

**CALENDAR ITEM
C07**

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06/29/15
PRC 3981.1
M.J. Columbus

**AUTHORIZE ACCEPTANCE OF AN AGREEMENT AND CONSENT TO
ENCUMBRANCING OF A GENERAL LEASE – COMMERCIAL USE**

LESSEE/APPLICANT:

Urbana Tahoe TC, LLC, a Delaware limited liability company
3411 Lake Tahoe Boulevard
South Lake Tahoe, CA 96150

SECURED-PARTY LENDER:

Pacific Western Bank, a California state-chartered bank
10250 Constellation Boulevard, Suite 1640
Los Angeles, California 90067

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:

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, retail building, and fueling facility, two personal watercraft string lines, 80 mooring buoys, and two channel markers.

LEASE TERM:

25 years, beginning May 19, 2011.

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 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.

CALENDAR ITEM NO. **C07** (CONT'D)

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance in an amount no less than \$3,000,000 per occurrence.

Bond:

\$50,000

Other:

The lease contains provisions that require implementation of the Commission's "Best Management Practices for Marina Owners/Operators" and encourage implementation of the Commission's "Best Management Practices for Marina Owners/Operators," including additional Best Management Practices (BMPs) the Commission subsequently deems appropriate for either of the above categories.

OTHER PERTINENT INFORMATION:

1. Lessee owns the uplands adjoining the Lease Premises.
2. On January 26, 2012, the Commission authorized a General Lease – Commercial Use with 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. On August 14, 2012, the Commission authorized an assignment of the lease to Urbana Tahoe TC, LLC.
3. Urbana Tahoe TC, LLC, is in the process of obtaining refinancing in favor of Pacific Western Bank, the Secured-Party Lender, in a loan amount not to exceed \$13,330,000. Under the terms of the new loan, the Secured-Party Lender is requiring Urbana Tahoe TC, LLC, to pledge their interest in Lease No. PRC 3981.1 as additional security. The new loan will refinance the existing debt on the property.
4. The existing lease will expire on May 18, 2036. In approving the encumbrancing agreement, the Commission retains the right to approve any transfer from the lending institution to a prospective lessee, should any foreclosure of the loan occur.
5. The staff recommends that the Commission find that the subject consent to encumber a lease does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

CALENDAR ITEM NO. **C07** (CONT'D)

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

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

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

AUTHORIZATION:

Authorize Commission staff to consent to the encumbrancing of Lease No. PRC 3981.1 and the execution of the document entitled "Agreement and Consent to Encumbrancing of Lease," effective June 29, 2015.

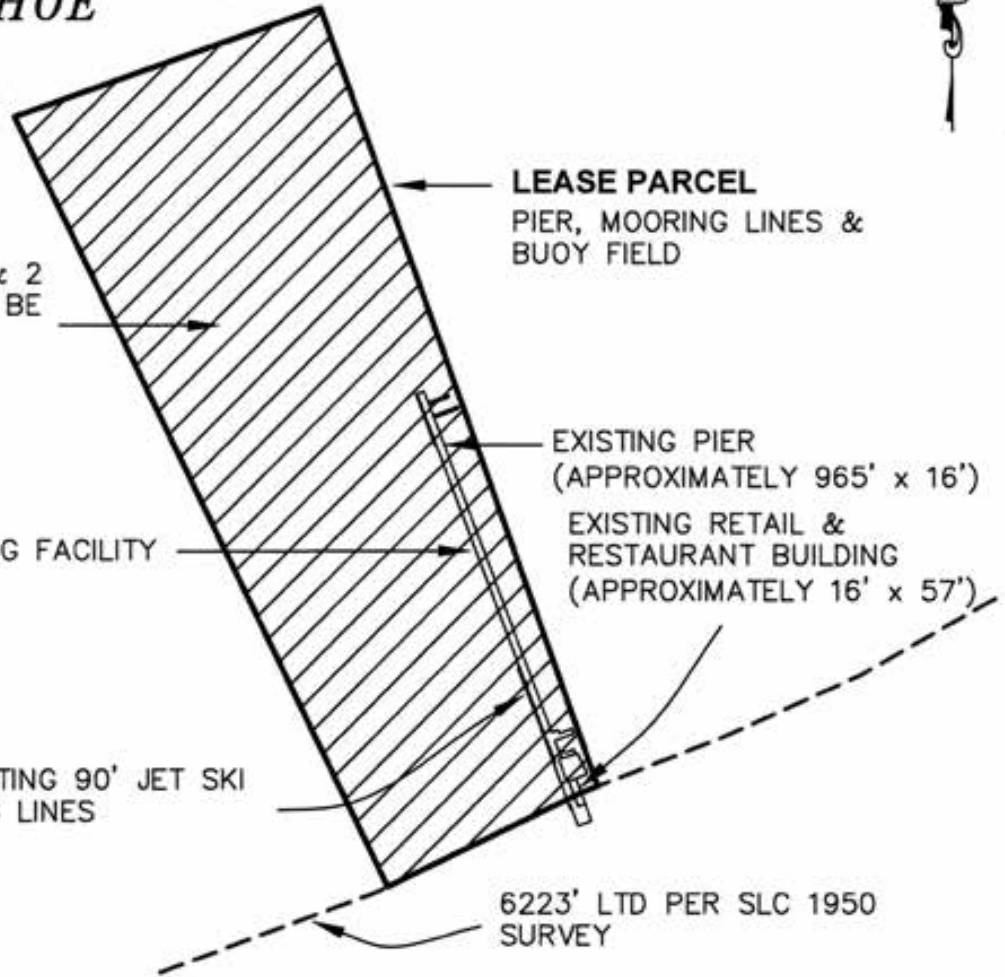
NO SCALE

SITE

LAKE TAHOE



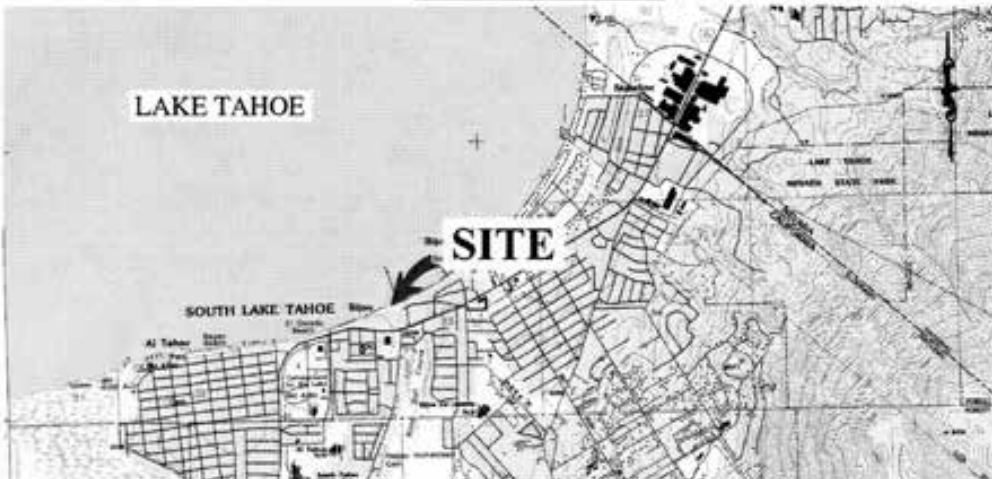
80 EXISTING BUOY'S & 2 CHANNEL MARKERS TO BE PLACED WITHIN LEASE PARCEL BY APPLICANT



3411 LAKE TAHOE BLVD., SOUTH LAKE TAHOE

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 3981.1
 URBANA TAHOE TC, LLC
 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.