

Staff Report 04

LESSEE/APPLICANT:

Chambers Landing Partnership, a California General Partnership

SUBLESSEE:

LT Chambers, LLC, a California limited liability company

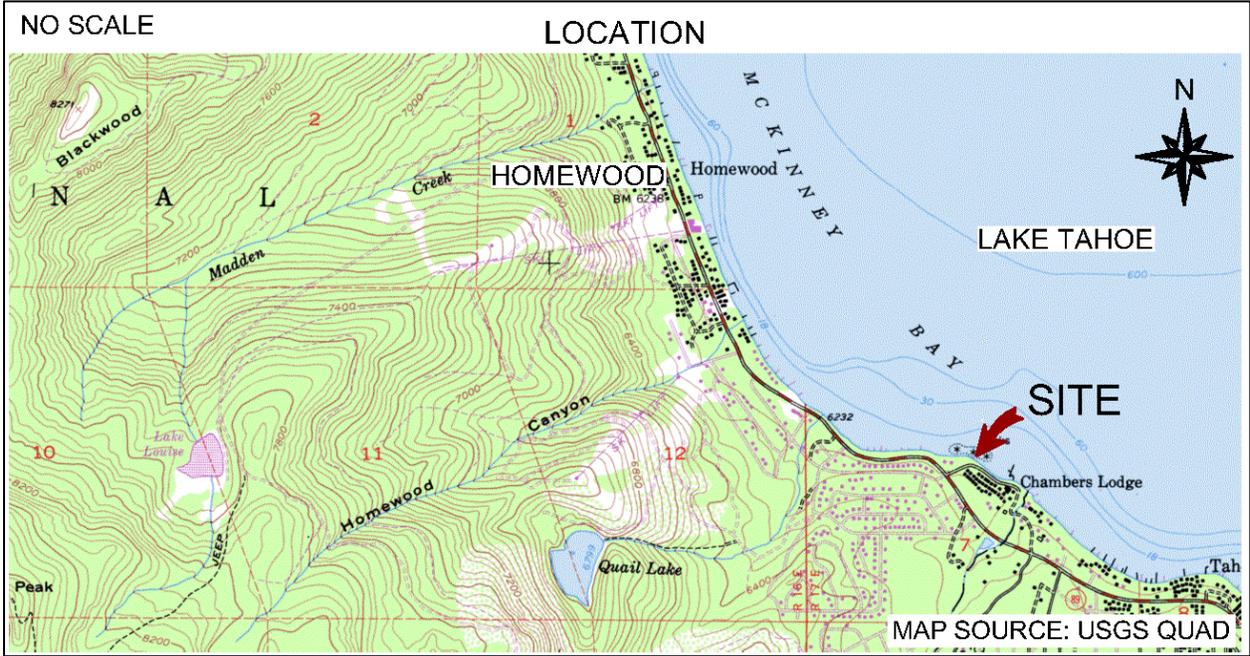
PROPOSED ACTION:

Issuance of a General Lease – Commercial Use and 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

