



STAFF REPORT

**OVERSIGHT BOARD of the
South Tahoe Redevelopment Successor Agency
July 2, 2013**

To: Oversight Board Members

From: Nira Feeley, Interim City Attorney, City of South Lake Tahoe

Re: Month-to-Month Lease Agreement Between the South Tahoe Redevelopment Successor Agency and Mansoor Alyeshmerni for Lease of the Blue Lakes Parking Lot in the Amount of \$2,000 per year.

RECOMMENDATION:

Approve Successor Agency's action approving a Month-to Month lease agreement with Mansoor Alyeshmerni until such time as the property known as the Blue Lakes Parking Lot is addressed in the Successor Agency's Asset Management and Disposition Plan (to be completed the Due Diligence Report is completed and approved).

BACKGROUND:

On June 11, 2013, the Successor Agency to the South Tahoe Redevelopment Agency met and considered and approved a Lease Agreement which continues an on-going rental relationship between Mansoor Alyeshmerni and the South Tahoe Redevelopment Successor Agency.

This staff report prepared by Ms. Kerry contains all the relevant information that would otherwise be contained in the instant report. Further, the recommendation in that staff report is identical to the recommendation herein. Thus for the purposes of brevity and consistency, I am attaching that staff report and its attached documents to this report for Oversight Board consideration of the same action taken June 11, 2013 by the Successor Agency.

ISSUE AND DISCUSSION:

See attached report from Successor Agency Director, Nancy Kerry.

SIGNATURES:

By:

Nira Feeley
Interim City Attorney, City of South Lake Tahoe

Attachments:

- A. June 11, 2013 Staff Report to Successor Agency including attachments:
1. Proposed 2013 Lease Agreement
 2. 1997 Letter from STRDA to Dena Schwarte
 3. 2003 Lease Agreement
 4. 2004 Lease Agreement



City of South Lake Tahoe

"making a positive difference now"

STAFF REPORT SOUTH TAHOE REDEVELOPMENT SUCCESSOR AGENCY JUNE 11, 2013

TO: Mayor and City Council /Board of Directors

FR: Nancy Kerry, City Manager/Executive Director

RE: Month-to-Month Lease Agreement between the South Tahoe Redevelopment Successor Agency, a municipal corporation ("STRSA") ("Lessor") and Mansoor Alyeshmerni ("Lessee") for lease of the Blue Lakes Parking Lot in the Amount of \$2,000 per year

Month-to-Month Lease Agreement between the **South Tahoe Redevelopment Successor Agency**, a municipal corporation ("STRSA") and **Mansoor Alyeshmerni** ("Lessee") for lease of the Blue Lakes Parking Lot in the amount of \$2,000 per year.

RECOMMENDATION:

Approve and Authorize Mayor to Execute Agreement

PURPOSE STATEMENT:

This item is before the STRSA Board of Directors to continue the long-standing agreement between Mansoor Alyeshmerni ("Lessee") for the rental of the property known as the Blue Lake Parking Lot, with some modifications, until such time as Lessee develops a parking solution for the Ski Run Marina businesses.

BACKGROUND:

The Blue Lakes Parking Lot, which is the subject of the proposed Lease Agreement (Attachment 1), was acquired by the South Tahoe Redevelopment Agency in the late 1990's to address parking shortfalls in the area as described in a letter (Attachment 2) from the South Tahoe RDA to Dena Schwarte (former Ski Run Marina development partner). Since the time of acquisition and demolition of the Blue Lake Motel, the property has been utilized as a parking lot primarily for the Ski Run Marina business owners and their employees, and occasionally for the public.

TRPA Parking Requirements

As noted in the 1997 letter (Attachment 2), it was *"the Redevelopment Agency's intention to supply more parking"* for the area to meet TRPA requirements that additional parking was required to expand the restaurant at the marina. The RDA purchased the property to supply the parking as a component of the overall redevelopment plan for the Ski Run Marina and Embassy Suites Vacation Resort (now Diamond Resorts) redevelopment efforts.

