MINUTE ITEM

This Calendar Item No. <u>C16</u> was approved as Minute Item No. <u>(6</u> by the California State Lands Commission by a vote of <u>3</u> to <u>6</u> at its <u>11-21-66</u> meeting.

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PRC 8719

11/21/06 W 25390 M. Hays

GENERAL LEASE - COMMERCIAL AND RECREATIONAL USE AND APPROVAL OF A SUBLEASE

APPLICANT:

Donner Lake Village Owners Association 15695 Donner Pass Road Truckee, CA 96161

AREA, LAND TYPE, AND LOCATION:

0.52 acres, more or less, of sovereign lands in Donner Lake, Town of Truckee, Nevada County.

AUTHORIZED USE:

Retention, use, and maintenance of an existing commercial marina consisting of a floating dock and ramp with five slips, six personal watercraft lifts, and a kayak rack; and a Recreational Use facility consisting of ramps with five slips each, and two existing floating docks and a fixed pier as shown on Exhibit A.

LEASE TERM:

Ten years, beginning May 1, 2006.

CONSIDERATION: Annually

(A) <u>Commercial Marina (Parcel 1):</u>

Five percent of the gross income from the berthing of five boat slips; the rental of six personal watercraft, three ski boats, one pontoon boat, and ten kayaks/canoes; and ten percent of all other income generated on the Lease Premises; with a minimum Annual Rent of \$5,018, due and payable in two equal installments each lease year on May 1 and October 1.

(B) <u>Recreational Use (Parcels 2, 3 and 4):</u> Annual rent in the amount of \$207.

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(C) The State reserves the right to fix a different rent periodically during the lease term, as provided in the Lease.

SPECIFIC LEASE PROVISIONS:

Insurance:

Liability insurance with coverage of no less than \$1,000,000.

Bond:

\$10,000

Other:

The lease contains provisions that the Lessee must implement the Best Management Practices (BMP's) for Marina Owners/Operators, including additional BMP's the Commission subsequently deems appropriate.

OTHER PERTINENT INFORMATION:

- 1. The Applicant is a condominium owners association (Association) that owns the uplands adjoining the lease premises and that uses the lease premises for an existing commercial marina operation and for recreational uses by the association members not previously authorized by the Commission. As shown on the attached Exhibit A, the Applicant has applied for a lease for the use of four parcels; the marina facility (Parcel 1); the fixed pier (Parcel 2); and the floating docks (Parcels 3 and 4).
- 2. The Association contracts annually with a commercial marina operator to operate the marina facilities, which are located on the uplands and on the lease premises which includes a floating dock with slips, personal watercraft lifts, and kayak rack. The marina rents five boat slips, six personal watercraft, three ski boats, one pontoon boat, and ten kayaks/canoes to the public. The marina operator is required to obtain a temporary use permit each year from the Town of Truckee to operate the marina between May 1 and September 30. Commission staff has reviewed the concession agreement between the Association and the marina operator, David Ceruti, dba Donner Lake Marina. No fueling will take place on the lease premises and the operator reserves one rent-free boat slip exclusively for the use by the Town of Truckee police boat. No other concessions are authorized under the Lease.
- 3. The Association is composed of 65 condominium unit owner/members that have exclusive use of the recreational fixed pier and two floating docks (Parcels 2, 3 and 4). Of the condominium units, two are not owned by natural persons and do not qualify for rent-free status pursuant to

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section 6503.5 of the Public Resources Code. The rent for the recreational use facilities has been prorated according to the number of condominium units qualifying for rent-free status.

4. On May 26, 1994, the Commission approved a General Lease – Right-of-Way Use, Lease No. PRC 4945.1 to the Donner Lake Water Company (DLWC) for an existing eight-inch freshwater intake pipeline and existing one-inch discharge pipeline in Donner Lake. The water pumping facility includes a pump house, which is located on the Association's upland property with the pipelines crossing the upland property and extending approximately 130 feet into Donner Lake. That lease will expire on September 3, 2007.

On May 18, 2001, the Truckee Donner Public Utility District (District) acquired ownership of the pumping facilities through a condemnation action. The pumping facility was taken out of service in September 2005 and the upland pumping infrastructures were dismantled. The Donner Lake area water system was converted from lake surface water supply to the Truckee-Martis Valley ground water supply in 2005. The District is now in the process of preparing an application for the removal of the pipelines and restoration of the lease premises covered under Lease No. PRC 4945.1. That application will be brought to the Commission for consideration at a later date.

5. 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 under the general rule that the CEQA applies only to projects which have the potential for causing a significant effect on the environment. The staff believes, based on the information available to it, that there is no possibility that this project may have a significant effect on the environment.

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15303(e).

6. 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

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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:

Town of Truckee

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 BECAUSE THERE IS NO POSSIBILITY THAT THE ACTIVITY MAY HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT; TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 (b)(3).

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.

AUTHORIZATION:

AUTHORIZE ISSUANCE TO DONNER LAKE VILLAGE OWNERS ASSOCIATION OF A GENERAL LEASE - COMMERCIAL AND RECREATIONAL USE, BEGINNING MAY 1, 2006, FOR A TERM OF TEN YEARS, FOR THE RETENTION, USE AND MAINTENANCE OF A COMMERCIAL MARINA CONSISTING OF AN EXISTING FLOATING DOCK AND RAMP WITH FIVE SLIPS, SIX PERSONAL WATERCRAFT LIFTS, AND A KAYAK RACK, AS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; WITH CONSIDERATION BEING FIVE PERCENT OF GROSS INCOME FROM THE BERTHING OF BOATS, THE RENTAL OF SIX PERSONAL WATERCRAFT, THREE SKI BOATS, ONE PONTOON BOAT AND TEN KAYAKS/CANOES; AND TEN PERCENT FROM OTHER GROSS INCOME; WITH A MINUMUM ANNUAL RENTAL IN THE AMOUNT OF

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\$5,018 DUE AND PAYABLE IN TWO EQUAL INSTALLMENTS OF EACH LEASE YEAR ON MAY 1 AND OCTOBER 1; AND A RECREATIONAL USE FACILITY CONSISTING OF TWO EXISTING FLOATING DOCKS AND RAMPS WITH FIVE SLIPS EACH AND A FIXED PIER, AS SHOWN ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; WITH CONSIDERATION BEING ANNUAL RENT IN THE AMOUNT OF \$207; WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; WITH LIABILITY INSURANCE COVERAGE OF NO LESS THAN \$1,000,000; SURETY IN THE AMOUNT OF \$10,000; AND APPROVAL OF A SUBLEASE.

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