

**CALENDAR ITEM  
C25**

A 4  
S 1

10/29/10  
WP 5884.1  
N. Lee

**GENERAL LEASE - RECREATIONAL USE**

**APPLICANTS:**

Hawkins Insulation Company, Inc.; Lyon Investments, LP; Michael P. Lyon;  
Laura Lyon; and Karine S. Lyon

**AREA, LAND TYPE, AND LOCATION:**

Sovereign land in Lake Tahoe, adjacent to 5620 and 5650 West Lake Boulevard,  
near Homewood, Placer County.

**AUTHORIZED USE:**

Continued use and maintenance of an existing joint-use pier, boat lift, and two  
mooring buoys as shown on the attached Exhibit A.

**LEASE TERM:**

10 years, beginning January 1, 2011.

**CONSIDERATION:**

\$2,485 per year, with the State reserving the right to fix a different rent  
periodically during the lease term, as provided in the lease.

**SPECIFIC LEASE PROVISIONS:**

Insurance:

Liability insurance in the amount of no less than \$1,000,000.

Other:

The proposed lease contains a provision which requires the Applicants to  
obtain authorization from the Tahoe Regional Planning Agency (TRPA) for  
the mooring buoys within two years after the adoption of a Final  
Environmental Impact Statement (FEIS) for the Lake Tahoe Shorezone  
Ordinance Amendments and approval of the amended ordinances. This is  
a continuation of the process the Commission used from approximately  
1995 to October 2008 when TRPA adopted a FEIS and Ordinance  
Amendments supported by the FEIS. In September 2010, the U.S. District  
Court invalidated the FEIS and nullified the ordinances. TRPA is presently  
evaluating its response. When additional information is available,

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Commission staff will advise the Commission on any suggested modifications to the process used by the Commission pending resolution of the TRPA FEIS and ordinance issues.

**OTHER PERTINENT INFORMATION:**

1. Applicants own the uplands adjoining the lease premises.
2. On February 8, 2000, the Commission authorized a General Lease – Recreational Use with Hawkins Insulation Company, Inc. (Hawkins) and William L. Lyon & Associates, Inc. That lease, which expired on December 31, 2004, authorized a joint-use pier, two boat lifts, and two mooring buoys. The upland parcel owned by William L. Lyon & Associates, Inc. has since been deeded to Lyon Investments, LP (Lyon LP); Michael P. Lyon; Laura Lyon; and Karine S. Lyon. Applicants are now applying for a new General Lease – Recreational Use.
3. One of the two previously authorized boat lifts was not installed by the Applicants. Staff is recommending approval of the continued use and maintenance of the joint-use pier, one boat lift, and two mooring buoys within the lease premises.
4. Michael P. Lyon, Laura Lyon, and Karine S. Lyon qualify for rent-free status because they are natural persons who own the littoral land that is improved with a single-family dwelling. Hawkins and Lyon LP do not qualify for rent-free status because they do not own the littoral parcels as natural persons pursuant to Public Resources Code section 6503.5. Therefore, the annual rent is prorated based on Hawkins' 50 percent interest and Lyon LP's 49.5 percent interest in the joint-use pier, boat lift, and two mooring buoys.
5. After the prior lease expired, the Applicants continued to pay the annual rent in effect during the term of that lease. Pursuant to the expired lease, the annual rent in effect during any holding-over shall be increased by 25 percent. Staff is recommending that the Commission accept the additional 25 percent of hold-over rent in the amount of \$1,038 for the period beginning January 1, 2005 through December 31, 2010.
6. 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 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).

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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. 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.

**EXHIBIT:**

- A. Site and Location Map

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

Find that the activity is exempt from the requirements of 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).

**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:**

1. Authorize acceptance of additional hold-over rent in the amount of \$1,038 for the period of January 1, 2005 through December 31, 2010, and waive any penalty and interest that may have accrued.
2. Authorize issuance of a General Lease – Recreational Use to Hawkins Insulation Company, Inc.; Lyon Investments, LP; Michael P. Lyon; Laura Lyon; and Karine S. Lyon beginning January 1, 2011, for a term of 10 years, for the continued use and maintenance of an existing joint-use pier, boat lift, and two mooring buoys as shown on Exhibit A attached and by this reference made a part hereof; annual rent in the amount of \$2,485, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; and liability insurance in the amount of no less than \$1,000,000.