MINUTE ITEM
This Calendar Item No. C13 was approved as Minute Item No. 13 by the California State Lands Commission by a vote of 2 to 0 at its 06/07/04 meeting.

CALENDAR ITEM
C13

A 4

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PRC 5883

06/07/04
WP 5883.1
M. Hays

GENERAL LEASE - COMMERCIAL AND RECREATIONAL USE

APPLICANT:

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

AREA, LAND TYPE, AND LOCATION:

5.3 acres, more or less, of sovereign lands in Lake Tahoe, South Lake Tahoe, El Dorado County.

AUTHORIZED USE:

Proposed removal, replacement and reconfiguration of the interior of an existing commercial marina and the continued use and maintenance of the existing commercial marina facility, ten mooring buoys, four marker buoys, freestanding sheetpile breakwater, two swim lines, two swim platforms, swim area, beach and fill previously authorized by the Commission and as shown on Exhibit A.

LEASE TERM:

20 years, beginning June 7, 2004.

CONSIDERATION:

(A) Lakeside Marina:

1. Five percent of gross income from berthing and mooring of boats;
2. Five percent of gross income from the rental of personal watercraft, motorboats, kayaks, paddleboats; a parasail operation and a fishing boat operation;
3. One percent of gross income from a water taxi operation;
4. Ten percent of all other gross income generated on the Lease Premises;
5. With a minimum annual rent of $19,500.

(B) Lakeside Park Association Beach and Swim Area:

1. Annual rent of $ 15,000.

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

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance with coverage of no less than $3,000,000.

Bond:

$40,000

BACKGROUND INFORMATION:

The Commission previously issued two separate leases at the area known as "Lakeside Marina" for various commercial and recreational activities. One of these leases was issued to Lakeside Yacht and Harbor Club, Inc., (Harbor Club) and authorized the operation and maintenance of an existing commercial marina facility, ten mooring buoys and four marker buoys. Since the mid 1950s, the Harbor Club has operated the marina facility under a sublease agreement with the Lakeside Park Association, Inc. (LPA), the owner of the upland property.

The other lease was a General Lease – Recreational Use and was issued to LPA for the use and maintenance of an existing freestanding sheetpile breakwater, two swim lines, two swim platforms, swim area, beach area and fill. The adjacent Lakeside beach and swim area are managed by the Applicant and are used as a recreational beach and swim area by the members and guests of the Applicant.

There had been an ongoing dispute that resulted in litigation between the Harbor Club and the LPA as to ownership of the upland property adjacent to and a part of the marina facility. A judgment and settlement agreement was filed on April 22, 2003, finding that the Applicant was the legal owner of the upland parcel. Therefore, the Harbor Club no longer has any interest in the marina facilities. In 2003, the Applicant contracted with a new operator, LM Sports, Inc., to manage and operate the marina facility.

OTHER PERTINENT INFORMATION:

1. The Applicant is an association composed of area commercial and residential members who own property within the Lakeside Park subdivision and owns the uplands adjoining the Lease Premises. Applicant has now made an application to combine PRC 4498.1 into PRC 5883.1 for a new commercial lease.

2. As shown on the attached Exhibit A, the Applicant has applied for the use of four parcels that comprise the Lease Premises. Applicant is granted an exclusive lease over the marina facility (Parcel1); the buoy field and marker buoys (Parcel 2); the swim area, two swim floats, two swim lines and breakwater (Parcel 3); and non-exclusive lease over the beach area and fill (Parcel 4).

3. The Applicant is proposing to reduce the current capacity of the marina from 92 boatslips to 63 boatslips by removing, replacing and reconfiguring the existing boatslips within the interior of the marina facility. The purpose of the project is to remove old dilapidated boatslips and enable larger boats to berth. All of the existing steel and wood pilings will be removed. However, approximately 20 of the pilings will be reused to anchor the floating boatslips that are constructed of a welded steel frame topping hard plastic and foam floats with wood/composite decking. An existing eight-foot wide dock attached on both sides of the sheetpile breakwall of the marina will be replaced to facilitate berthing by waterborne transit and transit boat traffic. The reconfiguration of the marina will include portions of the marina located on State land and on the private upland property. It is estimated that once the marina is reconfigured, 48 boatslips will be located on the Lease Premises and 15 boatslips will be located on the private upland property.

4. Commission staff has reviewed the management agreement between the Applicant and the marina operator, LM Sports, Inc. The operator will manage the marina facility that will provide berthing, mooring, personal watercraft, boat, kayak and paddleboat rentals and a parasail operation. A water taxi operation will berth at the marina and provide daily waterborne transportation for the public to access other locations along the South Shore of Lake Tahoe. The water taxi will make regularly scheduled multiple daily round trips between Lakeside, Camp Richardson and Timber Cove Lodge marinas. No other concessions on State lands are authorized under the Lease.

