

**CALENDAR ITEM  
C18**

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01/26/12  
WP 3981.1  
N. Lee

**GENERAL LEASE - COMMERCIAL USE**

**APPLICANTS:**

The Survivor's Trust under the George and Elsie Karadanis Revocable Family Trust, Robert Mitchell Karadanis, George Martin Karadanis and William Matthew Karadanis; and Lisa Maloff, Trustee of the Robert M. and Lisa Maloff Trust dated 7/7/03, dba Timber Cove Lodge Marina

**SUBLESSEE:**

Action Motorsports of Tahoe, Inc.

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

Sovereign land in Lake Tahoe, adjacent to 3411 Lake Tahoe Boulevard, city of South Lake Tahoe, El Dorado County.

**AUTHORIZED USE:**

LEASE: Continued use, maintenance, and operation of an existing commercial marina facility known as "Timber Cove Lodge Marina" consisting of an existing pier with a restaurant building and retail building and 80 mooring buoys previously authorized by the Commission; and an existing fueling facility on the pier, two existing personal watercraft string lines, and two channel markers not previously authorized by the Commission.

SUBLEASE: Operation of personal watercraft, boat, and buoy rentals; fishing and boat charters; and gasoline and retail sales.

**LEASE TERM:**

LEASE: 25 years, beginning May 19, 2011, ending May 18, 2036.

SUBLEASE: Five years, beginning May 1, 2008, ending April 30, 2013.

**CONSIDERATION:**

\$7,950 per year, against five percent of the gross annual income derived from the commercial activities of mooring, boat and personal watercraft rentals and

CALENDAR ITEM NO. **C18** (CONT'D)

retail sales; three percent of the gross annual income derived from food and beverage sales; and one and one-half cents per gallon of fuel sold annually on or over the Lease Premises to a maximum of 100,000 gallons and two cents per gallon thereafter, 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 \$3,000,000.

Surety:

Surety bond or other security in the amount of \$50,000.

Other:

The lease contains provisions that:

1. Lessee agrees to maintain a buoy grid pattern and buoy field for a maximum of 80 mooring buoys within the Lease Premises as described in Exhibit A. Lessee shall relocate any mooring buoys located outside the lease premises to within the lease premises no later than May 1, 2012.
2. Lessee agrees to the implementation of the Commission's "Best Management Practices for Marina Owners/Operators" and "Best Management Practices for Guest Dock Users and Boaters," including additional Best Management Practices (BMPs) the Commission subsequently deems appropriate for either of the above categories. Lessee shall post the "BMPs for Marina Owners/Operators" and "BMPs for Guest Dock Users and Boaters" in prominent places within the lease premises. The Lessee shall provide the Commission, on the first anniversary of the lease and tri-annually thereafter, a report on compliance with all BMPs.

**OTHER PERTINENT INFORMATION:**

1. Applicants own the upland adjoining the lease premises.
2. On March 8, 1994, the Commission authorized a General Lease – Commercial Use with HKM Investments. That lease expired on March 18, 2003 and has been in hold-over status.
3. On September 5, 1996, HKM Investments deeded the upland parcel to Robert and Lisa Maloff and George and Elsie Karadanis. The Maloff and Karadanis families have since been fulfilling the lease obligations of the Lessee without the benefit of a lease assignment. Both Robert Maloff and George Karadanis recently passed away and ownership of the upland

CALENDAR ITEM NO. C18 (CONT'D)

property has since been deeded to The Survivor's Trust under the George and Elsie Karadanis Revocable Family Trust, Robert Mitchell Karadanis, George Martin Karadanis and William Matthew Karadanis; and Lisa Maloff, Trustee of the Robert M. and Lisa Maloff Trust dated 7/7/03.

