

MINUTE ITEM

This Calendar Item No. C27 was approved as Minute Item No. 27 by the California State Lands Commission by a vote of 3 to 0 at its 02-09-06 meeting.

**CALENDAR ITEM
C27**

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PRC 8663

02/09/06
W 26127
B. Dugal

GENERAL LEASE - COMMERCIAL USE

APPLICANT:

North Tahoe Cruises, Inc.
Larry Boerner
PO Box 7913
Tahoe City, California 96145

AREA, LAND TYPE, AND LOCATION:

0.029 acres, more or less, of sovereign lands in Lake Tahoe, near Tahoe City, Placer County.

AUTHORIZED USE:

Commercial operation of the tour boat the "Tahoe Gal".

LEASE TERM:

20 years, beginning January 1, 2006.

CONSIDERATION:

\$0.25 per ticket of ticket sales on any regularly scheduled vessel operation, one percent of the gross income derived from private charter sales, one percent for the first year of the lease, two percent for the second year of the lease and three percent for the third year of the lease and subsequent lease years of the gross annual income derived from the sale of food and beverages from all regularly scheduled vessel operations and private charter operations, five percent of the gross annual income derived from all other sales of goods, merchandise or products sold on regularly scheduled vessel or private charter operations, 25 percent of any commission received or earned from coin-operated vending machines or other devices, with a minimum annual rent in the amount of \$3,544, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

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SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance with coverage of no less than \$3,000,000.

Other:

Applicant has obtained and is required to maintain during the lease term, an agreement from the pier owner stating that the Lessee has a right to use the pier for landing purposes.

Applicant is required to comply with the Commission's Best Management Practices (BMPs) for operation of the "Tahoe Gal", including additional BMPs the Commission subsequently deems appropriate for vessel operations.

OTHER PERTINENT INFORMATION:

1. Applicant has the right to use the existing pier and uplands adjoining the lease premises.
2. On June 30, 1992, the Commission authorized the issuance of a General Lease – Commercial Use, PRC 3495.1, with Judith Topol. That lease authorized the use of the existing pier for various commercial uses. The lease was subsequently amended to authorize the operation of the "Tahoe Gal". The lease expired December 31, 2005.
3. The Tahoe Gal has operated from the existing pier at Lake Tahoe since 1994 and offers cruises daily from May thru October and may also be chartered for private parties.
4. North Tahoe Cruises, Inc., has operated the "Tahoe Gal" from the existing pier under a sublease with Judith Topol. Staff recommended to both parties that separate leases be issued for the pier and operation of the "Tahoe Gal". The parties agreed and have submitted individual applications. There is a separate Calendar Item for consideration of the issuance of a General Lease – Commercial Use to Judith Topol for the continued use and maintenance of the existing commercial pier.
5. The US Coast Guard inspected the "Tahoe Gal" on May 17, 2004, and the certificate of inspection expires May 17, 2009.

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6. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905 (a)(2).

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

7. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. 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.

APPROVALS OBTAINED:

US Coast Guard and the Tahoe Regional Planning Agency

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES; TITLE 2, CALIFORNIA CODE OF REGULATIONS, SECTION 2905 (a)(2).

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 SECTIONS 6370, ET SEQ.

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AUTHORIZATION:

AUTHORIZE ISSUANCE TO NORTH TAHOE CRUISES, INC., OF A GENERAL LEASE - COMMERCIAL USE, BEGINNING JANUARY 1, 2006, FOR A TERM OF 20 YEARS, FOR OPERATION OF THE TOUR BOAT THE "TAHOE GAL" ON THE LAND SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; CONSIDERATION AS FOLLOWS: \$0.25 PER TICKET OF TICKET SALES ON ANY REGULARLY SCHEDULED VESSEL OPERATION, ONE PERCENT OF THE GROSS INCOME DERIVED FROM PRIVATE CHARTER SALES, ONE PERCENT FOR THE FIRST YEAR OF THE LEASE, TWO PERCENT FOR THE SECOND YEAR OF THE LEASE AND THREE PERCENT FOR THE THIRD YEAR OF THE LEASE AND SUBSEQUENT LEASE YEARS OF THE GROSS ANNUAL INCOME DERIVED FROM THE SALE OF FOOD AND BEVERAGES FROM ALL REGULARLY SCHEDULED VESSEL OPERATIONS AND PRIVATE CHARTER OPERATIONS, FIVE PERCENT OF THE GROSS ANNUAL INCOME DERIVED FROM ALL OTHER SALES OF GOODS, MERCHANDISE OR PRODUCTS SOLD ON REGULARLY SCHEDULED VESSEL OR PRIVATE CHARTER OPERATIONS, 25 PERCENT OF ANY COMMISSION RECEIVED OR EARNED FROM COIN-OPERATED VENDING MACHINES OR OTHER DEVICES, WITH A MINIMUM ANNUAL RENT IN THE AMOUNT OF \$3,544 , WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; COMBINED SINGLE LIMIT LIABILITY INSURANCE COVERAGE OF NO LESS THAN \$3,000,000.

