

# Staff Report 26

## LESSEE/APPLICANT/SUBLESSOR:

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Walsh Family LLC, dba North Tahoe Marina

## SUBLEESSEE:

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North Tahoe Marina, Inc.

## PROPOSED ACTION:

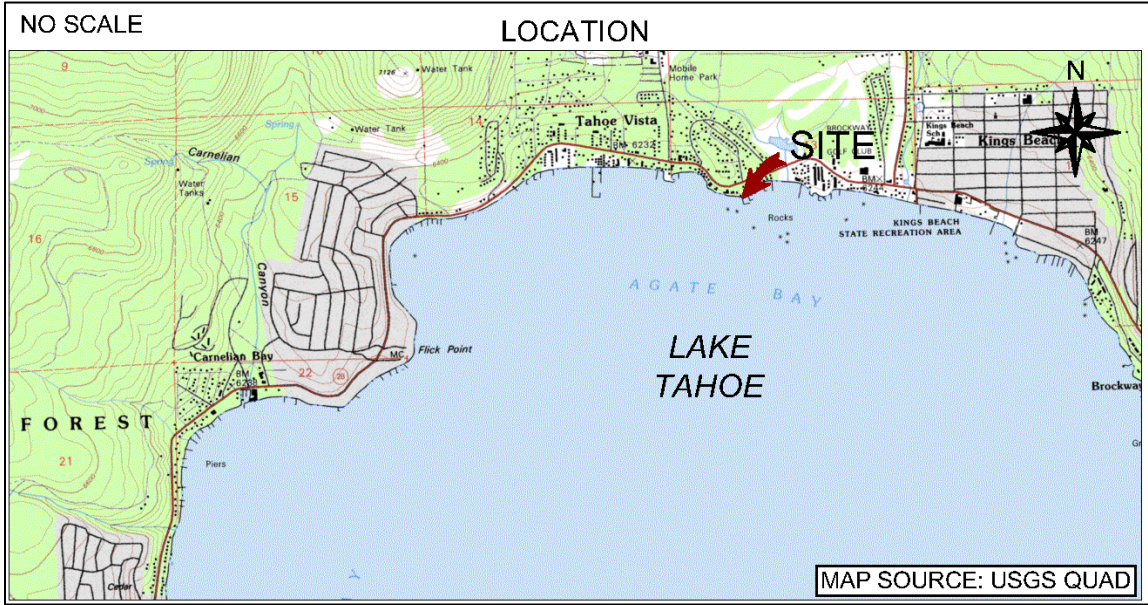
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Acceptance of a Lease Quitclaim Deed, Issuance of a General Lease – Commercial Use, and Endorsement of a Sublease.

## AREA, LAND TYPE, AND LOCATION:

Sovereign land in Lake Tahoe, adjacent to 7360 North Lake Boulevard, Tahoe Vista, Placer County (as shown in Figure 1).

