lakeside Park Association Beach and Swim Area consisting of an existing swim area, two swim lines, two swim platforms, beach, fill, and freestanding sheetpile breakwater.

LEASE TERM:

20 years, beginning June 7, 2004.

CONSIDERATION:

Lakeside Marina (commercial marina facility, 10 mooring buoys, and four marker buoys): Five percent of gross income from berthing and mooring of boats; five percent of gross income from the rental of personal watercraft, motorboats, kayaks, paddleboats, a parasail operation, and a fishing boat operation; one percent of gross income from a water taxi operation; 10 percent of all other gross income generated on the lease premises; with a minimum annual rent of \$19,500.

Lakeside Park Association Beach and Swim Area (swim area, two swim lines, two swim platforms, beach, fill, and freestanding sheetpile breakwater): \$15,000 per year.

CALENDAR ITEM NO. **C19** (CONT'D)

The State reserves the right to fix a different rent for all consideration due periodically during the lease term, as provided in the lease.

PROPOSED AMENDMENT:

Amend the Lease to:

1. Revise the Authorized Improvements for the Lakeside Park Association Beach and Swim Area to include only the continued use and maintenance of a beach, fill, and freestanding sheetpile breakwater;
2. Authorize the removal of the two swim lines and two swim platforms;
3. Revise the minimum annual rent for Lakeside Marina from \$19,500 to \$23,029, effective June 7, 2011;
4. Revise the annual rent for Lakeside Park Association Beach and Swim Area from \$15,000 to \$23,598, effective June 7, 2011;
5. Replace Exhibit A, Site and Location Map, with the attached Exhibit A;
6. Replace Section 3, Description of Lease Premises, with the attached Exhibit B;
7. Include additional special lease provisions related to the removal of improvements on the lease premises.

All other terms and conditions of the lease shall remain in effect without amendment.

OTHER PERTINENT INFORMATION:

1. Lessee owns the uplands adjoining the lease premises.
2. On June 7, 2004, the Commission authorized Lease No. PRC 5883.1, a 20-year General Lease – Commercial and Recreational Use, to Lakeside Park Association, Inc. (Association) for Lakeside Marina and the Association's beach and swim area. An amendment to the lease was authorized on June 28, 2010 to provide for one-time maintenance dredging within the marina prior to the 2010 boating season.
3. The lease provides that the Commission staff may review and modify the rent on the fifth anniversary of the beginning date of the lease or any subsequent year thereafter. During a review of the rent, Commission staff notified the Association of a proposed significant increase in rent for the beach and swim area. To avoid the significant increase, as well as to provide improved access to the public trust lands, the Association applied to amend the lease to remove the swim lines and two swim platforms, which will eliminate the swim area. The proposed amendment will include revision of the authorized improvements for the Lakeside Park Association Beach and Swim Area that will exclude these improvements. Further, the proposed amendment will include a revised Site and Location Map and Land Description, shown as Exhibits A and B, attached; a revision in rent;

CALENDAR ITEM NO. C19 (CONT'D)

and special provisions related to the removal of improvements on the Lease Premises.

4. Each swim platform is comprised of four wooden piles driven into the bed of the lake with wooden decking attached to the piles. Demolition work will be conducted from a barge floating in the lake and will begin with placement of a turbidity curtain around the platform areas to contain any turbidity or debris created during the demolition process. The decking will first be removed and then each pile will be pulled and placed on the barge for proper disposal. Deck disassembly and pile removal can be completed in approximately one day with additional time needed for placement and removal of the turbidity curtains.
5. Pursuant to the terms of the lease regarding rent modification, Commission staff recommends that the annual rent for the Association's beach area be revised from \$15,000 to \$23,598, which is based upon the remaining freestanding sheetpile breakwater and filled beach area. Since the swim lines used to delineate the swim area have not been installed this year, the revised rent will be effective June 7, 2011. Staff also conducted a review of the minimum annual rent for the Association's marina facility under this lease and recommends that the minimum annual rent be revised from \$19,500 to \$23,029, effective June 7, 2011.
6. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff determined that this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 4, Minor Alterations to Land; Title 14, California Code of Regulations, section 15304.

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300.

7. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370, et seq., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

CALENDAR ITEM NO. **C19** (CONT'D)

APPROVALS OBTAINED:

Lahontan Regional Water Quality Control Board
California Department of Fish and Game

FURTHER APPROVAL REQUIRED:

Tahoe Regional Planning Agency
United States Army Corps of Engineers

EXHIBITS:

- A. Site and Location Map
- B. Land Description

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15061 as a categorically exempt project, Class 4, Minor Alterations of Land; Title 14, California Code of Regulations, section 15304.

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370, et seq.

AUTHORIZATION:

Authorize the amendment of Lease No. PRC 5883.1, a General Lease – Commercial and Recreational Use, effective September 1, 2011, to revise the Authorized Improvements for the Lakeside Park Association Beach and Swim Area to include only the continued use and maintenance of a beach, fill, and freestanding sheetpile breakwater; authorize the removal of the two swim lines and two swim platforms; revise the minimum annual rent for Lakeside Marina from \$19,500 to \$23,029, effective June 7, 2011; revise the annual rent for Lakeside Park Association Beach and Swim Area from \$15,000 to \$23,598, effective June 7, 2011; replace Exhibit A, Site and Location Map, with the attached Exhibit A; replace Section 3, Description of Lease Premises with the attached Exhibit B; and include special lease provisions related to removal of improvements on the lease premises; all other terms and conditions of the lease will remain in effect without amendment.