

**STAFF REPORT
C17**

A 1
S 1

08/23/18
PRC 2666.1
J. Toy

**AMENDMENT OF LEASE
AND CONTINUATION OF RENT**

LESSEE:

Steven L. Merrill, Trustee of The Steven L. Merrill Living Trust U/A/D 4/17/95, and Jacqueline Merrill, Trustee of The Jacqueline Merrill 2006 Trust under Trust Agreement dated February 17, 2006, as amended.

APPLICANT:

Steven L. Merrill, Trustee of The Steven L. Merrill Living Trust U/A/D 4/17/95, Natalie Rollhaus Burton, and Philip Edward Rollhaus III

AREA, LAND TYPE, AND LOCATION:

Sovereign land in Lake Tahoe, adjacent to 2000 North Lake Boulevard, near Tahoe City, Placer County.

AUTHORIZED USE:

Continued use and maintenance of an existing pier, boathouse, boat lift, two mooring buoys, and one unattached piling.

LEASE TERM:

10 years, beginning February 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 the rent be continued at \$3,182 per year, effective February 1, 2018.

PROPOSED LEASE AMENDMENT:

Amend the lease to:

1. 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).

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2. Remove one original lessee: Jacqueline Merrill, Trustee of The Jacqueline Merrill 2006 Trust under Trust Agreement dated February 17, 2006, as amended.
3. Add two new lessees: Natalie Rollhaus Burton and Philip Edward Rollhaus III.

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.

Public Trust and State's Best Interests Analysis:

On June 19, 2014, the Commission authorized a General Lease – Recreational Use to Steven L. Merrill, Trustee of The Steven L. Merrill Living Trust U/A/D 4/17/95, and Jacqueline Merrill, Trustee of The Jacqueline Merrill 2006 Trust under Trust Agreement dated February 17, 2006, as amended for an existing pier, boathouse, two mooring buoys, one unattached piling, and one boat lift ([Item C30, June 19, 2014](#)). The lease will expire on January 31, 2023.

On June 29, 2015, Jacqueline Merrill, Trustee of The Jacqueline Merrill 2006 Trust under Trust Agreement dated February 17, 2006, as amended deeded her interest in the upland property to Natalie Rollhaus Burton, Philip Edward Rollhaus III, and James E. Hughes, Jr. On January 26, 2016, James E. Hughes, Jr. deeded his interest in the upland property to Natalie Rollhaus Burton and Philip Edward Rollhaus III.

Lessee subsequently applied to amend the lease to reflect the current upland property ownership. The proposed lessees agree to perform and be bound by the terms, conditions, covenants, and agreements contained within the lease. Staff recommends an amendment of the lease to reflect the change in ownership of the upland property.

The existing lease requires the payment of annual rent to compensate the people of the State for the use of sovereign land. Staff conducted the rent review called for in the lease and recommends the rent be continued at \$3,182 per year, effective February 1, 2018.

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The recommended actions will not result in a change in the use of Public Trust resources or the impacts thereto. Commission staff believes approval of the proposed actions are consistent with the common law Public Trust Doctrine and is in the best interest of the State.

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, 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.
2. The approval of the lease amendment, replacement of the existing exhibits, 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).

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

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AUTHORIZATION:

1. Authorize the amendment of Lease No. PRC 2666.1, a General Lease – Recreational Use, effective January 26, 2016, 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); remove Jacqueline Merrill, Trustee of The Jacqueline Merrill 2006 Trust under Trust Agreement dated February 17, 2006, as amended; and to include Natalie Rollhaus Burton and Philip Edward Rollhaus III as co-lessees with Steven L. Merrill, Trustee of The Steven L. Merrill Living Trust U/A/D 4/17/95; all other terms and conditions of the lease will remain in effect without amendment.

2. Approve the continuation of rent for Lease No. PRC 2666.1 at \$3,182 per year, effective February 1, 2018.

EXHIBIT A

PRC 2666.1

LAND DESCRIPTION

Four parcels of submerged lands situated in the bed of Lake Tahoe, lying adjacent to Lot 3 of fractional Section 5, Township 15 North, Range 17 East, M.D.B.&M., as shown on Official Government Township Plat approved November 9, 1866, County of Placer, State of California, more particularly described as follows:

PARCEL 1 – PIER

All those lands underlying an existing pier, boathouse, boat lift and catwalks lying adjacent to that Parcel One described in Exhibit “A” of Grant Deed recorded July 16, 2009 as Document Number 2009-0062382-00 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.

PARCELS 2 & 3 – BUOYS

Two circular parcels of land, each being 50 feet in diameter, underlying two existing buoys lying adjacent to said Parcel One described in Exhibit “A”.

PARCEL 4 – UNATTACHED PILING

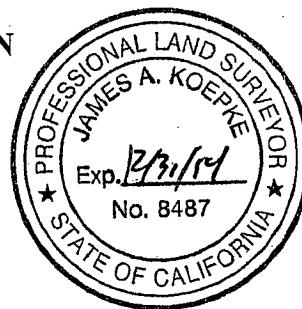
A circular parcel of land underlying an existing unattached piling, lying adjacent to said Parcel One described in Exhibit “A”.

TOGETHER WITH any applicable Impact Area(s).

Accompanying plat is hereby made part of this description.

END OF DESCRIPTION

Prepared 01/31/2014 by the California
State Lands Commission Boundary Unit.