Figure 1. Location

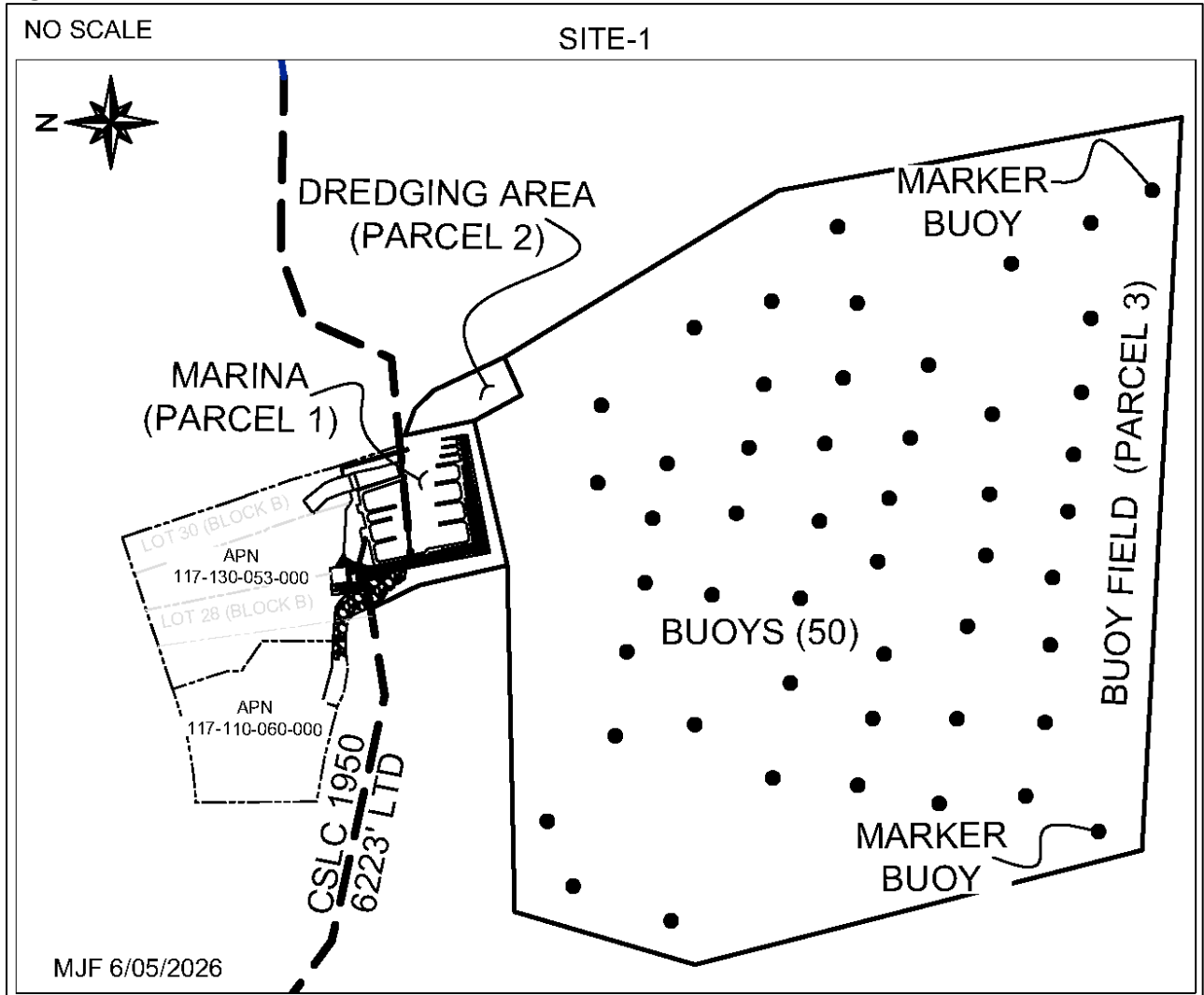


**AUTHORIZED USE:**

**Lessee:** Use of an existing commercial marina, known as North Tahoe Marina, consisting of a fueling facility, pump out station, boat ramp, 30 boat slips, 48 mooring buoys, two marker buoys, and annual maintenance dredging up to a maximum of 1,250 cubic yards (as shown in Figure 2).

**Sublessee:** Operation and management of the marina.

**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/Sublease: 20 years, beginning June 5, 2026.

**CONSIDERATION:**

\$62,062 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 for in the lease.

**SPECIFIC LEASE PROVISIONS:**

- Liability insurance in an amount no less than \$3,000,000 per occurrence.
- Surety or other security instrument in the amount of \$210,000.
- The lease contains provisions requiring implementation of the Commission's "Best Management Practices for Marina Owners/Operators" and encouraging implementation of the Commission's "Best Management Practices for Berth Holders and Boaters," including additional Best Management Practices (BMPs) the Commission subsequently deems appropriate for either of the above categories.
- In performing dredging operations, the Lessee will abide by lease conditions and BMPs to control turbidity and protect aquatic resources and habitats from excessive siltation in the general vicinity of the Project.
- Lessee acknowledges that material dredged from the Lease Premises is the property of the State of California and shall not be sold, and that Lessee is not authorized to dredge for purposes of commercial resale, environmental mitigation credits, or other private benefit without Lessor's prior written consent.
- All maintenance dredging events shall conform to the Dredging Operations Plan on file with the Commission. Dredging shall not exceed a lake bottom elevation of ~~6,221~~ 6,219 Lake Tahoe Datum or extend beyond the authorized maintenance dredging area as shown with the Land Use Exhibit for the Lease. Disposal of dredging spoils will occur at the Eastern Regional Landfill in Truckee, California, or a disposal site with existing regulatory authorization to lawfully receive the dredging spoils.
- Lessee or its operators may issue, without Lessor's prior approval, individual berth subleases in conjunction with normal commercial marina subleasing practices for terms of one year or less.

- Lessee shall comply with all federal, state, and local requirements for the prevention, monitoring, and control of aquatic invasive species (AIS) in the Tahoe Region.

## **STAFF ANALYSIS AND RECOMMENDATION:**

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### **AUTHORITY:**

Public Resources Code sections 6005, 6216, 6301, 6303, 6501.1, 6503, 6503.5, and 6505.5; California Code of Regulations, title 2, section 2000 and 2003.

### **PUBLIC TRUST AND STATE'S BEST INTERESTS:**

On December 14, 2006, the Commission authorized a 25-year General Lease Commercial Use ([Item 9](#)) to the Walsh Family LLC, DBA North Tahoe Marina for continued use, operation and maintenance of a fixed sheet pile commercial marina facility with 30 boat slips, fueling facility, a boat ramp; 48 mooring buoys, two marker buoys; ~~and~~ the retention of an existing pump out station within the marina; ~~and boat rental operation~~. On August 11, 2009 ([Item 35](#)), the Commission authorized a sublease to North Tahoe Marina, Inc. for the day-to-day operation of the marina. On June 23, 2011 ([Item 113](#)), the Commission authorized an amendment of the lease authorizing annual maintenance dredging of up to 750 cubic yards of material. On April 2, 2025 ([Item 20](#)), the Commission authorized an amendment of the lease authorizing an increase of the annual maintenance dredging amount from 750 to 1,250 cubic yards of material. The lease will expire on June 4, 2030 and no changes have been made to the marina or its operation.

