

**STAFF REPORT
C14**

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08/23/18
PRC 4954.1
M.J. Columbus

**ASSIGNMENT, AMENDMENT, AND REVISION OF RENT
FOR A GENERAL LEASE – RECREATIONAL USE**

LESSEE/ASSIGNOR:

Ronald L. Jenny and Jane E. Jenny, Co-Trustees of The Jenny Family Trust
Dated March 4, 2002.

ASSIGNEE:

The Little Red House, LLC, a California Limited Liability Company

AREA, LAND TYPE, AND LOCATION:

Sovereign land located in Lake Tahoe, adjacent to 5360 North Lake Boulevard,
near Carnelian Bay, Placer County.

AUTHORIZED USE:

Continued use and maintenance of an existing pier, boat lift, and two mooring
buoys.

LEASE TERM:

10 years, beginning December 2, 2013.

CONSIDERATION:

This lease provides that the Commission may modify the rent periodically during
the lease term. Pursuant to this provision, staff conducted a review of the rent
under this lease, and recommends rent be revised from \$1,855 to \$1,458 per
year, effective December 2, 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 REPORT NO. C14 (CONT'D)

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 December 2, 2013, the Commission authorized a 10-year General Lease – Recreational Use to Ronald L. Jenny and Jane E. Jenny, Co-Trustees of The Jenny Family Trust Dated March 4, 2002, beginning December 2, 2013, for the expansion of an existing pier, boat lift, and two mooring buoys ([Item C20, December 2, 2013](#)). That lease will expire on December 1, 2023.

The Little Red House, LLC, a Limited Liability Company is managed by Mr. Jenny. Mr. Jenny transferred the title of the upland parcel from the Ronald L. Jenny and Jane E. Jenny, Co-Trustees of The Jenny Family Trust Dated March 4, 2002 to The Little Red House, LLC, a Limited Liability Company on August 17, 2017. Staff recommends approval of an assignment of the lease to reflect the change in ownership of the upland property from the Assignor to the Assignee. The Assignee agrees to perform and be bound by the terms, conditions, covenants, and agreements contained in the lease.

Staff conducted the rent review called for in the lease and recommends the rent be revised from \$1,855 per year to \$1,458 per year based on changes to the lease (impact) area for the pier. Staff also recommends the lease be amended to reflect the new reduced lease area.

The recommended action will not substantially interfere with the Public Trust needs at this location, at this time, and 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 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; Strategy 1.3 to promote, expand, and enhance appropriate public use and access to and along the State's inland and coastal waterways; and Strategy 2.2 to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals.

STAFF REPORT NO. **C14** (CONT'D)

2. Approving the lease assignment, amendment of lease, and the revision 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, sections 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 actions will not substantially interfere with the Public Trust needs and values at this location, at this time or 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 assignment of Lease No. PRC 4954.1, 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 the Lessee/Assignor to the Applicant/Assignee; effective August 17, 2017.
2. Authorize the amendment of Lease No. PRC 4954.1, a General Lease – Recreational Use, effective December 2, 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).
3. Approve the revision of rent for Lease No. PRC 4954.1 from \$1,855 per year to \$1,458 per year, effective December 2, 2018.

EXHIBIT A

PRC 4954.1

LAND DESCRIPTION

Three parcels of submerged lands situate in the bed of Lake Tahoe, lying adjacent to fractional Section 22, Township 16 North, Range 17 East, M.D.M., as shown on Official Government Township Plat approved November 10, 1865, County of Placer, State of California, described as follows:

PARCEL 1 – PIER

All those lands underlying an existing pier, catwalk and boat lift adjacent to Parcel One as described in Grant Deed recorded August 17, 2017 as Document Number 2017-0062946-00 in Official Records of said County.

TOGETHER WITH any applicable Impact Area(s).