2003 Lease Agreement to Provide Additional Parking

The Redevelopment Agency's intention to supply the parking is reiterated in the recitals of the 2003 lease (Attachment 3). The recitals note that the marina owner (Michael Phillips):

- "redeveloped the marina by working in conjunction with the City of South Lake Tahoe and the Agency" (Recital #C); and
- "as a result of the redevelopment the amount of available parking for the marina is less than satisfactory" (Recital #D); and
- the City's Fire Department "determined the on-site access road could not be used for additional parking due to fire access requirements" (Recital #E); and
- "the [Redevelopment] Agency and Lessee [Marina Owner] enter into the lease "to improve the situation with respect to available parking for the patrons and customers of the Marina" (Recital #G).

2008 Lease Agreement Authorized Paid Parking Options and Sublet to Vail/Heavenly

A new Lease Agreement was executed in 2008 (Attachment 4) with Lessee (Mansoor Alyeshmerni). The 2008 Agreement authorized Lessee to establish and collect fees for parking in the Blue Lakes Lot for "certain summer holidays" to "reduce traffic and parking congestion in and around his [Marina] property," (Recital #E).

In addition to paid parking, the 2008 Lease Agreement authorized the Lessee (Mansoor Alyeshmerni) to sublet the parking lot to Vail Resorts for an annual fee of \$1,000 "for winter use of the Blue Lakes Parking lot" (Recital #F).

The 2008 Agreement included the intent of the Redevelopment Agency to develop the lot into a commercial property while continuing to offer parking solutions to Ms. Alyeshmerni. The Agreement states its purpose is to "continue providing relief to peak parking demands in this district while [the Agency] pursues development of this lot..." (Recital #H).

2008 to 2013

Between 2008 and the dissolution of Redevelopment (as a result of the passage of AB 1X 26), the South Tahoe Redevelopment Agency pursued ideas, issued Requests for Proposals and considered development ideas to redevelop the Blue Lakes Parking Lot into a commercially viable business property. However, none of the development ideas were executed before dissolution of the Redevelopment Agency.

The Lease Agreement expired in May of 2013. Mr. Alyeshmerni desires to continue utilizing the lot for summer parking and subletting the lot to Heavenly for winter use.

ISSUE AND DISCUSSION:

This item is before the STRSA Board of Directors to continue the long-standing agreement between Mr. Mansoor Alyeshmerni ("Lessee ") for the rental of the Blue Lakes Parking Lot.

Proposed Modifications to Lease Agreement

The proposed 2013 Agreement (Attachment 1) does not include a provision to authorize Lessee to charge for parking in the Blue Lakes Lot primarily due to the dissolution of the Redevelopment Agency. Any revenue collected on redevelopment properties is revenue of the South Tahoe Redevelopment Successor Agency. Until such time as the Successor Agency has adopted an Asset Management and Disposition Plan, which would include the Blue Lakes Lot, collection of parking revenue should be done by the Successor Agency, not the Lessee and would belong entirely to the Successor Agency. Since the Blue Lakes Parking Lot is premium parking on busy summer weekend and holiday peak period, there is revenue that could be made. However, that cannot be established until a STRSA Due Diligence Report is completed and approved by the Successor Agency, Oversight Board and Department of Finance followed by an approved Asset Management and Disposition Plan. Mr. Alyeshmerni has agreed to utilize not to charge for parking in the Blue Lakes Parking Lot and to use the parking lot for the use of business owners and their employees.

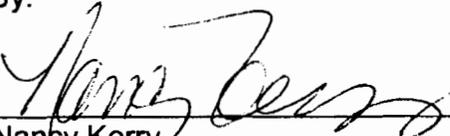
FINANCIAL AND/OR POLICY IMPLICATIONS:

Lessee has maintained the underground vault water treatment system, which treats runoff from the Lessee parcel. Lessee reports the cost of maintenance of the vault at approximately \$12,000 annually, relieving the City and STRSA of this financial obligation. This maintenance obligation of the Lessee is continued in the 2013 Agreement (Attachment 1, Paragraph 1b).

Rental income is proposed at a continued rate of \$2,000 annually, prorated at \$166/month. If the Agreement is terminated before the expiration of any given year, a refund of an appropriate prorata amount will be determined by the City Attorney. The rental income shall be deemed revenue available to the STRSA.