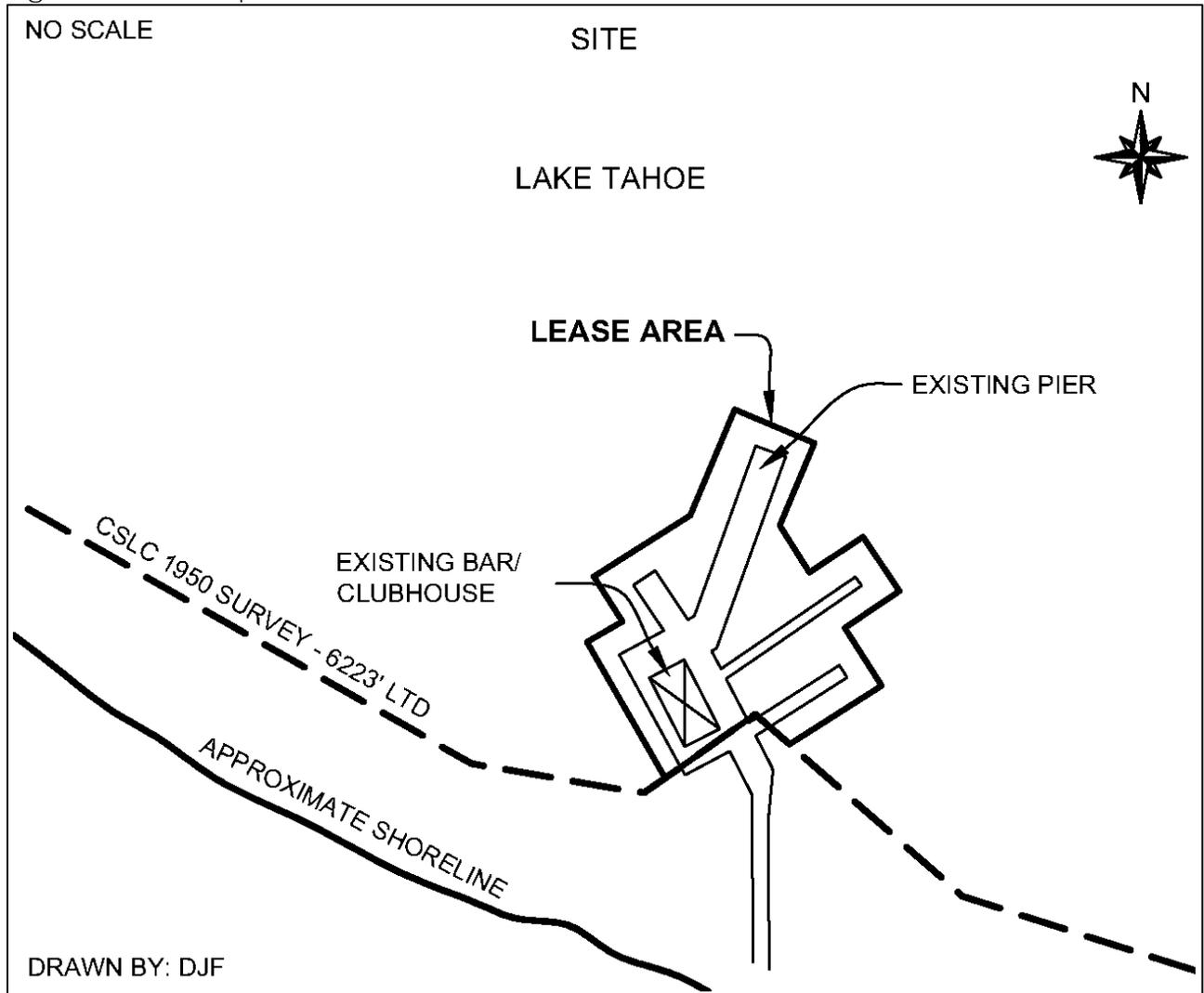


AUTHORIZED USE:

Lease: Use of an existing commercial pier and bar/clubhouse.

Sublease: Operation 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, 2025, ending December 29, 2040.

Sublease: 1 year and 10 months, beginning December 30, 2025, ending October 27, 2027.

CONSIDERATION:

\$28,117 per year; with an annual Consumer Price Index adjustment; and 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 \$250,000.
- 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. Lessee shall post the "BMPs for Guest Dock Users and Boaters" in prominent places on 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, for the use of an existing commercial pier and bar/clubhouse. This authorization also included the endorsement of a Sublease with a term of nine years and 10 months to RB Waterfronts, a California Limited liability company, for the operation of the 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 ([Item 40, May 24, 2012](#)).

On June 7, 2024, the Commission authorized the endorsement of a Sublease that replaced RB Waterfronts, a California limited liability company, with LT Chambers, LLC, a California limited liability company, as the new Sublessee ([Item 4, June 07, 2024](#)). The lease expired on December 29, 2025.

The Applicant, Chambers Landing, a California General Partnership is now applying for a General Lease – Commercial Use, as well as the endorsement of a sublease with LT Chambers, LLC, a California limited liability company, for the use of an existing commercial pier and bar/clubhouse.

The pier and bar/clubhouse are open to the public during summer. Access to the pier is available from the upland beach and from the waterward side by boat. The pier has side tie and slip areas for the public's use to access the pier facilities and the restaurant that is located on the upland property.

The Lessee entered into an agreement with the Sublessee to manage bar/clubhouse operations on the pier. Because the pier occupies State land, the Lessee must 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; its business experience and expertise; its personal and business reputation; its managerial and operational skills; its proposed use and projected rental, as well as other relevant factors. Applying these factors, staff has reviewed the Sublessee's qualifications and deemed it acceptable for this use.

The proposed lease and endorsement of sublease would promote public use and enjoyment of the Lake and not impede public access. The proposed lease will require the Sublessee to insure the lease premises and indemnify the State. The authorized uses under the lease promote water-based recreational use of Public Trust land and provide a variety of visitor-serving amenities to enhance public access and enjoyment of Lake Tahoe.

The proposed lease includes provisions and BMPs intended to protect the public use of the proposed lease area, including a limited lease term of 15 years. The facilities have existed at this location for many years; they do not significantly alter

the land, they do not permanently alienate the State's fee simple interest in the underlying land, and they do not permanently impair public rights. Upon termination of the lease, the lessee may be required to remove any improvements and restore the lease premises to their original condition. Furthermore, the lease requires that the lessee insure the lease premises and provide a bond or other form of financial security for the faithful performance of the lease obligations.

