Meeting Date: 10/21/26
Lease Number: 4120
Staff: M. McGough

Staff Report 10

APPLICANT:

Dreamy, LLC, a California limited liability company

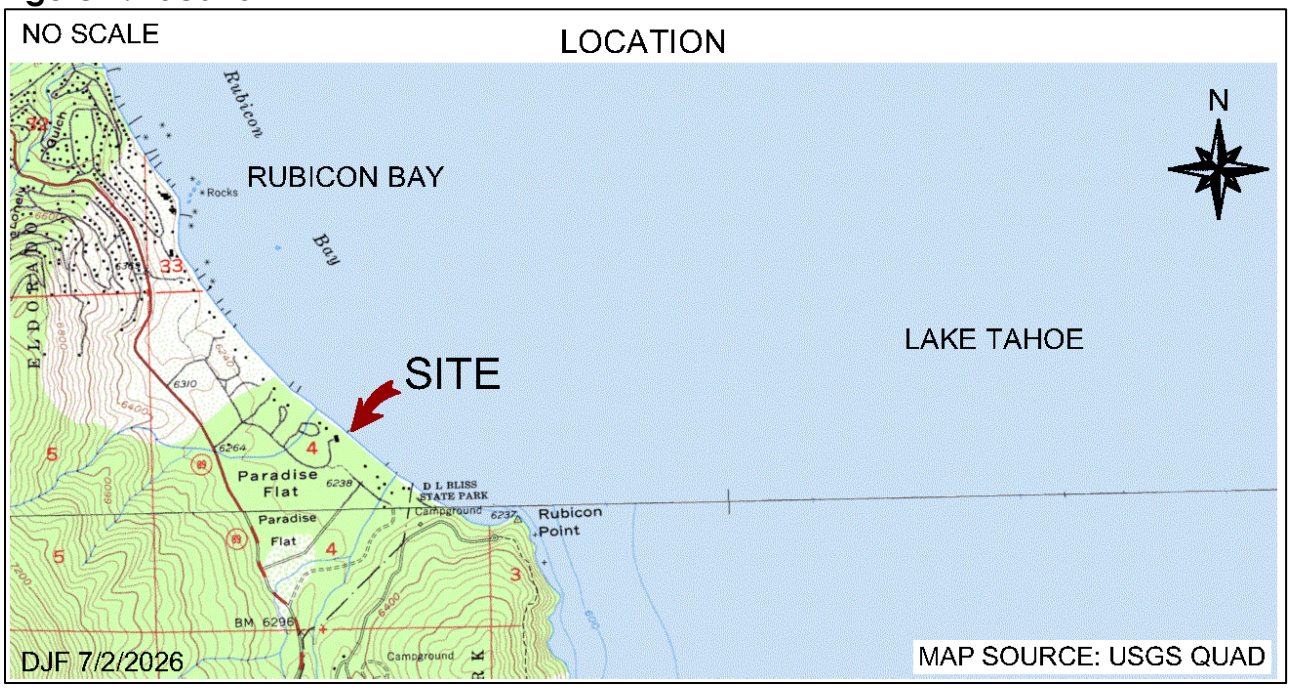
PROPOSED ACTION:

Issuance of a General Lease - Recreational Use.

AREA, LAND TYPE, AND LOCATION:

Sovereign land in Lake Tahoe, adjacent to 291 and 301 Paradise Flat Lane, near Rubicon Bay, El Dorado County (as shown in Figure 1).