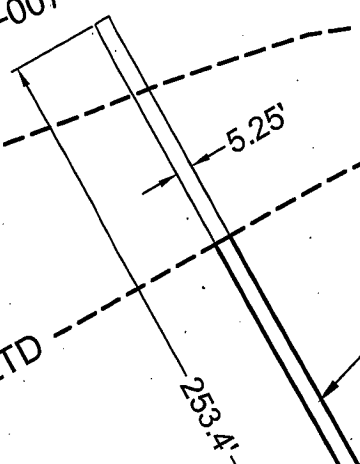




APN 094-140-007

Approx. Shoreline

6223'± LTD



EXISTING PIER

EXISTING CATWALK

IMPACT AREA

EXISTING UNATTACHED PILING

9' IMPACT AREAS

EXISTING CATWALK

EXISTING BOATHOUSE
19.5' X 38.6'

EXISTING BOAT LIFT & IMPACT AREA 8' X 10'

EXISTING BUOYS (2)

12.75'

46'

50'±

35'±

115'±

45'±

20'±

27.5'

48.75'

LAKE TAHOE

EXHIBIT A

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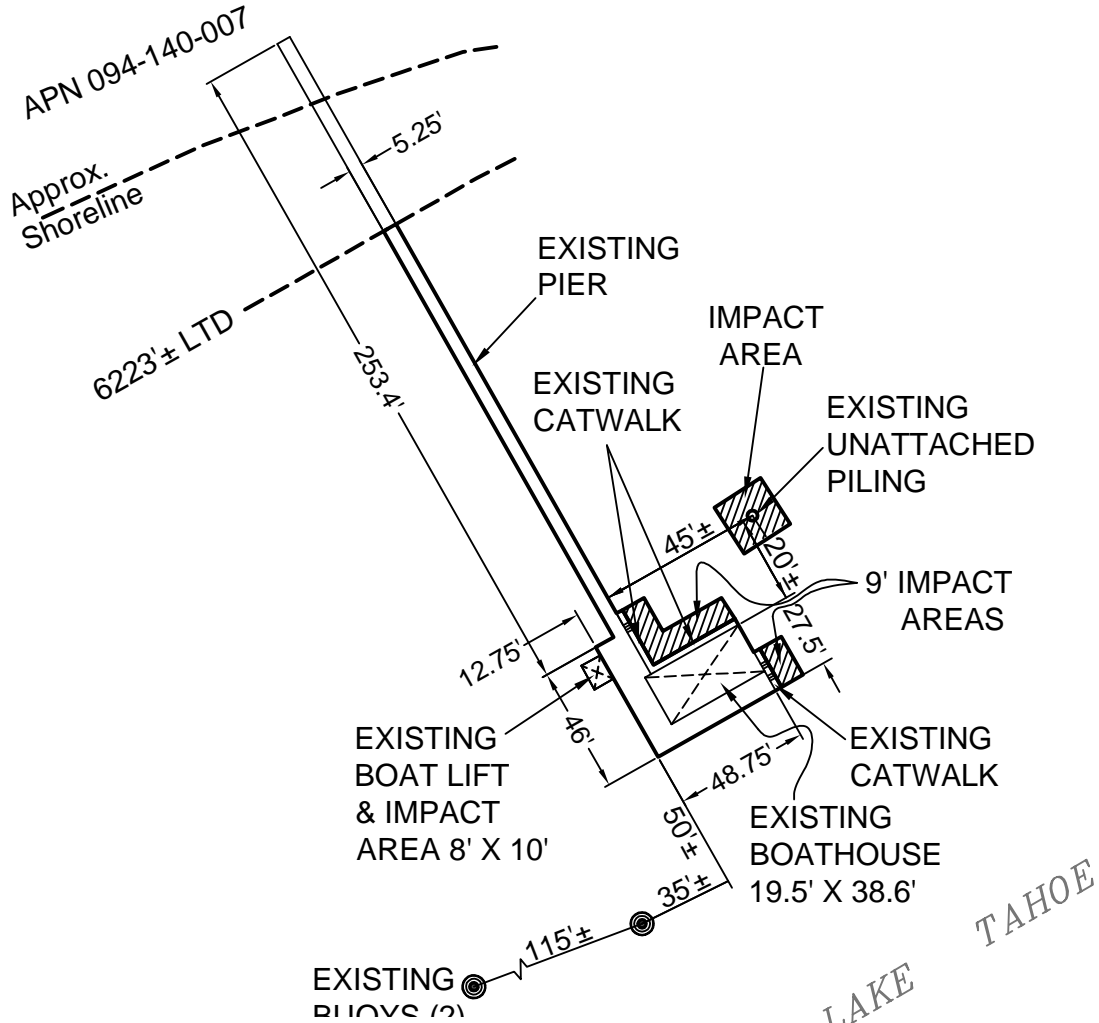
LAND DESCRIPTION PLAT
PRC 2666.1, MERRILL TRUST, ET AL
PLACER COUNTY

CALIFORNIA STATE
LANDS COMMISSION



NO SCALE

SITE



2000 NORTH LAKE BLVD., TAHOE CITY

NO SCALE

LOCATION

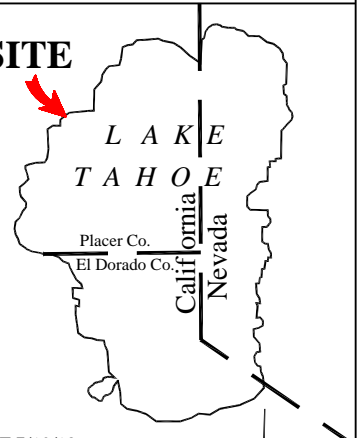


MAP SOURCE: USGS QUAD

Exhibit B

PRC 2666.1
 MERRILL TRUST, ET AL.
 APN 094-140-007
 GENERAL LEASE -
 RECREATIONAL USE
 PLACER COUNTY

SITE



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.

MJF 7/10/18