

**STAFF REPORT  
C24**

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11/29/17  
PRC 5884.1  
J. Toy

**AMENDMENT OF LEASE AND  
REVISION OF RENT**

**LESSEE:**

Hawkins Insulation Company, Inc. and Lyon Investments, LP, a California Limited Partnership

**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 four mooring buoys.

**LEASE TERM:**

10 years, beginning January 1, 2013.

**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 revised from \$2,669 per year to \$2,208 per year, effective January 1, 2018.

**PROPOSED AMENDMENT:**

Amend the lease to replace the existing Exhibit A, Land Description, and Exhibit B, Site and Location Map, with the attached Exhibit A, Land Description, and Exhibit B, Site and Location Map (for reference purposes only). All other terms and conditions of the lease shall remain in effect without amendment.

**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.

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**Public Trust and the State's Best Interests Analysis:**

On April 26, 2013, the Commission authorized a 10-year General Lease – Recreational Use to Hawkins Insulation Company, Inc. and Lyon Investments, LP, a California Limited Partnership, for an existing joint-use pier, boat lift, and four mooring buoys ([Item C40, April 26, 2013](#)). That lease will expire on December 31, 2022.

Staff conducted the rent review called for in the lease and recommends the rent be revised from \$2,669 per year to \$2,208 per year based on changes to the lease (impact) area for the pier and application of the current Lake Tahoe Benchmarks. Staff also recommends the lease be amended to reflect the new reduced lease area.

The lease does not alienate the State's fee simple interest or permanently impair public rights. The recommended action will not substantially interfere with the Public Trust needs at this location, at this time, or for the foreseeable term of the lease. For these reasons, staff recommends finding the proposed action is in the best interests of the State.

**OTHER PERTINENT INFORMATION:**

1. 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.
2. Amendment of the lease to make an adjustment in the lease area and approving the revision of the 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).

**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 amendment of Lease No. PRC 5884.1 will not substantially interfere with the Public Trust needs and values at this

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location, at this time, and for the foreseeable term of the lease; is consistent with the common law Public Trust Doctrine; and is in the best interests of the State.

**AUTHORIZATION:**

1. Authorize the amendment of Lease No. PRC 5884.1, a General Lease – Recreational Use, effective January 1, 2018, to replace the existing Exhibit A, Land Description, and Exhibit B, Site and Location Map, with the attached Exhibit A, Land Description, and Exhibit B, Site and Location Map (for reference purposes only).
2. Approve the revision of rent for Lease No. PRC 5884.1 from \$2,669 per year to \$2,208 per year, effective January 1, 2018.

**EXHIBIT A**

**PRC 5884.1**

**LAND DESCRIPTION**

Five (5) parcels of submerged land situate in the bed of Lake Tahoe, lying adjacent to Lot 2 of fractional Section 12, Township 14 North, Range 16 East, MDM., as shown on Official Government Township Plat approved January 17, 1866, County of Placer, State of California, and more particularly described as follows:

**PARCEL 1 – PIER**

All those lands underlying an existing pier, two catwalks and one boat lift lying adjacent to that Lot as described in that Grant Deed recorded January 28, 2003 in Document Number 2003-0013404 in Official records of said County.

TOGETHER WITH any applicable impact area(s).

EXCEPTING THEREFROM any portion(s) lying landward of elevation 6223 feet LTD on the shoreline of said Lake Tahoe.