In an effort to consolidate the various changes to the lease over the years and to extend the term of the lease, the Applicant is now applying for an acceptance of a Lease Quitclaim Deed, issuance of a General Lease – Commercial Use for the continued use of the marina facilities and annual maintenance dredging up to a maximum of 1,250 cubic yards, and Endorsement of a Sublease to North Tahoe Marina, Inc. for the operation and management of the marina. The Applicant owns the uplands adjoining the Lease Premises which is improved with the marina. Staff recommends issuance of a new lease to begin on June 5, 2026 to align with the current lease anniversary date of June 5, 2026.

The marina is an enclosed sheet pile facility with interior slips, boat ramp and a narrow entrance. Due to the marina's location, heavy storm action and drifting sand block the entrance. The harbor entrance is 1,000 feet west of Snow Creek

which seasonally transfers sediment into Lake Tahoe. The volume of sediment fluctuates depending on climate conditions and lake water levels. The accumulation is between 250 and 1,250 cubic yards a year. Suction dredging methods will be used for dredging events as included in the Dredging Work Plan on file with the Commission. The dredged material will be contained and dewatered on the upland parking area before the materials are disposed of at the Eastern Regional Landfill in Truckee, California.

The lease terms and conditions require 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. North Tahoe Marina, Inc. has been operating the marina for several years. Staff recommend an endorsement of a sublease for the continued operation of the marina.

The subject commercial marina directly promotes Public Trust uses. The improvements accommodate, promote, and foster the public's need for maritime services and the public's enjoyment of the State's waterways. Recreational boating is a water-dependent use that is generally consistent with the common law Public Trust Doctrine. The adjacent upland is developed as a commercial marina. The periodic maintenance dredging maintains the navigation channel for boating access between the marina and Lake Tahoe, improving recreational boating. Recreational boating is a water-dependent use that is generally consistent with the common law Public Trust Doctrine.

The proposed lease includes provisions and BMPs intended to protect the public's use of the proposed lease area, including a limited lease term of 20 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. The proposed agreement would require the Lessee to provide a surety in the amount of \$210,000 within 60 days of the lease authorization date. The lease also requires the payment of annual rent to compensate the people of the State for the occupation of the public land involved.

## **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 and shorter winters and longer and drier summers. The warmer winters will reduce winter snowpacks by up to 60 percent across most of the Sierra Nevada and will 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 fire 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 effective 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 the structural integrity of certain structures.

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. The navigation channel will continue to require ongoing periodic maintenance dredging to maintain access between the marina and Lake Tahoe during low lake levels and due to sedimentation processes from the stream mouth at Moon Dune Beach east of the marina. 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 above, staff believe acceptance of the lease quitclaim deed and issuance of this lease will not substantially interfere with the Public Trust needs

at this location at this time, or for the remaining term of the lease; is consistent with the common law Public Trust Doctrine; and in the best interests of the State.

## **OTHER PERTINENT INFORMATION:**

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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 application, the Applicant must remove the improvements and restore the property to its original condition. 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.
3. Acceptance of the quitclaim deed and endorsement of a sublease are not projects as defined by the California Environmental Quality Act (CEQA) because they are administrative actions 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. **Existing Facilities:** 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).

**Maintenance Dredging:** 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 4, Minor Alterations to Land; California Code of Regulations, title 14, section 15304.

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:**

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It is recommended that the Commission:

### **CEQA FINDING:**

Find that issuance of the lease and endorsement of sublease are exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project through the combination of the following exemptions: Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2), and Class 4, Minor Alterations to Land; California Code of Regulations, title 14, section 15304.

### **PUBLIC TRUST AND STATE'S BEST INTERESTS:**

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

### **AUTHORIZATION:**

1. Accept a Lease Quitclaim Deed for Lease Number PRC 5856, effective June 4, 2026.
2. Authorize issuance of a General Lease – Commercial Use to the Applicant beginning June 5, 2026, for a term of 20 years, for the use of an existing commercial marina, known as North Tahoe Marina, consisting of a fueling facility, pump out station, boat ramp, 30 boat slips, 48 mooring buoys, two marker buoys, ~~and~~ annual maintenance dredging up to a maximum of 1,250 cubic yards, and boat rental operation; annual rent in the amount of \$62,062 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 for in the lease; liability insurance in an amount no less than \$3,000,000 per occurrence; and a surety or other security instrument of in the amount of \$210,000.
3. Authorize endorsement of a sublease between the Walsh Family LLC, dba North Tahoe Marina and North Tahoe Marina, Inc., for the operation and

management of the authorized improvements under Lease 5856 for the entirety of the lease period.