SIGNATURES:

By:



Nancy Kerry

City Manager

Attachments:

1. Proposed 2013 Lease Agreement
2. 1997 Letter from STRDA to Dena Schwarte
3. 2003 Lease Agreement
4. 2004 Lease Agreement

Attachment 1

*2013 PROPOSED
LEASE AGREEMENT*

LEASE AGREEMENT

This Lease Agreement is made and entered into as of the _____ day of June 2013 by and between the **South Tahoe Redevelopment Successor Agency**, a municipal corporation ("STRSA") and **Mansoor Alyeshmerni** ("Lessee").

RECITALS

- A. WHEREAS, the South Tahoe Redevelopment Successor Agency owns that certain real property directly adjacent to the City owned property known as El Dorado County Assessor Parcel Numbers (APN), 027-075-11, 027-075-19 and 027-075-20 (the "STRSA Parcels") (hereinafter "STRSA Parcels");
- B. WHEREAS, Lessee is the owner of that certain real property commonly referred to as the Ski Run Marina and known as APN 027-690-06 upon which portions of the Ski Run Marina Village has been constructed (hereinafter "Lessee Parcel");
- C. WHEREAS, in 2008, the STRSA entered into an agreement with Lessee for five years to establish temporary parking use of the STRSA Parcels and establish rights, payments and duties with respect to the STRSA Parcels and the water treatment system on the STRSA Parcels;
- D. WHEREAS, the STRSA desires to preserve flexibility to pursue more optimal parking solutions for the entire business district in the vicinity of Ski Run Blvd. and Highway 50, and may, if Lessee does not proceed for any reason to complete improvements as set forth in Paragraph 1 of this Lease Agreement, wish to terminate on short notice this with Lessee in order to implement parking facilities that in the STRSA's sole opinion are superior to those in place at the time, either on the real property referenced above or other real property in the vicinity owned by the STRSA or by others.

AGREEMENT

- 1. Scope and Purpose of Lease. Subject to the provisions herein, the STRSA hereby grants a lease to Lessee for the following purposes and in consideration of the following obligations:
 - a. STRSA hereby leases to Lessee El Dorado County Assessor Parcel Numbers (APN), 027-075-11, 027-075-19 and 027-075-20, more commonly known as 1051 Ski Run Blvd. South Lake Tahoe, CA 96150 (the "STRSA Parcels") to be used for parking that Lessee may, from time to time, designate as appropriate for relieving peak parking at the Ski Run

Marina. Usage of said Leased STRSA Parcels may include employee parking or other arrangements for shifting parking loads that Lessee may agree upon with neighbors.

- b. Lessee shall consent to the STRSA's use of the existing South Tahoe Public Utility District water line to serve the irrigation system necessary to maintain the temporary landscape improvements that now exist on the STRSA Parcels.
- c. Lessee shall be responsible for taking all steps necessary to maintain the underground vault water treatment system which treats runoff from the Lessee parcel. Lessee has the right to seek mutually agreed upon contributions to maintenance costs of said vault from those who receive a direct benefit from either the water treatment system or the parking. All maintenance of the vault system shall be performed in accordance with standards established by the Lahontan Regional of the California Regional Water Quality Control Board ("Lahontan") and, to the extent consistent with those standards, the manufacturer of the vault equipment. Any fines imposed by Lahontan or any other governmental entity having jurisdiction which are attributable to failure to maintain said underground vault system shall be the responsibility of Lessee.
- d. The parties enter into this Agreement with the mutually shared desire to explore a more permanent land use result for their parcels, which would have as its objective the improved attractiveness of and access to the beach, which is owned by Lessee and bears a perpetual public easement for the public enjoyment. The parties agree to pursue in good faith the following: Within nine months of signing this Agreement, Lessee will present, for discussion and direction by the STRSA Board, one conceptual design for both the STRSA Parcels and the STRSA Parcels at Lessee's cost.

This lease is revocable by either the STRSA or the Lessee. Both parties agree that, notwithstanding any expenditure, regardless of the amount incurred with respect to the STRSA Parcels as defined herein, either party shall have the right to revoke this lease at any time and for any reasons by giving the other party 15 days advance written notice. Both parties agree not to contest the other party's right to revoke this lease.