**PARCELS 2,3,4 & 5 – 4 BUOYS**

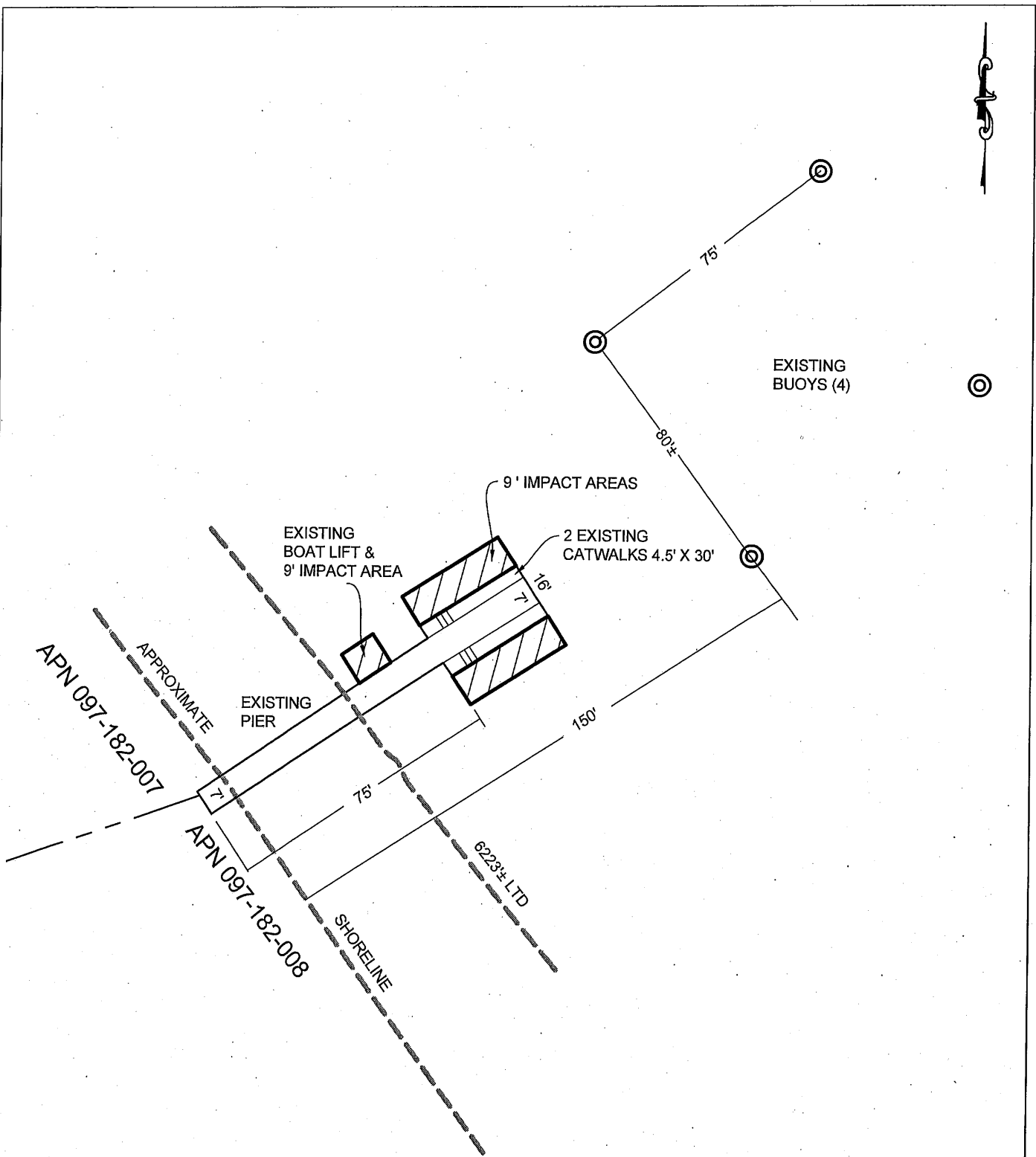
Four (4) circular parcels of land, being 50 feet in diameter, underlying four (4) existing buoys lying adjacent to said Lot.

Accompanying plat is hereby made part of this description.

**END OF DESCRIPTION**

Prepared September 25, 2017 by the California State Lands Commission Boundary Unit.



