

**STAFF REPORT
C36**

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04/19/18
PRC 8440.1
J. Toy

ASSIGNMENT AND CONTINUATION OF RENT

LESSEE/ASSIGNOR:

Michael C. Bailey

APPLICANT/ASSIGNEE:

Nessebar Holdings II, LLC

AREA, LAND TYPE, AND LOCATION:

Sovereign land in Lake Tahoe, adjacent to 4950 North Lake Boulevard, near Carnelian Bay, Placer County.

AUTHORIZED USE:

Continued use and maintenance of two existing mooring buoys.

LEASE TERM:

10 years, beginning December 1, 2012.

CONSIDERATION:

This lease provides that the Commission may modify the rent periodically during the lease term. Pursuant to this provision, staff reviewed the rent under this lease and recommends that rent be continued at \$754 per year, effective December 1, 2017.

STAFF ANALYSIS AND RECOMMENDATION:

Authority:

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

Public Trust and State's Best Interests Analysis:

On October 19, 2012, the Commission authorized a General Lease – Recreational Use to Michael C. Bailey for two existing mooring buoys ([Item C31, October 19, 2012](#)). That lease will expire on November 30, 2022.

On May 24, 2016, ownership of the upland property was transferred to Nessebar Holdings II, LLC.

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Staff recommends an assignment of the lease to reflect the change in ownership of the upland property from the Assignor to the Assignee. The assignment will be effective as of the date of the transfer, May 24, 2016. The Assignee agrees to perform and be bound by the terms, conditions, covenants, and agreements contained in the lease.

The lease assignment will not result in a change in the use of Public Trust resources or the impacts thereto. Staff believes approval of the assignment is consistent with the common law Public Trust Doctrine and is in the best interests of the State.

In conjunction with the assignment of the lease, staff performed a rent review, as authorized by lease terms and conditions. Based on this review, staff recommends the annual rent be continued at \$754 per year, effective December 1, 2017.

OTHER PERTINENT INFORMATION:

1. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction and Strategy 2.2 to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals.
2. Assignment of the lease and continuation of rent are not projects as defined by the California Environmental Quality Act 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).

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed assignment of lease and continuation of rent will not substantially interfere with the Public Trust needs and values at this location, at this time, and for the foreseeable term of the lease; is

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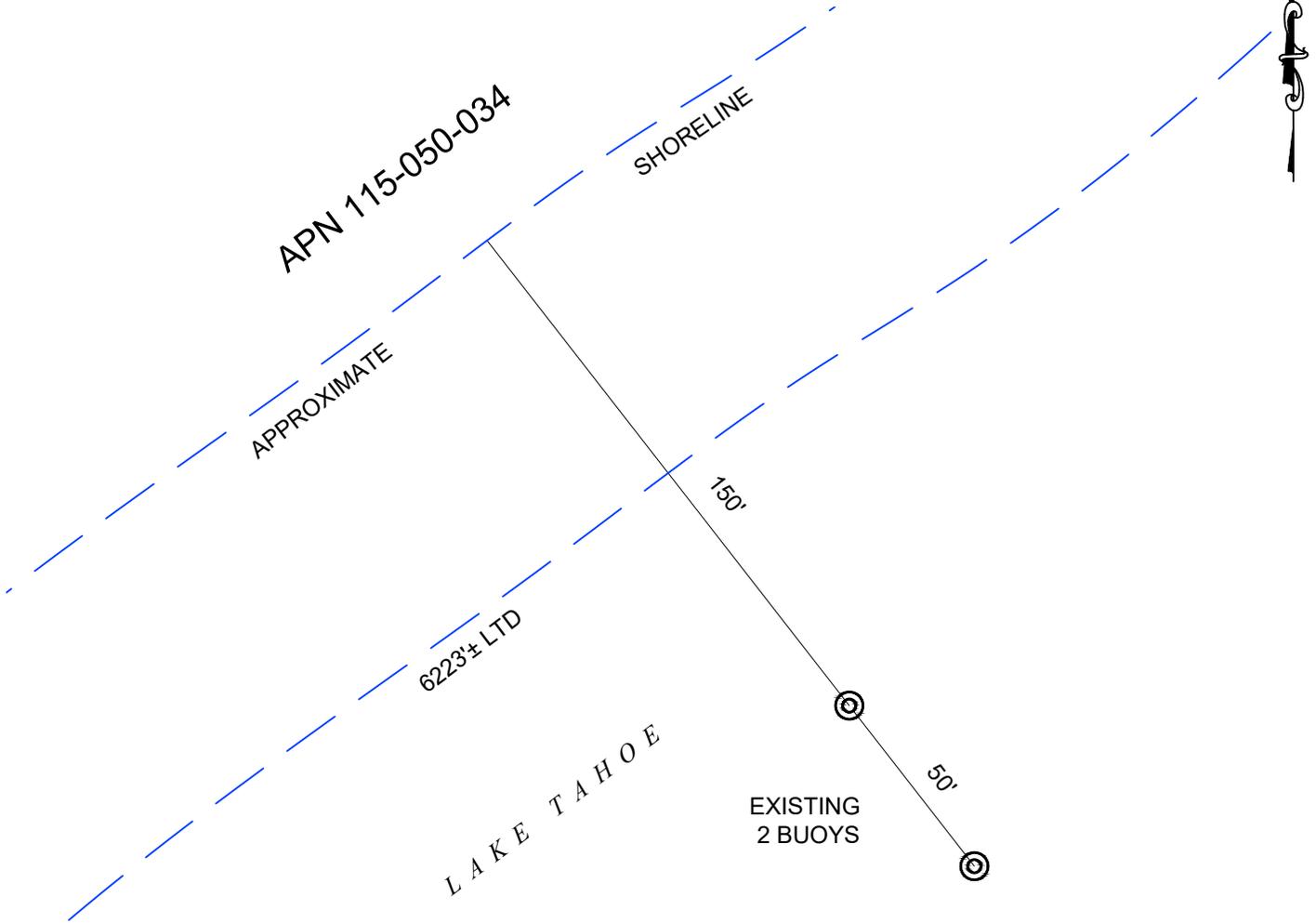
consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

AUTHORIZATION:

1. Authorize the assignment of Lease No. PRC 8440.1, a General Lease – Recreational Use, of sovereign land as shown on Exhibit A, Site and Location Map (for reference purposes only), attached and by this reference made a part hereof, from Michael C. Bailey to Nessebar Holdings II, LLC, effective May 24, 2016.
2. Approve the continuation of rent for Lease No. PRC 8440.1 at \$754 per year, effective December 1, 2017.

NO SCALE

SITE



4950 NORTH LAKE BLVD., NEAR CARNELIAN BAY

NO SCALE

LOCATION

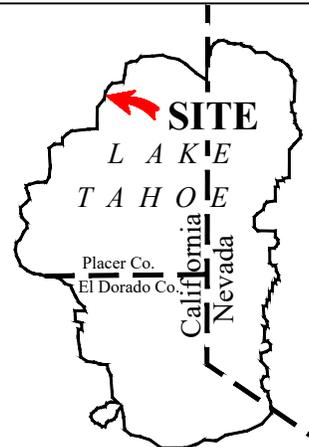


MAP SOURCE: USGS QUAD

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

PRC 8440.1
 NESSEBAR HOLDINGS II, LLC
 APN 115-050-34
 GENERAL LEASE -
 RECREATIONAL USE
 PLACER COUNTY



MJ 9/17/17