2. The Leased Parcels. The property being leased is El Dorado County Assessor Parcel Numbers 027-075-11, 027-075-19 and 027-075-20 (the "STRSA Parcels).
3. Lease Fee. Upon execution of this Lease Agreement, Lessee agrees to pay to City on or before the first day of July of each year during the term of this Lease, an *annual fee of \$2,000.00 per year*. Lessee shall pay said Lease fee in the form of a check sent to the City's Finance Department located at 1901 Airport Road, Suite 210, South Lake Tahoe CA 96150, with a copy of this Agreement attached to said check.

- a. Late Payment. If any monthly rent or other payment due from Lessee is not received by City within ten (10) days of the date upon which it is due, Lessee shall pay to City an additional Charge of ten percent (10%) of the overdue payment as a late charge.

4. Term of Lease. The term of this Lease shall begin on the date set forth above and end 30 days later. The lease shall continue on a month to month basis until terminated or revoked by either party to the Agreement who may terminate or revoke the agreement with or without cause.

Upon the end of the term of this Lease, as provided herein, or any extension thereof, or sooner termination of this Lease, Lessee shall surrender to STRSA the STRSA Parcels, together with all improvements except as hereinabove provided, and any fixtures and equipment in good condition, reasonable wear and tear excepted.

5. Use. Lessee's right to use the STRSA Parcels is nonexclusive, and Lessee and the STRSA, its agents, employees and contractors shall have the right to enter the STRSA Parcels for any purpose that does not unreasonably interfere with the rights granted to Lessee under this Lease Agreement. Such purposes may include but are not limited to the STRSA entering to: inspect the STRSA Parcels; show the STRSA Parcels to prospective tenants; determine whether Lessee is complying with the Lease Agreement; make repairs, alterations or improvements.

Lessee hereby acknowledges that the use of the STRSA Parcels consist of those uses set forth in Paragraph 1 herein. Lessee at its sole cost shall provide all other necessary supplies, equipment, furnishings and personnel necessary for the administration, staffing, operation and maintenance of the STRSA Parcels.

- a. Qualifications on Use.

Lessee's right to use the STRSA Parcels shall be those purposes enumerated in Paragraph 1 herein. All other uses shall be considered a breach of this Lease Agreement, and shall give the STRSA authority to immediately terminate this Lease.

- b. Prior Encumbrances.

This Lease is subject to all easements, leases, liens, conditions, restrictions, encumbrances and claims of title which may affect the STRSA Parcels. Lessee accepts the STRSA Parcels in its present condition.

- c. Licenses, Permits, etc.

Lessee shall, at Lessee's own cost and expense, obtain and maintain all licenses, permits, certificates or other authorizations of any governmental authority having jurisdiction over the Leased STRSA Parcels and Lessee's use of the Leased STRSA Parcels; without limiting the generality of the

foregoing, Lessee shall comply with all applicable laws, resolutions, codes, rules, orders, directions, ordinances and regulations of any department, bureau or agency or any governmental authority having jurisdiction over the operations, occupancy, maintenance and use of the STRSA Parcels for the purposes hereunder, except for those requiring major Alterations the Leased STRSA Parcels as distinguished from those relating to furniture, fixtures or equipment of Lessee therein. Lessee shall indemnify and save STRSA harmless from and against any claims, penalties, losses, damages or expenses imposed by reason of Lessee's violation of any applicable law or the rules and regulations of governmental authorities having jurisdiction thereof.

6. Conditions of Premises. Lessee shall maintain the STRSA Parcels in a good, clean and safe condition and shall maintain the parcel in the identical condition to that which existed prior to the execution of this lease.
 - a. Alterations. Addition of any fixtures, or any other material, structural, or landscaping alterations to the STRSA Parcels shall require prior written consent from STRSA.
 - b. Return of Parcel in Present Condition. Upon expiration of this Lease, Lessee shall return possession of the STRSA Parcels in the condition it existed prior to execution of this Lease. Lessee shall commit no waste or harm to the STRSA Parcels. Upon termination, STRSA shall have the right to request removal of any fixtures, materials, structures, or any other alterations installed by Lessee upon the STRSA Parcels at the Lessee's expense.

7. Termination. This Lease Agreement may be terminated by STRSA or Lessee immediately for cause or without cause upon sixty days (60) days written notice of termination.

Termination, revocation, or expiration of this Lease Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation or expiration.