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

PARCEL 2 & 3 – BUOYS

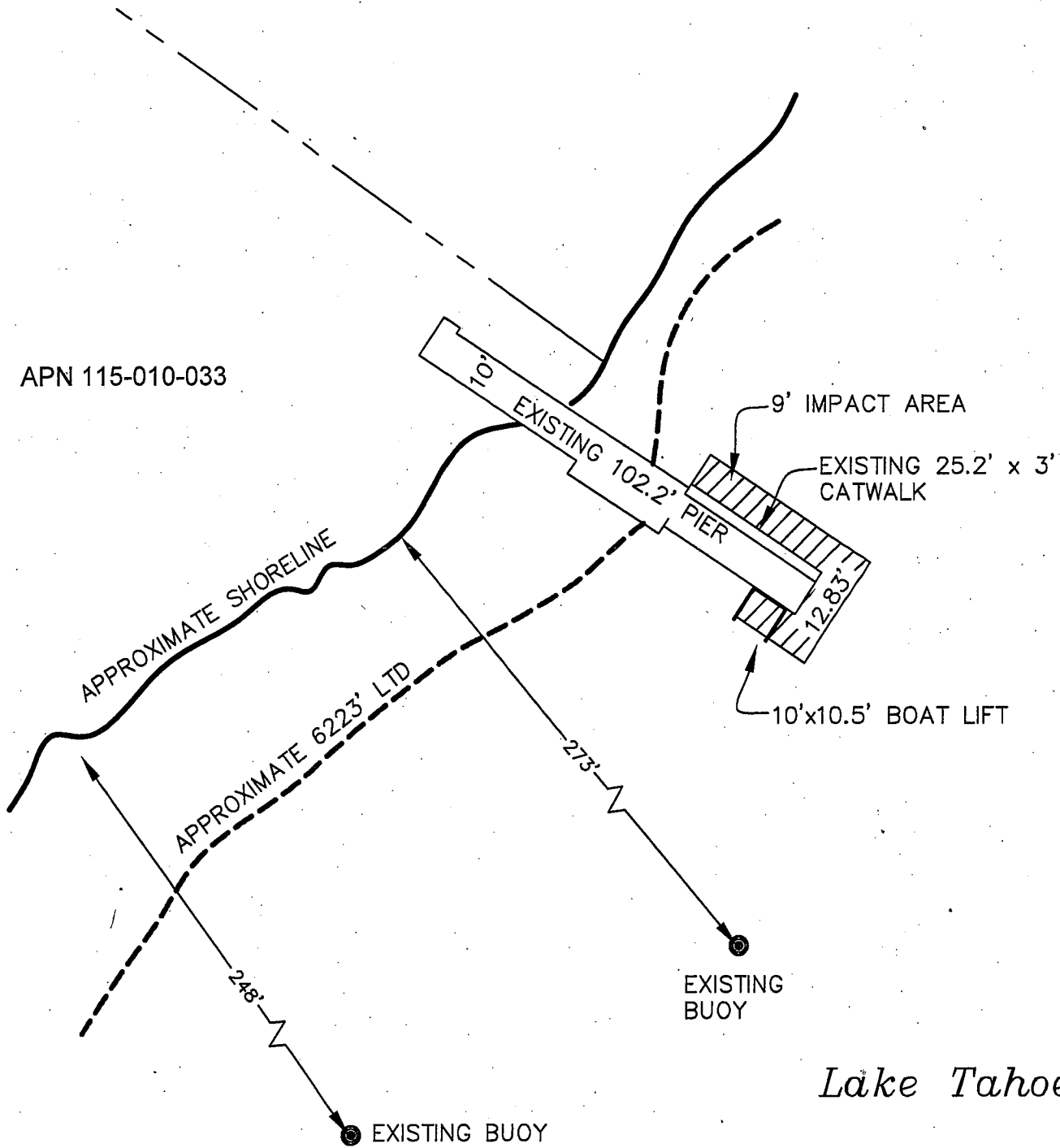
Two circular parcels of land, each being 50 feet in diameter, underlying two existing buoys lying adjacent to Parcel One as described in Grant Deed recorded August 17, 2017 as Document Number 2017-0062946-00 in Official Records of said County.

END OF DESCRIPTION

Prepared 7/6/2018 by the California State Lands Commission Boundary Unit.