4. The Maloff and Karadanis families are now applying for a new General Lease – Commercial Use and approval of an existing sublease. Under the new lease, the Applicants are requesting authorization for the continued use, maintenance, and operation of an existing commercial marina facility consisting of a pier with a restaurant building, retail building, and 80 mooring buoys previously authorized by the Commission; and the use and maintenance of an existing fueling facility on the pier, two existing personal watercraft string lines, and two channel markers not previously authorized by the Commission.
5. Historically, fueling was a part of the marina operations. For a time, this was limited to an above-ground fuel storage tank and dispenser on the upland parcel parking lot. In 1998, a second above-ground tank was installed on-site and a new fuel dispenser was reinstalled on the pier, with all piping and lines upgraded to meet current double containment and electronic leak detection regulations. The revenue generated by the re-installed fueling facility attributable to the Commission has been paid in full from 1998 to 2011.
6. On April 30, 1998, Robert Maloff and George Karadanis, dba Timber Cove Lodge, signed a lease agreement with Action Motorsports of Tahoe, Inc. for the operation of personal watercraft, boat, and buoy rentals; fishing and boat charters; and gasoline and retail sales. The lease expired April 30, 2008 and was extended an additional five-year term from May 1, 2008 to April 30, 2013. Action Motorsports originally began operations at the marina in 1988. The Applicants are now requesting that the Commission authorize the sublease with Action Motosports. At this time, a restaurant is not operating in the restaurant building.
7. **New Lease:** Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Cal. Code Rtegs., tit. 14, § 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; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

CALENDAR ITEM NO. **C18** (CONT'D)

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

8. **Sublease:** Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Cal. Code Regs., tit 14, § 15060 subd. (c)(3)], the staff has determined that this activity is not subject to the provisions of CEQA because it is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and, California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

9. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. 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.

**EXHIBITS:**

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

**RECOMMENDED ACTION:**

It is recommended that the Commission:

**CEQA FINDING:**

**New Lease:** 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 2, section 2905 subdivision (a)(2).

**Sublease:** Find that the activity is not subject to the requirements of CEQA pursuant to Title 14, California Code of Regulations, Title 14, section 15060 subdivision (c)(3) because the activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

**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 section 6370 et seq.

CALENDAR ITEM NO. **C18** (CONT'D)

**AUTHORIZATION:**

1. Authorize issuance of a General Lease – Commercial Use to the The Survivor's Trust under the George and Elsie Karadanis Revocable Family Trust, Robert Mitchell Karadanis, George Martin Karadanis and William Matthew Karadanis; and Lisa Maloff, Trustee of the Robert M. and Lisa Maloff Trust dated 7/7/03, dba Timber Cove Lodge Marina, beginning May 19, 2011, for a term of 25 years, for the continued use, maintenance, and operation of an existing commercial marina facility known as “Timber Cove Lodge Marina” consisting of a pier with a restaurant building and retail building and 80 mooring buoys previously authorized by the Commission; and an existing fueling facility on the pier, two existing personal watercraft string lines, and two channel markers not previously authorized by the Commission as described in Exhibit A and as shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; minimum annual rent in the amount of \$7,950, against five percent of the gross annual income derived from the commercial activities of mooring, boat and personal watercraft rentals and retail sales; three percent of the gross annual income derived from food and beverage sales; and one and one-half cents per gallon of fuel sold annually on or over the Lease Premises to a maximum of 100,000 gallons and two cents per gallon thereafter, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; surety in the amount of \$30,000; and liability insurance with coverage of no less than \$3,000,000.
  
2. Authorize a sublease between The Survivor's Trust under the George and Elsie Karadanis Revocable Family Trust, Robert Mitchell Karadanis, George Martin Karadanis and William Matthew Karadanis; and Lisa Maloff, Trustee of the Robert M. and Lisa Maloff Trust dated 7/7/03, dba Timber Cove Lodge Marina and Action Motorsports of Tahoe, Inc., of Lease No. PRC 3981.1, for a term of five years, beginning May 1, 2008.

**EXHIBIT A**

**PRC 3981.1**

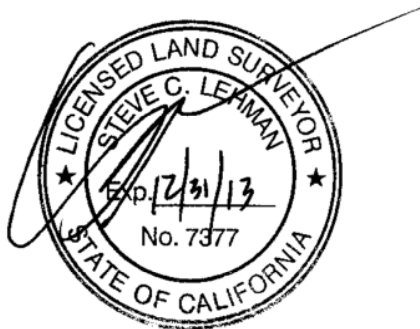
**LAND DESCRIPTION**

A parcel of submerged land lying in the bed of Lake Tahoe, adjacent to fractional Section 33, Township 13 North, Range 18 East, M.D.B.&M., as shown on Official Government Township Plat approved July 13, 1867, County of El Dorado, State of California, more particularly described as follows:

BEGINNING at a point on the line of the historic Low Water Mark, as depicted on sheet 3 of those maps entitled "Survey of the Low Water Mark on the Shore of Lake Tahoe", on file at the California State Lands Commission, Sacramento Office, said point lying distant N 68°43'51" E 37.98 feet from Station 27 as shown on said map; thence along said line of Low Water S 68°43'51" W 37.98 to said Station 27; thence S 64°11'10" W 451.69 feet; thence leaving said line of Low Water Mark N 25°48'50" W 1790.88 feet; thence N 70°25'49" E 681.76 feet; thence S 19°34'11" E 1730.00 feet to the POINT OF BEGINNING.