Upon termination, revocation or expiration of this Lease, Lessee shall discontinue the use of the STRSA Parcels and, upon written notice from STRSA, remove from the STRSA Parcels all personal property. Lessee shall restore the STRSA Parcels as nearly as possible to the condition in which they existed immediately prior to the execution of this Lease. Property of Lessee not removed from the STRSA Parcels within 60 days after the termination, revocation, or expiration of this Lease, shall become the property of the STRSA.

If this Lease is terminated, STRSA shall have all of the rights and remedies of a landlord provided by Civil Code section 1951.2, in addition to any other rights and remedies STRSA may have. The damages which STRSA may recover shall include without limitation; (i) the worth at the time of award of the unpaid rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of the rental that Lessee proves could have been reasonably avoided; (iii) the worth at the time of award computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%) of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss that Lessee proves could be reasonably avoided; (iv) all reasonable legal expenses and other related costs incurred by STRSA following Lessee's default; (v) all reasonable costs incurred by STRSA in restoring the STRSA Parcels in good order and condition to re-lease the STRSA Parcels; and (vi) all reasonable costs, including without limitation, any brokerage commissions incurred by STRSA in re-leasing the STRSA Parcels.

8. Indemnity. Lessee hereby agrees to and shall indemnify and hold harmless STRSA, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Lease Agreement or caused in any way by Lessee's use of the STRSA Parcels, except for any such claims arising out of the negligence or willful misconduct of the STRSA.

STRSA does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by STRSA, or the deposit with STRSA by Lessee, of any of the insurance policies hereinafter set forth. This hold harmless agreement by Lessee shall apply to all damages and claims for damages, or alleged to have been suffered, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Lessee further waives any and all rights to any type of express or implied indemnity or right of contribution from the STRSA for any liability, claims, demands, costs, charges and expenses and causes of action of whatsoever arising out of or in any way connected with this Lease Agreement, and Lessee's use of the STRSA Parcels pursuant to this agreement.

9. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to STRSA: South Tahoe Redevelopment Successor Agency
1901 Airport Rd.
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Airport Road, Suite 300
South Lake Tahoe, CA 96150

If to Lessee:

Provide a copy to:

10. Assignment and Subleasing. This Lease is personal to Lessee. As such, Lessee has no right to assign this Lease in whole or in part or sublease the STRSA Parcels in whole or in part. Lessee may not grant concessions in or upon the STRSA Parcels without the prior written approval of the STRSA. Neither this Lease nor any interest in this Lease shall be assignable without the prior written consent of STRSA.
11. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.
12. Dispute Resolution. Any dispute concerning this Lease Agreement will be first submitted to the STRSA Manager or his/her designee for resolution. If no resolution is reached, such dispute shall be submitted to the STRSA Council. The decision of the STRSA Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.
13. Controlling Law Venue. This Lease Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.
14. Amendments. This Lease Agreement may be modified or amended only by a written document executed by both Lessee and STRSA and approved as to form by the City Attorney.
15. Severability. If any term or portion of this Lease Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Lease Agreement shall continue in full force and effect.

16. Entire Agreement. This Lease Agreement constitutes the complete and exclusive statement of Agreement between STRSA and Lessee. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Lease Agreement.
17. Execution. This Lease Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Lease Agreement, it shall not be necessary to produce or account for more than one such counterpart.
18. Time is of the Essence. Time is of the essence for this Agreement.
19. Authority to Enter Agreement. Lessee has all requisite power and authority to execute, deliver, and perform under this Lease Agreement. Each party warrants that the individuals who have signed this Lease Agreement have the legal power, right, and authority to make this Lease Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

SOUTH TAHOE REDEVELOPMENT
SUCCESSOR AGENCY:

LESSEE:

By _____
Tom Davis, Chairperson

By _____
Mansoor Alyeshmerni
Ski Run Marina Property Owner

Business License # _____

APPROVED AS TO FORM:

By _____
Nira Feeley, Interim City Attorney

ATTEST:

By _____
Susan Alessi, City Clerk

Attachment 2

*1997 Letter from STRDA to
Dena Schwarte*

SOUTH TAHOE REDEVELOPMENT AGENCY

1052 Tata Lane
South Lake Tahoe, CA 96150-6324

(916) 542-6040
(916) 542-1054 fax

Public/Private
Partnerships

July 25, 1997

Dena Schwartc
Ski Run Marina
900 Ski Run Boulevard
South Lake Tahoe, CA 96150

Re: Provision of Additional Marina Parking

Dear Dena:

This letter is to confirm that the South Tahoe Redevelopment Agency plans to purchase the Blue Lake Motel at 1055 Ski Run Boulevard in the spring of 1998 for additional marina parking. This motel is diagonally across from the new Embassy Vacation Resort parking structure. Both are at the intersection of Paradise Avenue and Ski Run. 