CLIMATE CHANGE:

INTRODUCTION:

Climate change significantly affects inland non-tidal lakes such as Lake Tahoe, and its effects are increasing throughout the Sierra Nevada mountains. According to [California's Fourth Climate Change Assessment](#) (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. These impacts create hazardous conditions like flooding, landslides, wildfire, drought, extreme heat, and severe storms. Structures along the shores of inland lakes are particularly vulnerable to the more frequent and extreme weather events, year-to-year changes in total precipitation, and shifts in seasonal characteristics.

DATA & PROJECTIONS:

Temperatures in the Sierra Nevada are expected to increase six to ten degrees Fahrenheit on average by the end of the century, causing the snowline to shift upslope 1,500 to 3,000 feet in elevation ([California's Fourth Climate Change Assessment](#), 2018). The long-term warming trend will lead to warmer, shorter winters and longer, drier summers. The warmer temperatures will reduce winter snowpacks by up to 60 percent across most of the Sierra Nevada and result in increased winter streamflows and floods and decreased spring and summer runoff. Loss of snowpack is expected to dry soils 15 to 40 percent below their historical norms. Hotter, drier summer seasons and low water years will increase stress to vegetation, elevating wildfire risk and severity in the Tahoe Basin.

Dry winters will be punctuated with exceedingly wet years and higher temperatures will result in more rain-on-snow events ([Integrated Vulnerability Assessment of Climate Change in the Lake Tahoe Basin](#), 2020). Atmospheric river systems will become more common. These events produce both flash floods and higher than normal seasonal flooding which may shift earlier in the year. Higher soil moisture will

increase erosion and elevate landslide risk, particularly following intense wildfire seasons.

ANALYSIS:

The greatest vulnerability to recreational facilities is from flooding, landslides, and wildfire hazards (Integrated Vulnerability Assessment of Climate Change in the Lake Tahoe Basin, 2020). The Sierra Nevada is expected to experience year-to-year variability in precipitation and may shift between extreme wet and dry periods. High precipitation years or successive years will result in higher lake levels, causing beaches to narrow and reducing public access. Surface runoff may carry more sediment into the lake, adversely impacting water quality, clarity, and increasing risk of algal blooms ([UC Davis Tahoe Environmental Research Center](#), 2024). Conversely, low lake levels will become normal during periods of extended drought. Low lake level conditions can create more expansive beaches and increased shoreline access in dry months. However, these conditions could make some shoreline areas too shallow for recreational use of piers, boat docks, and mooring buoys. During drought, structures will also be exposed to heat and wind that may accelerate deterioration or reduce structural integrity.

Additionally, atmospheric rivers and extreme weather events are expected to increase in the high Sierra. Storms may deviate from prevailing wind patterns for the region. Wind-driven waves can accelerate shoreline erosion in some areas or cause erosion in areas not typically subject to erosion. Winds can also increase wave damage on structures and boats along the lake.

RECOMMENDATIONS:

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. Replacing older structural components with materials designed to better withstand extreme heat, wind events, and storms can reduce the likelihood of degradation and damage to structures. Any future construction or activities on State land would require a separate authorization from the Commission.

Regular maintenance, as required by the lease, may reduce the risks from extreme temperatures and rain. Pursuant to the proposed lease, the Applicant acknowledges that the lease premises and adjacent upland are located in an area that may be subject to the effects of climate change.

CONCLUSION:

For all the reasons stated above, staff believes that issuance of the proposed lease and endorsement of sublease 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; are consistent with the Public Trust Doctrine; and are in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the application and endorsement of a sublease are discretionary actions 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. These actions are 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 (CEQA) 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).

4. Staff recommends that the Commission find that issuance of the lease is exempt from the requirements of 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 issuance of the lease 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 existing improvements and proposed endorsement of sublease will not substantially impair the public rights to navigation and fishing or substantially interfere with Public Trust needs and values at this location, at this time, and for the term of the lease; are consistent with the common law Public Trust Doctrine; and are in the best interests of the State.

AUTHORIZATION:

1. Authorize issuance of a General Lease – Commercial Use to the Applicant beginning December 30, 2025, for a term of 15 years, for the operation and use of a commercial marina, known as Chambers Landing Marina, consisting of an existing commercial pier and bar/clubhouse; annual rent in the amount of \$28,117 per year with an annual Consumer Price Index adjustment; and the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; liability insurance in an amount no less than \$5,000,000 per occurrence; and surety of \$250,000.
2. Authorize endorsement of a sublease between Chambers Landing Partnership, a California General Partnership, and LT Chambers, a California limited liability company, with all terms and conditions remaining consistent with those authorized under the primary lease, for the operation and management of an existing commercial pier and bar/clubhouse.