

**CALENDAR ITEM
C24**

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04/05/16
PRC 7954.1
B. Terry

**RESCISSION OF APPROVAL AND AUTHORIZATION OF AN
AMENDMENT OF LEASE AND REVISION OF RENT**

LESSEE:

Red Wolf Lakeside Lodge L.P., a California Limited Partnership
7630 North Lake Boulevard
Tahoe Vista, CA 96143

Tahoya Shores Condominium Association
P.O. Box 11
Tahoe Vista, CA 96148

AREA, LAND TYPE, AND LOCATION:

Sovereign land in Lake Tahoe, adjacent to 7630 and 7610 Lakeside Boulevard,
Tahoe Vista, Placer County.

AUTHORIZED USE:

Continued use and maintenance of an existing joint-use pier, a rock jetty and a
portion of a second jetty adjacent to the east side of Assessor's Parcel Number
117-140-008, and four mooring buoys.

LEASE TERM:

10 years, beginning April 1, 2011.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease
term. Pursuant to this provision, staff has conducted a review of the rent under
this lease and recommends that rent be revised from \$3,579 per year to \$3,271
per year, effective April 1, 2016.

PROPOSED AMENDMENT:

Amend the lease to:

1. Correct Lessee's name from Red Wolf Lakeside Lodge L.P., a
California Limited Partnership; and Tahoya Shores Condominium

CALENDAR ITEM NO. **C24** (CONT'D)

Association to Red Wolf Lakeside Lodge Owners Association, Inc.; and Tahoya Shores Condominium Association.

2. Replace the existing Section 3, Land Description, with the attached Exhibit A, Land Description, and replace Exhibit A, Site and Location Map, with the attached Exhibit B, Site and Location Map (for reference purposes only). Revise rent from \$3,579 per year to \$3,271 per year.

All other terms and conditions of the lease shall remain in effect without amendment.

STAFF ANALYSIS AND RECOMMENDATION

Statutory Authority:

Public Resources Code sections 6005, 6216, 6301, and 6503.5; California Code of Regulations, Title 2, section 2000, subdivision (b).

Public Trust and State's Best Interests Analysis:

The recommended lease modifications will not substantially interfere with public trust needs at this time and at this location. The correction of the lessee's name, adjustment to reduce the lease area, and adjustment of rent are administrative actions unlikely to result in any changes to the use of the lease premises.

OTHER PERTINENT INFORMATION:

1. Lessee owns the upland adjoining the lease premises.
2. On October 27, 2011, the Commission authorized a General Lease – Recreational and Protective Structure Use, for a term of 10 years. Based on the application and information submitted, the lease was issued to Red Wolf Lakeside Lodge L.P. and Tahoya Shores Condominium Association. That lease will expire on March 31, 2021.
3. On October 16, 2015, the Commission authorized an Amendment of Lease and Revision of Rent. After approval, staff discovered that the Lessee's name had been incorrectly stated when the lease was issued in 2011. Lessee's name should have been stated as Redwolf Lakeside Lodge Owners Association, Inc. The Limited Partnership only existed to develop the upland timeshare and had transferred all of its interest to Red Wolf Lakeside Lodge Owners Association, Inc. None of the parties intended to make the developer the lessee. Accordingly, staff recommends the October 16, 2015 amendment be rescinded and a new amendment be authorized to address all changes in the lease concurrently.

CALENDAR ITEM NO. **C24** (CONT'D)

4. Staff recommends the lease be amended to correct lessee Red Wolf Lakeside Lodge L.P., a California Limited Partnership, to Red Wolf Lakeside Lodge Owners Association, Inc. Tahoya Shores Condominium Association will remain a joint-lessee.
5. On July 1, 2014, the lease area calculations were changed when the Commission's regulations were amended. Commission staff recommend amending the lease to reflect the new reduced lease area.
6. Staff conducted the rent review called for in the lease. Due to changes in the impact area surrounding the pier, staff recommends the rent be reduced.
7. This action is consistent with Strategy 2.2 of the Commission's Strategic Plan to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals.
8. Rescission of the lease amendment, amendment of the lease to correct the Lessee's name on the lease, a minor adjustment in lease area, and the revision of rent 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, section 15378, subdivision (b)(5).

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed rescission of authorization and proposed amendment of Lease No. PRC 7954.1 will not substantially interfere with the public trust needs and values at this location; find these actions are consistent with the common law public trust doctrine and are in the best interests of the State.