This location is compatible with the community plan for the area; it lends itself to a joint shuttle system if you and EVR decide to cooperatively operate one; for this parking area; and it is located on the side of Ski Run that will have dedicated pedestrian access to the lake side of the highway.

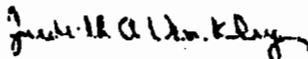
The lot itself is 200 feet by 100 feet, so it will definitely provide enough room for the additional spaces required for the marina restaurant expansion. The City's Legal Analyst has already broached the subject of this acquisition with the motel owner, who resides out-of-town and leases the premises to an operator. This arrangement is not running smoothly and the owner appears receptive to a voluntary sale. The City of South Lake Tahoe will have the power of eminent domain, though, if needed to consummate this purchase.

Another marina parking option that has not been eliminated is to buy the properties between the EVR parking structure and the new Osgood connector road. This is a more difficult location to access and impacts the residential area more but these owners may wish to sell once the parking structure is completed and the site is potentially larger.

Dena Schwarte
July 24, 1997
Page 2

Either way, it is the Redevelopment Agency's intention to supply more parking area in 1998. If you or TRPA would like to discuss this matter personally, please call me at my new direct line, which is (916) 542-6044. *

Sincerely,



Judith A. Von Klug
Redevelopment Manager

Attachment 3

2003 Lease Agreement

**LEASE AGREEMENT
BETWEEN
THE SOUTH TAHOE REDEVELOPMENT AGENCY AND
MANSOOR ALYESHMERNI**

This Lease Agreement is entered into this 5th day of June, 2003 between the SOUTH TAHOE REDEVELOPMENT AGENCY, ("AGENCY") and MANSOOR ALYESHMERNI ("LESSEE").

RECITALS

A. AGENCY is a public body, corporate and politic that operates within the City of South Lake Tahoe, California.

B. LESSEE is the owner of Ski Run Marina (Marina) that is littoral to Lake Tahoe and is at the north end of Ski Run Boulevard.

C. LESSEE's predecessor—Michael Phillips—redeveloped the Marina by working in conjunction with the City of South Lake Tahoe and the AGENCY.

D. As a result of the redevelopment of the Marina and other events, the amount of available parking for customers and patrons of the Marina is less than satisfactory during certain holidays and summer periods.

E. The City of South Lake Tahoe Fire Department has determined that the access road behind the Chevron station connecting to Tahoe Beach & Ski must be maintained as a fire access road, and thus, no parking shall be allowed on the access road behind Chevron.

F. The Ski Run Project EIR (1995) requires a 101-space on-site parking lot which currently exists and requires 79 off-site parking spaces. Those 79 parking spaces were identified at the top of Ski Run Boulevard for the employees of the tour boat and Marina tenants.

G. AGENCY and LESSEE desire to enter into this Lease to improve the situation with respect to available parking for the patrons and customers of the Marina.

TERMS

1. Leased Property. AGENCY hereby leases to LESSEE, the real property located at 1051/1055 Ski Run Boulevard, South Lake Tahoe, California, to be used exclusively for the parking of Marina customers and patrons.

2. Term. This lease shall be for a term of five (5) years, commencing June 5, 2003.

3. Consideration. In consideration of LESSEE's rental of the leased premises, LESSEE shall pay \$2,000 per year, due each July 15th during the term of this agreement.

