

Staff Report 01

LESSEE:

3411 Lake Tahoe LLC

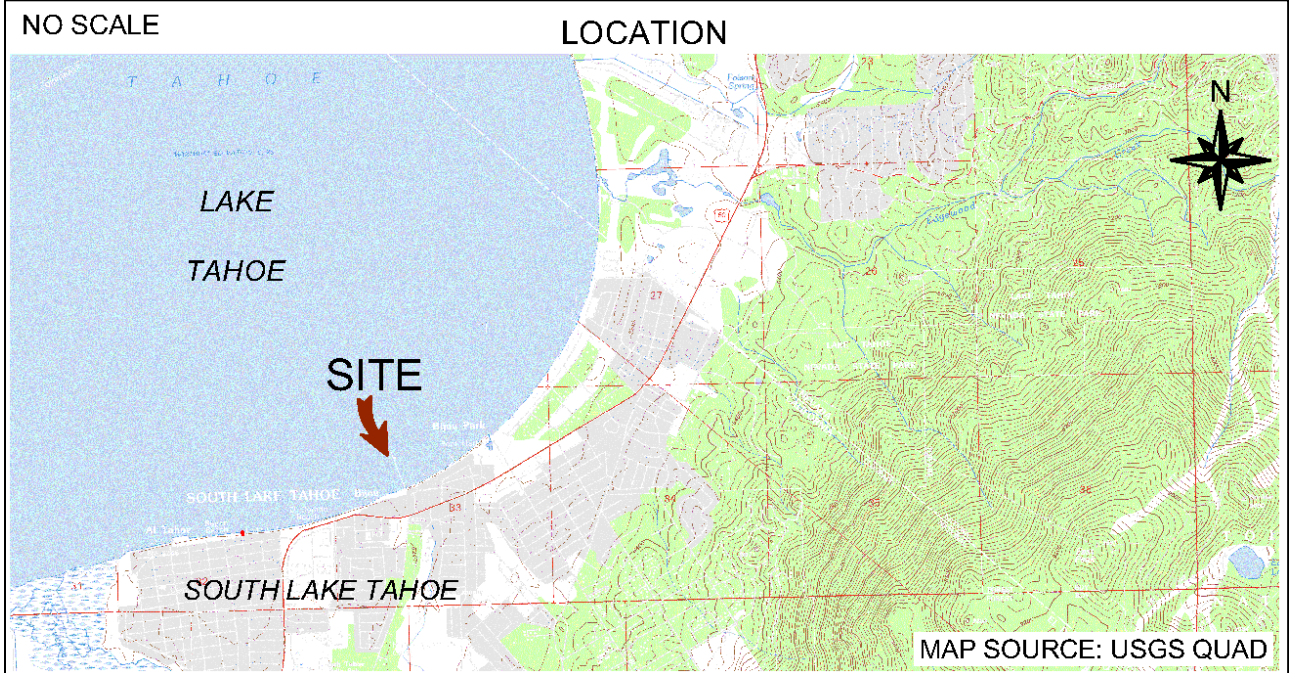
PROPOSED ACTION:

Revision of Rent and Bond.

AREA, LAND TYPE, AND LOCATION:

Sovereign land located in Lake Tahoe, adjacent to 3411 Lake Tahoe Boulevard, South Lake Tahoe, El Dorado County (as shown in Figure 1).