**END OF DESCRIPTION**

Prepared 1/4/2012 by the California State Lands Commission Boundary Unit.



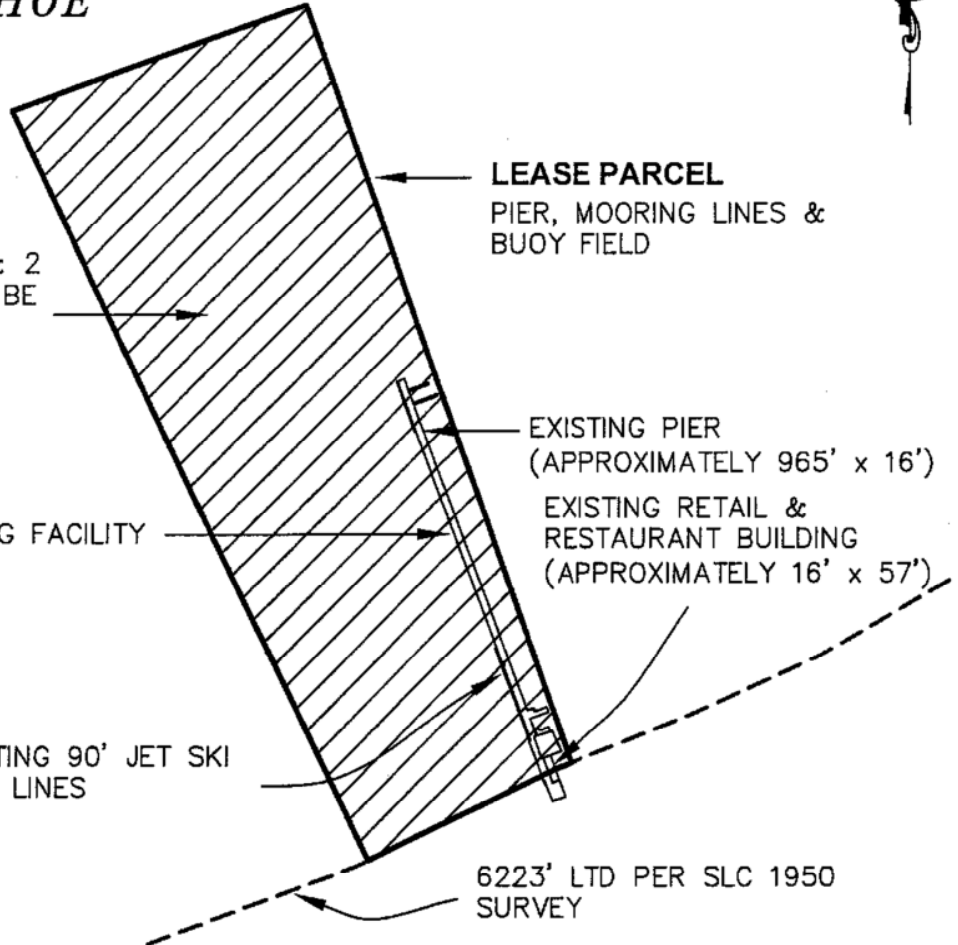
NO SCALE

### SITE

## LAKE TAHOE



70 EXISTING BUOY'S & 2 CHANNEL MARKERS TO BE PLACED WITHIN LEASE PARCEL BY APPLICANT



3411 LAKE TAHOE BLVD., SOUTH LAKE TAHOE

NO SCALE

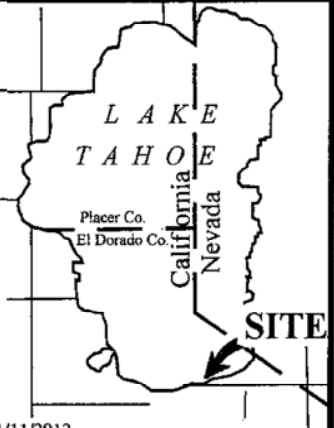
### LOCATION



MAP SOURCE: USGS QUAD

### **Exhibit B**

PRC 3981.1  
 TIMBER COVE LODGE  
 APN 027-090-25  
 GENERAL LEASE -  
 COMMERCIAL USE  
 EL DORADO 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.