4. Maintenance. LESSEE shall maintain the premises in good, clean, and safe condition.

5. Parking Operations. LESSEE shall adhere to the following operational standards:

a. Implement a mandatory employee parking program for Marina tenants and employees who shall be allowed to park in the diagonal parking spaces on the east side of Paradise Avenue.

b. Instruct all Marina tenants that their employees are prohibited from parking their automobiles in the Marina main lot, Paradise Avenue (West of Ski

Run), Ski Run Boulevard between US Hwy 50 and Paradise, Osgood Avenue, and the Blue Lake lot on Ski Run Boulevard.

c. implement a parking attendant system to help appropriately direct traffic.

d. Implement a trolley shuttle from Blue Lake/Paradise Avenue to Marina and back.

e. Instruct all Marina tenants to limit truck loading and unloading in the bus area to times which minimize the traffic impacts on Ski Run Boulevard, as close to between the hours of 7:00 a.m. to 9:00 a.m. as possible.

f. Institute a paid parking system which includes charging higher amounts at the Marina Lot, charging up to \$3.00 for parking on the Blue Lake lot, and free parking at the top of Ski Run Boulevard (South of Pioneer).

g. In the event LESSEE fails to adhere to any of his obligations set forth herein, this Lease Agreement shall terminate if LESSEE fails to cure any such failure after three days' written notice thereof, as provided for in California Code of Civil Procedure Section 1161.

6. LESSEE and AGENCY will continue to communicate and work with one another towards the continued improvement of the parking situation at the Marina both in the short-term period covered by this Lease and in the long run.

7. Indemnification. LESSEE agrees to and shall defend, indemnify, and hold harmless AGENCY and the City of South Lake Tahoe, their elective and appointed boards, officers, agents, representatives, invitees, guests, employees and volunteers

from any and all claims, demands, actions, suits, proceedings, costs, losses, injuries, expenses, damages and liabilities, including reasonable attorney's fees and costs that may occur from any act or omission by LESSEE, its agents, employees, subcontractors, volunteers, licensees, invitees and guests arising out of or from any accident or other occurrence on, about, or in any way involving the leased premises, which causes injury to any person or property whatsoever.

8. Insurance. LESSEE shall obtain and maintain continuously in effect at all times during the terms hereof, at LESSEE'S sole expense, a minimum of \$1,000,000 blanket general liability insurance policy protecting LESSEE against liability by reason of LESSEE'S agents, employees, representatives, licensees, volunteers, invitees and guests wrongful or negligent acts, or omissions incident to the use of the premises. LESSEE shall name AGENCY and the City of South Lake Tahoe as additional insureds on all policies, and such insurance shall be primary as respects AGENCY and the City of South Lake Tahoe. LESSEE shall provide to AGENCY certificates and Endorsements evidencing all required insurance. All such insurance shall provide that it shall not be cancelled or otherwise terminated unless AGENCY is given written notice thirty (30) days prior to such cancellation or other termination.

9. LESSEE further agrees that:

a. Condition of Premises. Upon the expiration of the Lease, LESSEE shall return possession of the leased property in its present condition, reasonable wear and tear, fire casualty excepted. LESSEE shall commit no waste to the leased premises.

b. Assignment or Subletting: LESSEE shall not assign or sublet its rights under this agreement without AGENCY'S prior written consent. LESSEE

may continue to enter into a sublease agreement with the Heavenly Valley Ski Resort on the same terms and conditions as previously consented to by AGENCY.

c. Alterations. LESSEE shall not make any material or structural alterations to the leased premises without AGENCY'S prior written consent.

d. Compliance with Law. LESSEE shall comply with all building, zoning, health codes and other applicable laws for the use of said property.

IN WITNESS WHEREOF, AGENCY and LESSEE have executed this lease the date and year first hereinabove written.

SOUTH TAHOE REDEVELOPMENT
AGENCY

Judy Brown
_____, Chair

MANSOOR ALYESHMERNI

ATTEST:

Susan Alessi
SUSAN ALESSI, City Clerk

APPROVED AS TO FORM:

Catherine L. DiCamillo
CATHERINE L. DiCAMILLO,
City Attorney

Attachment 4

2008 Lease Agreement

**LEASE AGREEMENT BETWEEN MANSOOR ALYESHMERNI AND THE
SOUTH TAHOE REDEVELOPMENT AGENCY
REGARDING AGENCY OWNED PROPERTY AND TEMPORARY PARKING
AT 1051 SKI RUN BOULEVARD**

THIS LEASE AGREEMENT is made this 20th day of May, 2008, by and between the SOUTH TAHOE REDEVELOPMENT AGENCY (hereinafter referred to as "AGENCY") and Mansoor Alyeshmerni, owner of the Ski Run Marina property (hereinafter referred to as "ALYESHMERNI").