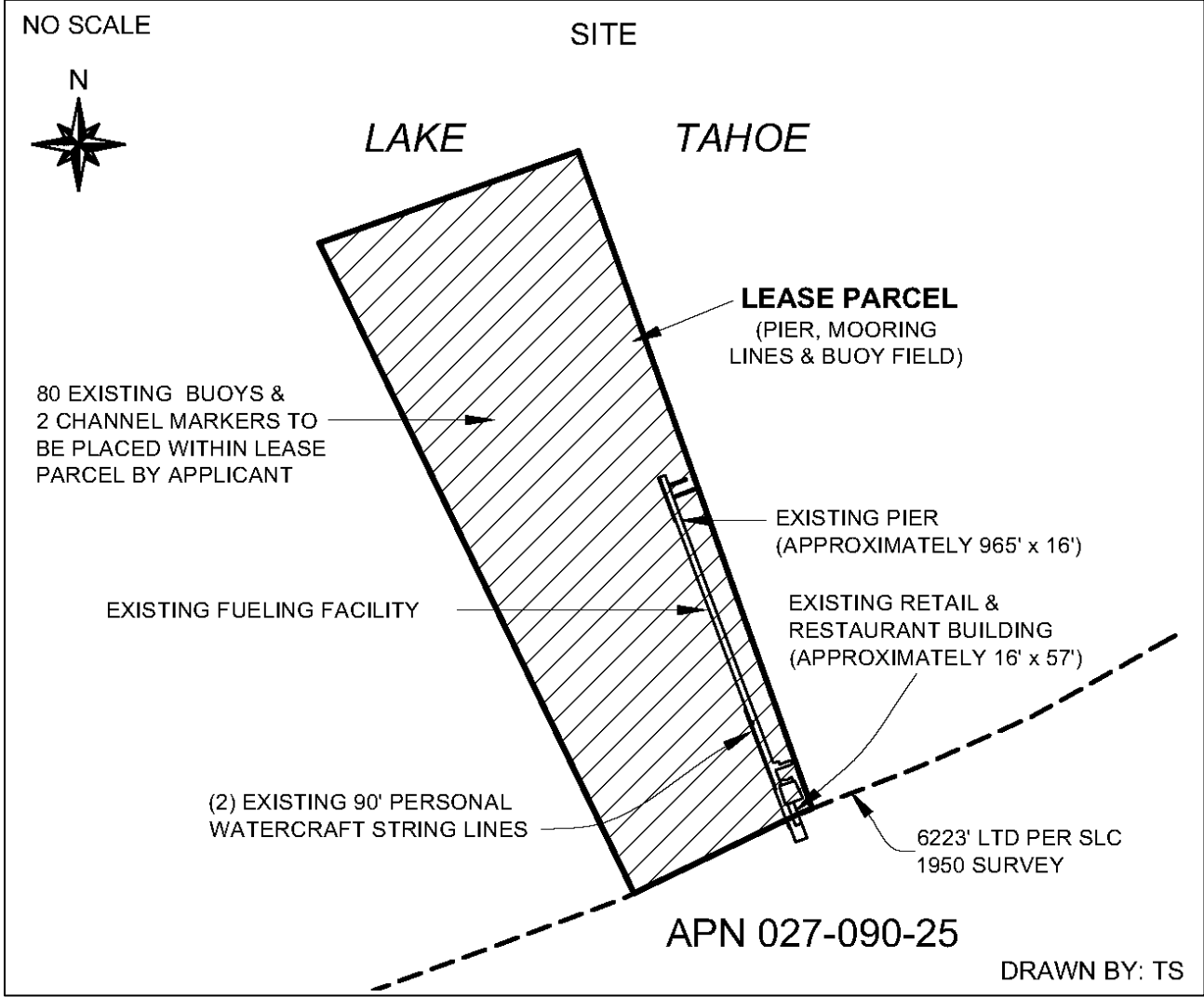
Figure 1. Location



AUTHORIZED USE:

Continued use, maintenance, and operation of an existing commercial marina facility known as Timber Cove Lodge Marina, consisting of an existing pier with a restaurant building and retail building, an existing fueling facility on the pier, 80 mooring buoys, two existing personal watercraft string lines, and two channel markers (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:

25 years, beginning May 19, 2011.

CONSIDERATION:

The lease provides that Lessor may modify the rent and bond periodically during the lease term. Pursuant to these provisions, staff has conducted a review of the rent and bond under this lease and recommends that the Minimum Annual Rent be revised from \$65,234 per year to \$94,729 per year, and the bond increased from \$50,000 to \$300,000, effective May 19, 2026.

OTHER PERTINENT INFORMATION:

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 January 26, 2012, the Commission authorized a 25-year General Lease – Commercial Use ([Item 18](#)) for the operation, use, and maintenance of an existing commercial marina known as “Timber Cove Lodge Marina” consisting of an existing pier with a restaurant building and retail building and 80 mooring buoys previously authorized by the Commission; and an existing fueling facility on the pier, two existing personal watercraft string lines, and two channel markers not previously authorized by the Commission; and a sublease to Action Motorsports of Tahoe, Inc for the operation of personal watercraft, boat, and buoy rentals; fishing and boat charters; and gasoline and retail sales, located on sovereign land in Lake Tahoe, adjacent to 3411 Lake Tahoe Boulevard, South Lake Tahoe, El Dorado County. Under the terms of the lease, rent may be modified each fifth anniversary of the lease or any subsequent year thereafter.

On June 22, 2017, the Commission authorized a revision of rent ([Item 2](#)) from \$7,950 to \$65,234 per year, effective May 19, 2017. On February 4, 2019, the Commission authorized the termination of an Agreement and Consent to Encumbrancing of Lease; and authorization of Assignment, Endorsement of a Sublease, and an Agreement and Consent to Encumbrancing of Lease ([Item 26](#)) to LCOF Lake Tahoe Investment LLC with a 10-year sublease between Assignee and Action Motorsports of Tahoe, Inc., effective January 29, 2019. On December 16, 2025, the Commission authorized an Assignment of Lease to 3411 Lake Tahoe LLC and Agreement and Consent to Encumbrance of Lease in favor of Oceanview Life and Annuity Company ([Item 9](#)), effective October 30, 2025.

3. The lease also authorizes the Commission to require an increased bond in connection with modifications of consideration and changes to the authorized improvements or purposes. Additionally, adequate bonding protects the interests of the state as it relates to usage of the authorized improvements on the lease premises, rent payments, and other material factors related to the use of sovereign lands. The lease currently requires the lessee to maintain a bond in the amount of \$50,000. Staff has determined that the existing \$50,000 bond is not commensurate with the scope of improvements and commercial activities authorized under the lease, which as noted previously, include the pier and associated restaurant and retail buildings, fueling facility, mooring buoys, and sublease operations. Staff therefore recommends increasing the bond to \$300,000.
4. This action is consistent with the “efficient and effective management of the revenue generation portfolio” and “addresses current and future risk and liabilities” elements 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:

It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease PRC 3981 from \$65,234 per year to \$94,729 per year, and an increase in the bond from \$50,000 to \$300,000, effective May 19, 2026.