CALENDAR ITEM NO. **C24** (CONT'D)

AUTHORIZATION:

1. Authorize rescission of authorization of amendment of lease and rent revision of Lease No. PRC 7954.1, a General Lease – Recreational and Protective Structure Use, approved by the Commission on October 16, 2015, to Red Wolf Lakeside Lodge L.P., a California Limited Partnership and Tahoya Shores Condominium Association.
2. Authorize the amendment of Lease No. PRC 7954.1, a General Lease – Recreational and Protective Structure Use, effective April 1, 2016, to correct Lessee's name from Red Wolf Lakeside Lodge L.P., a California Limited Partnership; and Tahoya Shores Condominium Association, to Red Wolf Lakeside Lodge Owners Association, Inc.; and Tahoya Shores Condominium Association; and replace the existing Section 3, Land Description with the attached Exhibit A, Land Description, and replace Exhibit A, Site and Location Map with the attached Exhibit B, Site and Location Map (for reference purposes only); all other terms and conditions of the lease will remain in effect without amendment.
3. Approve the revision of rent for Lease No. PRC 7954.1 from \$3,579 per year to \$3,271 per year, effective April 1, 2016.

EXHIBIT A
LAND DESCRIPTION

PRC 7954.1

Five Parcels of submerged lands lying in the bed of Lake Tahoe, adjacent to Section 13, Township 16 North, Range 17 East, M.D.M., as shown on Official Government Township Plat approved on November 10, 1865, County of Placer, State of California, more particularly described as follows:

PARCEL 1

BEGINNING at the intersection of the east boundary of that parcel of land described in Exhibit A of Grant Deed recorded in document number 95-064510, Official Records of said County and the line of the historic Low Water Mark, as depicted on sheet 20 of those maps entitled "Survey of the Low Water Mark on the Shore of Lake Tahoe", filed in Book 2 of Surveys at Page 71, Placer County Records; thence Southerly along the Southerly prolongation of said East line 74.00 feet; thence Westerly and at a right angle from the aforementioned course 127.75 feet to the intersection of the southerly prolongation of a line parallel with and 10 feet westerly, measured at a right angle, of an existing pier; thence northerly along said line 96.28 feet to said line of the historic Low Water Mark; thence Easterly along said line of the historic Low Water Mark to the POINT OF BEGINNING.

PARCELS 2-5

Four circular parcels of land, each 20 feet in diameter, lying directly beneath four existing buoys and adjacent to that parcel of land described in Exhibit A of Grant Deed recorded in document number 95-064510, Official Records of said County .