5. The Applicant is required to implement a two phase shoreline erosion monitoring program to provide monitoring survey data in the marina, beach and swim area and adjacent areas North and South of the Lease Premises to demonstrate trends in the shoreline resulting from the alteration of the littoral sediment transport patterns caused by the marina and the freestanding breakwater. Phase I requires the Applicant to

conduct annual monitoring surveys between March or April during the first five years of the lease according to criteria developed by staff of the Commission. Phase II requires that the Applicant provide an evaluation report of the first five-year annual monitoring surveys so Commission staff can determine if the conditions require measures to be identified for consideration to minimize impacts to the adjacent beaches and shoreline. The monitoring program would be extended after the installation of recommended measures until stable conditions have been achieved. Should the evaluation find stable conditions on the adjacent beaches and shoreline, the evaluation report would make recommendations regarding either termination or extension of the monitoring program.

6. **EXISTING MARINA FACILITY, TEN MOORING BUOYS, FOUR MARKER BUOYS, BREAKWATER, TWO SWIM LINES, TWO SWIM PLATFORMS, SWIM AREA, BEACH AND FILL:** Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

   Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

7. **MARINA BOATSLIP RECONFIGURTION:** Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 2, Replacement or Reconstruction; Title 14, California Code of Regulations, section 15302.

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

8. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. 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.

APPROVALS REQUIRED:
Tahoe Regional Planning Agency
California Department of Fish and Game

EXHIBIT:
A. Site and Location Map

RECOMMENDED ACTION:
IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

EXISTING MARINA FACILITY, TEN MOORING BUOYS, FOUR MARKER BUOYS, BREAKWATER, TWO SWIM LINES, TWO SWIM PLATFORMS, SWIM AREA, BEACH AND FILL: FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES; TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 2905 (a)(2).

MARINA BOATSLIP RECONFIGURTION: FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 2, REPLACEMENT OR RECONSTRUCTION; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15302.

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 SECTIONS 6370, ET SEQ.

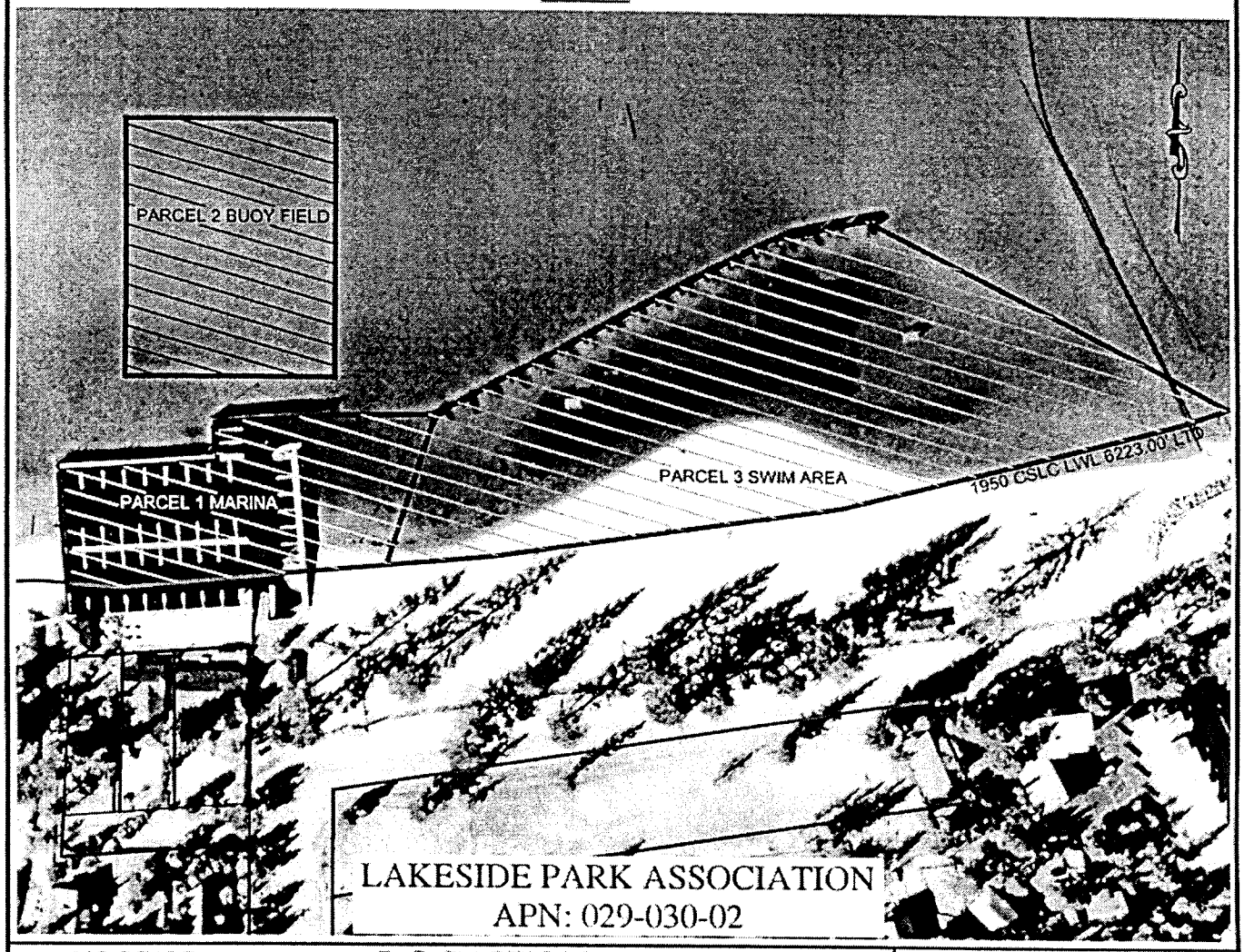
AUTHORIZATION:

AUTHORIZE ISSUANCE TO LAKESIDE PARK ASSOCIATION, INC., OF A GENERAL LEASE-COMMERCIAL AND RECREATIONAL USE, BEGINNING JUNE 7, 2004, FOR A TERM OF 20 YEARS, FOR THE

PROPOSED REMOVAL, REPLACEMENT AND RECONFIGURATION OF THE INTERIOR OF AN EXISTING COMMERCIAL MARINA KNOWN AS LAKESIDE MARINA; AND THE CONTINUED USE, OPERATION AND MAINTENANCE OF THE COMMERCIAL MARINA FACILITY, TEN MOORING BUOYS, FOUR MARKER BUOYS PREVIOUSLY AUTHORIZED BY THE COMMISSION ON THE LAND AS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; WITH CONSIDERATION BEING 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; TEN PERCENT FROM OTHER GROSS INCOME; WITH A MINIMUM ANNUAL RENT IN THE AMOUNT OF $19,500; AND FOR THE CONTINUED USE AND MAINTENANCE OF AN EXISTING BREAKWATER, TWO SWIM LINES, TWO SWIM PLATFORMS, SWIM AREA, BEACH AND FILL, KNOWN AS LAKESIDE PARK BEACH AND SWIM AREA, PREVIOUSLY AUTHORIZED BY THE COMMISSION ON THE LAND AS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; WITH CONSIDERATION BEING ANNUAL RENT IN THE AMOUNT OF $15,000; AND WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT FOR ALL THE CONSIDERATION PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; WITH LIABILITY INSURANCE COVERAGE OF NO LESS THAN $3,000,000; AND SURETY BOND OF $40,000.

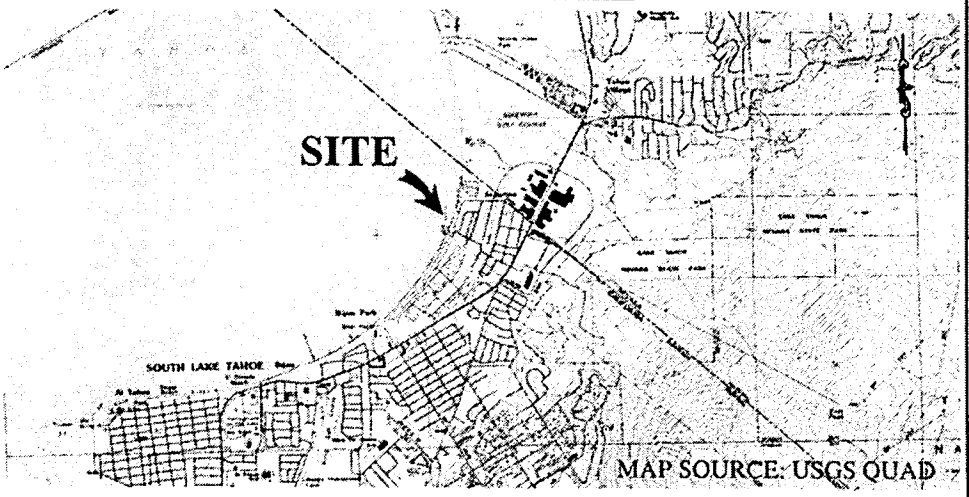
NO SCALE

SITE

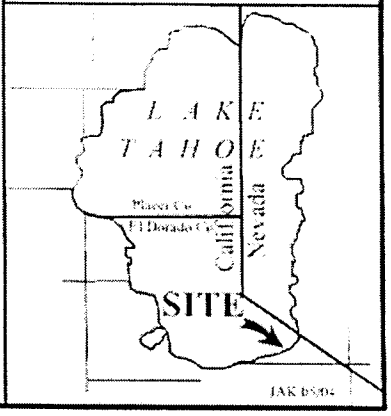


NO SCALE

LOCATION



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit A

WP 5883
GENERAL LEASE
COMMERCIAL USE
MARINA, BUOY FIELD,
& SWIM AREA
LAKE TAHOE
EL DORADO COUNTY