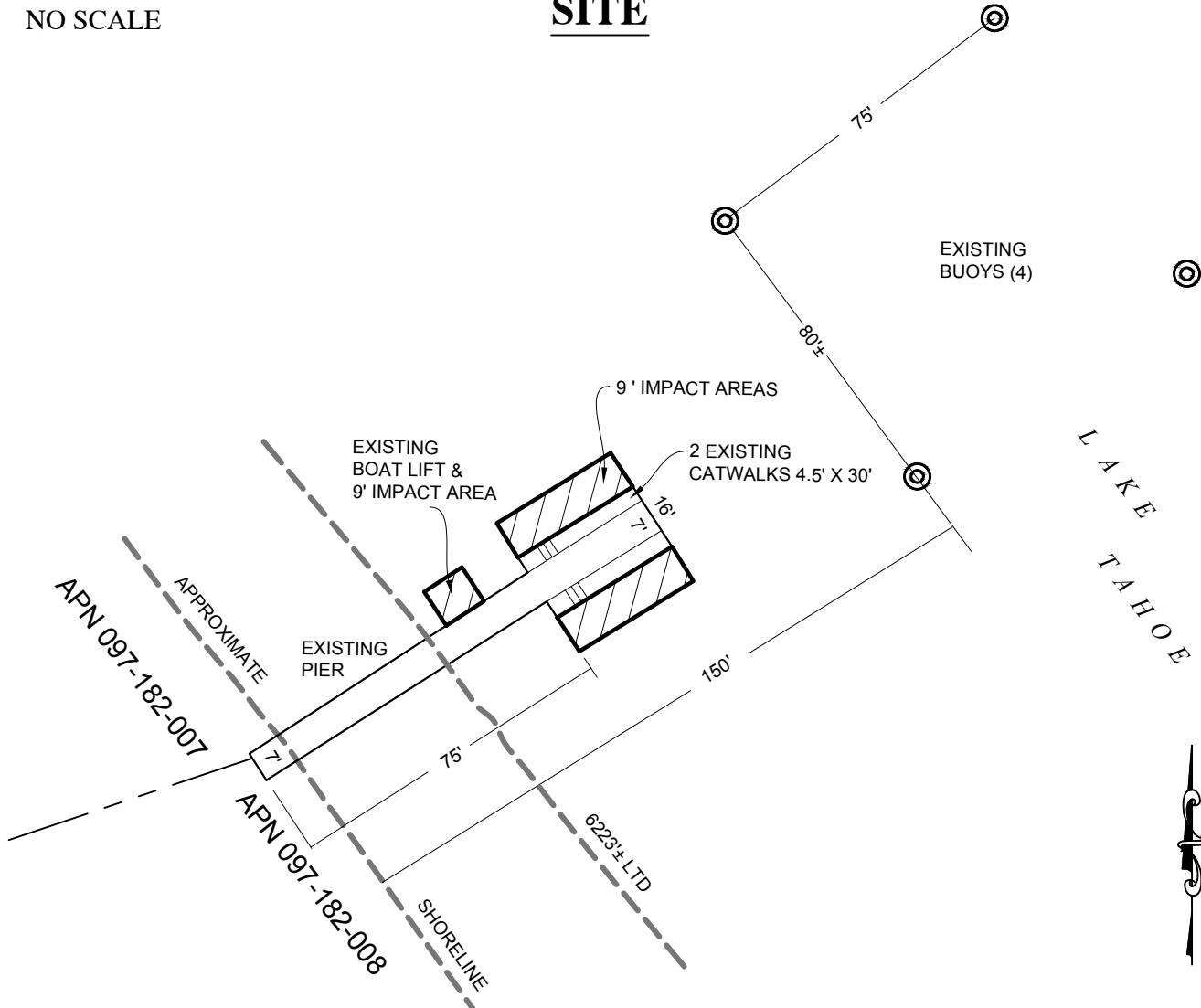


**EXHIBIT A**



NO SCALE

# SITE



5620 & 5650 WEST LAKE BLVD., NEAR HOMEWOOD

NO SCALE

# LOCATION

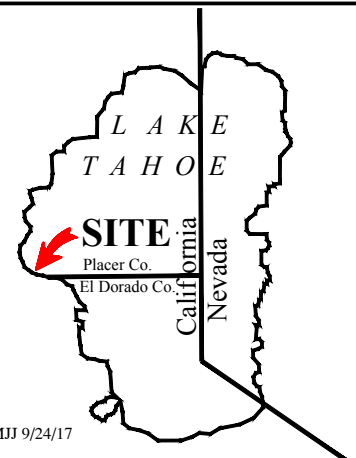


MAP SOURCE: USGS QUAD

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 B

PRC 5884.1  
 LYON & HAWKINS  
 APN 097-182-007 & 008  
 GENERAL LEASE -  
 RECREATIONAL USE  
 PLACER COUNTY



MJJ 9/24/17