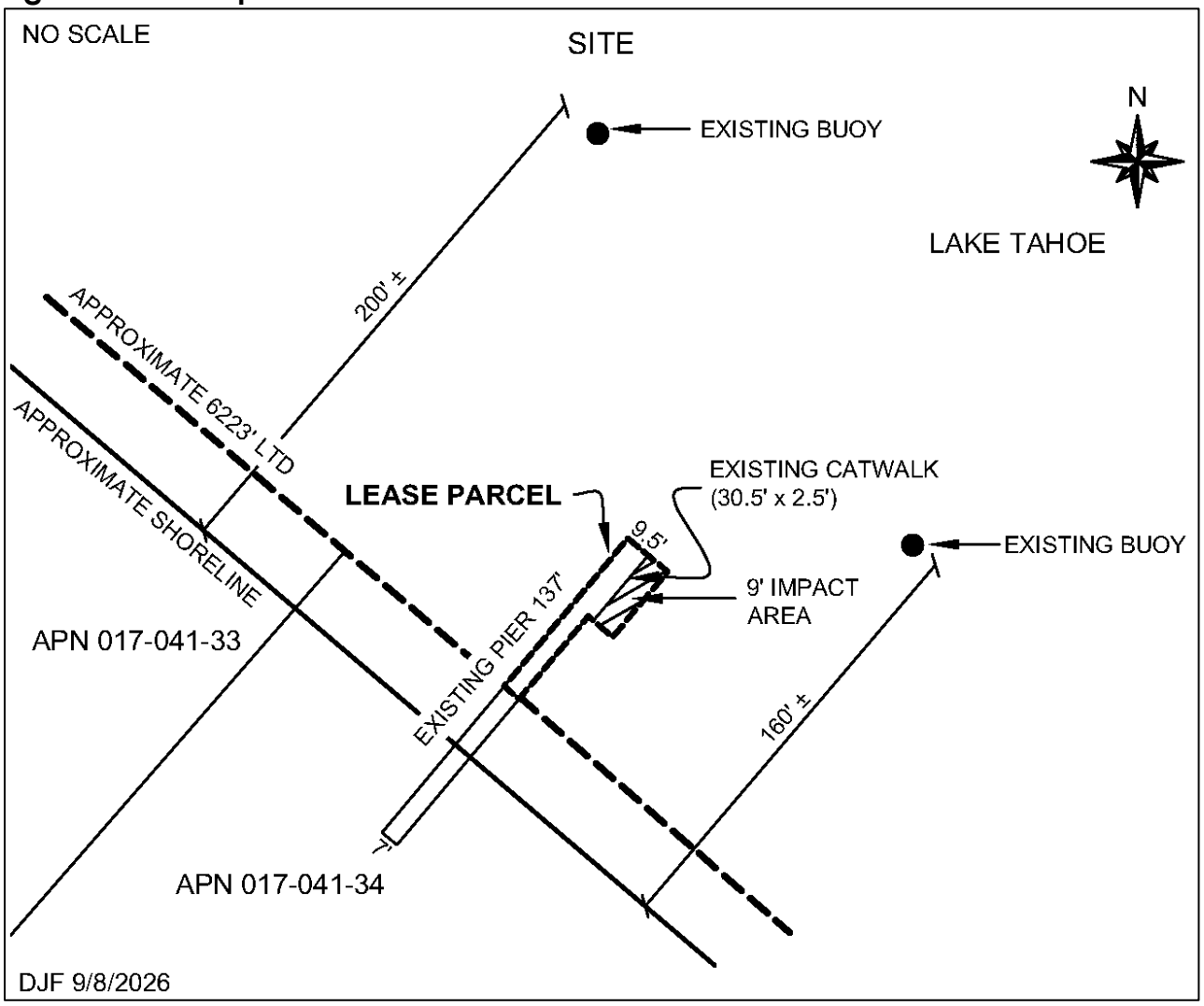
Figure 1. Location



AUTHORIZED USE:

Use of an existing pier 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 October 21, 2026.

CONSIDERATION:

$1,164 per year, with an annual Consumer Price Index adjustment, and $2,111 for the unauthorized occupation of State land for the period prior to October 21, 2026.

SPECIFIC LEASE PROVISIONS:

- A permit or registration from the Tahoe Regional Planning Agency (TRPA) 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 shall 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 uses.

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 June 21, 2013, the Commission authorized acceptance of a quitclaim deed from Paradise Flat II, L.P., and issuance of a General Lease – Recreational Use to Dreamy, LLC, a California limited liability company, for the continued use and maintenance of an existing pier and two mooring buoys (Item 19). That lease expired on December 27, 2022.

The Applicant is now applying for a General Lease – Recreational Use for use of an existing pier and two mooring buoys. Both mooring buoys were registered with TRPA on April 23, 2026 (Mooring Registration No. 11268 associated with 291 Paraside Flat Lane, and Mooring Registration No. 11269 associated with 301 Paradise Flat Lane).

The Applicant (the former Lessee) paid rent in holdover from the day following the expiration of the lease, December 27, 2022, through December 27, 2024. Staff recommends that the Commission accept compensation from the Applicant in the amount of $2,111 for the unauthorized occupation of State land by the existing pier and two mooring buoys for the period prior to October 21, 2026. Additionally, the lease will require the Applicant to indemnify the State for the entire period of unauthorized occupation, from December 28, 2022 to October 20, 2026.

The Applicant owns the upland adjoining the lease premises. The immediate area surrounding the shoreward terminus of the pier consists of a wide, sandy beach

which slopes gently waterward and continues beneath the length of the pier. The lease premises are located approximately one quarter of a mile from D.L. Bliss State Park, and the wide, sandy beach is present between these two locations, making the area easily accessible to pedestrians. At high water, access over the pier is available through the Public Trust easement by utilizing the access ladders located on either side of the pier. At lower water levels, access is available either over the pier by utilizing the access ladders, or under the pier by walking across the sandy beach below it. Signs designating the public passageway are required to be posted on each side of the pier and are required to be in place at all times.

The subject facilities have existed for many years at this location, occupy a relatively small area of the lake, and serve to 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 substantially impair public rights. The lease is limited to a 10-year term and does not grant the lessee permanent exclusive rights to the lease premises. 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.

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. 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 believes issuance of this lease will not substantially interfere with the Public Trust needs at this location, at this time, and for the term of the lease; and 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 the 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 may be required to remove the improvements and restore the premises to their 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. 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 14, section 15301.

   Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15061.

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 14, section 15301.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the continued use of the existing pier and two mooring buoys 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 is in the best interests of the State.

AUTHORIZATION:

1. Accept compensation from the Applicant for the unauthorized occupation of State land in the amount of $2,111 for the period prior to October 21, 2026.

2. Authorize issuance of a General Lease – Recreational Use to the Applicant beginning October 21, 2026, for a term of 10 years, for the use of an existing pier and two mooring buoys, annual rent in the amount of $1,164 with an annual Consumer Price Index adjustment; and liability insurance in an amount no less than $1,000,000 per occurrence.