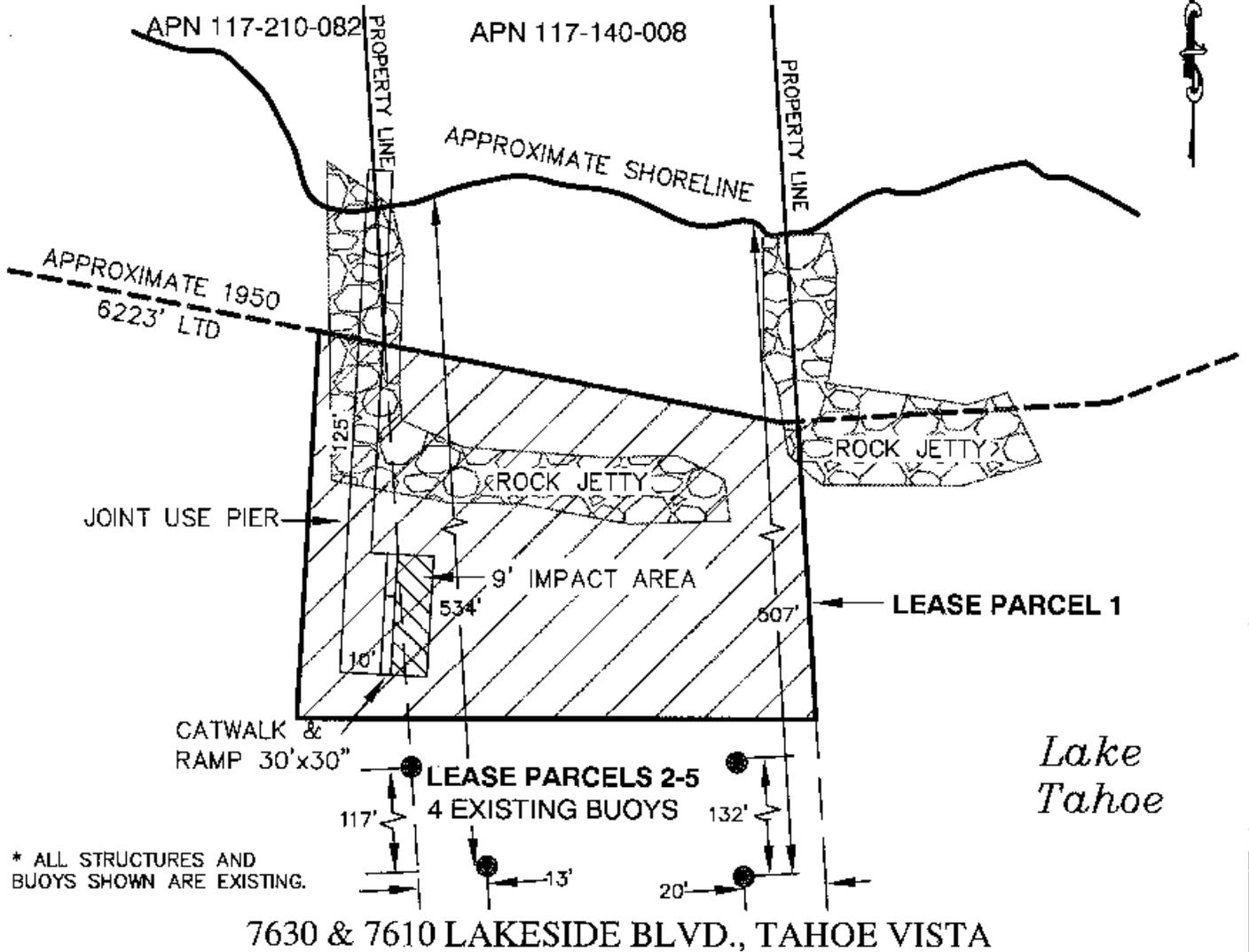
END OF DESCRIPTION

Prepared 03/02/2011 by the California State Lands Commission Boundary Unit.



NO SCALE

SITE



NO SCALE

LOCATION

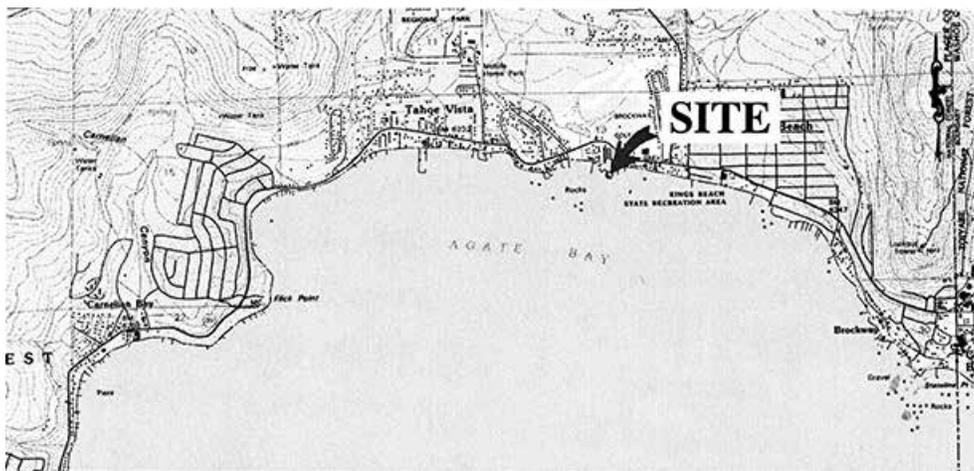
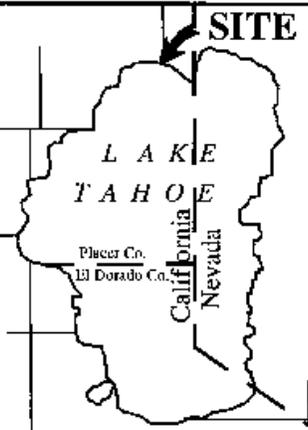


Exhibit B

PRC 7954.1
 REDWOLF LAKESIDE LODGE
 & TAIHOYA SHORES
 APN 117-140-008 & 117-210-082
 GENERAL LEASE
 RECREATIONAL AND PROTECTIVE
 STRUCTURE USE
 PLACER COUNTY



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.