APN 115-010-033



Lake Tahoe

EXHIBIT A

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Date 7/6/2018

LAND DESCRIPTION PLAT
PRC 4954.1, LITTLE RED HOUSE LLC
PLACER COUNTY

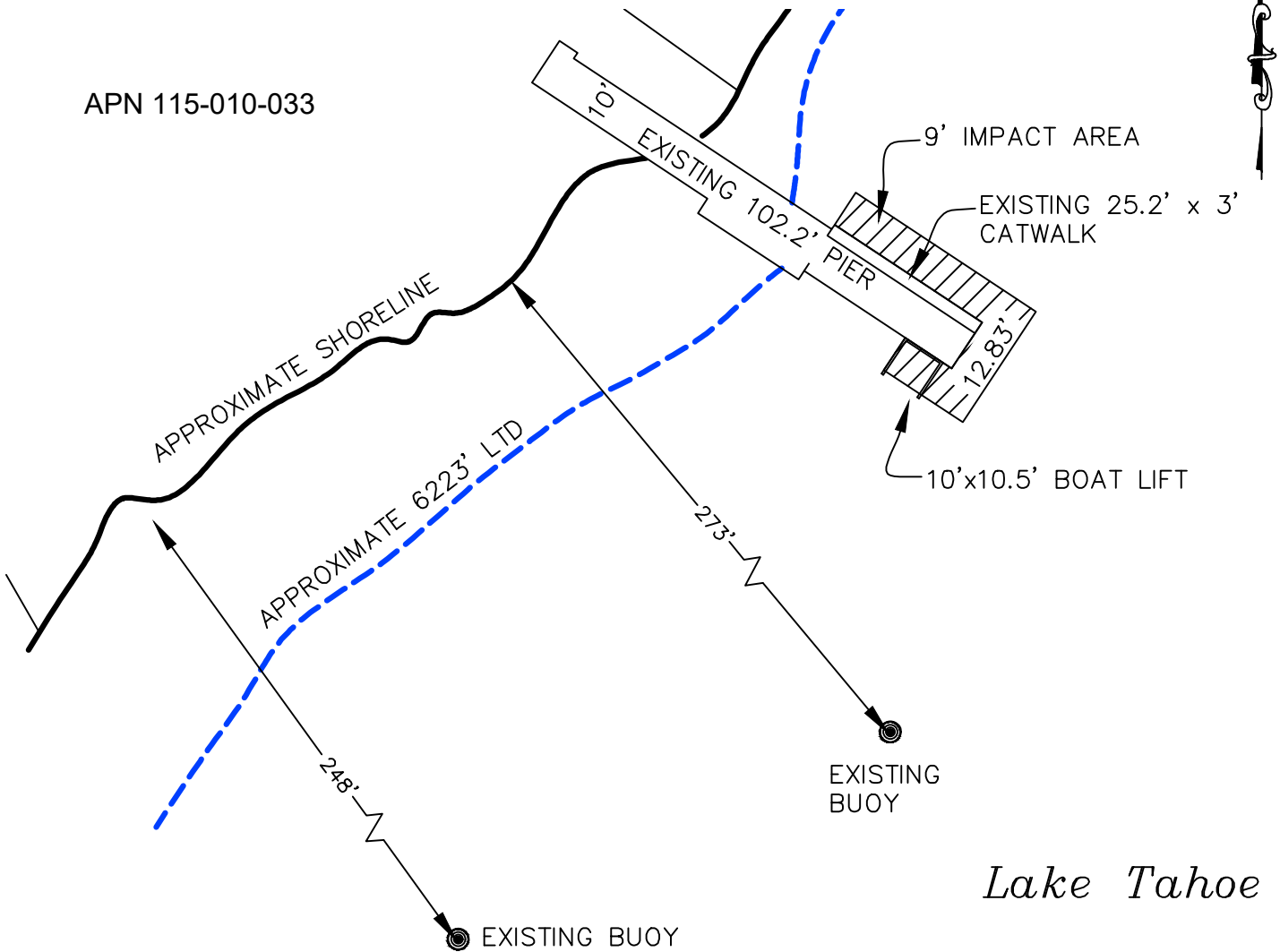
CALIFORNIA STATE
LANDS COMMISSION



NO SCALE

SITE

APN 115-010-033



Lake Tahoe

5360 NORTH LAKE BLVD., CARNELIAN BAY

NO SCALE

LOCATION

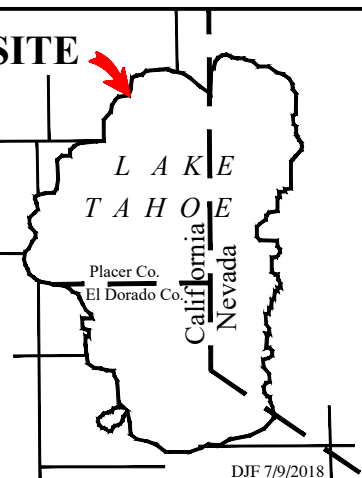


MAP SOURCE: USGS QUAD

Exhibit B

PRC 4954.1
 THE LITTLE RED
 HOUSE LLC
 APN 115-010-033
 GENERAL LEASE -
 RECREATIONAL USE
 PLACER COUNTY

SITE



DJF 7/9/2018

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.