RECITALS

A. WHEREAS, ALYESHMERNI is the owner of that certain real property commonly referred to as the Ski Run Marina (APN 027-690-06); and

B. WHEREAS, AGENCY is the owner of that certain real property proximate to the above referenced site, namely APN 027-075-11,19 & 20, 1051 Ski Run Boulevard, formerly known as the Blue Lakes lot; and

C. WHEREAS, the AGENCY previously entered into an agreement on June 5, 2003, with ALYESHMERNI, to alleviate for five years certain peak parking demands during holidays and summer periods, and improve upon them; and

D. WHEREAS, ALYESHMERNI reports that parking income of the Ski Run Marina, north of Highway 50 and before his ownership, approximated \$156,000, yet in

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his view failed to address the special seasonal parking needs of the Marina and its tenants, neighbors and employees; and

E. WHEREAS, since his ownership of the Ski Run Marina began, ALYESHMERNI's intent in charging parking fees at the Blue Lakes lot for certain summer holidays has been to reduce traffic and parking congestion in and around his property, which has the ancillary effects of maintaining clear fire lanes, reducing complaints to the City from adjoining property owners, and reducing potential costs to the City of managing conflicts involving City or AGENCY parking in the vicinity; and

F. WHEREAS, ALYESHMERNI has obtained from Vail Resorts an annual fee of \$1,000 for winter use of the Blue Lakes lot, and wishes to retain the flexibility to maintain or adjust this sub-contract with Agency's prior written consent; and

G. WHEREAS, ALYESHMERNI reports that management of the Blue Lakes lot has not produced under the prior agreement any positive net income after crediting the income from the sub-contract with Vail Resorts and paying for insurance and an attendant (when used); and

H. WHEREAS, the AGENCY wishes to continue providing relief to peak parking demands in this district while it pursues development of this lot so that publicly owned property is put to its highest and best use; and

NOW THEREFORE, the parties hereto agree as follows:

TERMS

1. **Leased Property.** AGENCY hereby leases to ALYESHMERNI the real property located at 1051 Ski Run Boulevard, South Lake Tahoe, California, to be used for the parking ALYESHMERNI may, from time to time, designate as appropriate for relieving peak parking at the Ski Run Marina. Contrary to the preceding agreement, this usage may include employee parking or other arrangements for shifting parking loads that ALYESHMERNI may agree upon with neighbors. ALYESHMERNI will communicate with AGENCY concerning changes in the usage that may have any unwanted impact on the neighbors of the Ski Run Marina. AGENCY retains the right, upon receipt of complaints it deems significant in its sole judgment, to restrict usage as provided in the June 5, 2003 agreement.
2. **Consideration.** In consideration of ALYESHMERNI's rental of the leased premises, ALYESHMERNI shall pay \$2,000 per year, due each June 1st during the term of this Lease Agreement. No payment shall be due if AGENCY exercises its early termination rights in paragraph 5, and notice of termination is received by ALYESHMERNI by February 28th, in advance of the upcoming summer.

3. Condition of Premises. ALYESHMERNI shall maintain the premises in good, clean, and safe condition.

a. Alterations. Addition of any fixtures, or any other material or structural alterations to AGENCY's real property, shall require prior written permission from AGENCY.

b. Upon Expiration. Upon the expiration of this Lease, ALYESHMERNI shall return possession of the leased property in its present condition, reasonable wear and tear and fire casualty excepted. ALYESHMERNI shall commit no waste to the leased premises. Upon termination, AGENCY shall have the right to request removal of any fixtures installed by ALYESHMERNI upon its land at ALYESHMERNI'S expense.

c. Compliance with Law. ALYESHMERNI shall comply with all building, zoning, health codes and other applicable laws for the use of said property

4. Parking Charges. Throughout the term of this Lease Agreement, ALYESHMERNI shall be authorized to implement a paid parking system for which revenues may be collected for parking on AGENCY property. In the event ALYESHMERNI chooses to charge for parking, 50% of net income, as defined, shall be paid to the AGENCY on or before December 31st of each calendar year. Net income for purposes of this paragraph shall include in addition to parking revenue all other sources of revenue like sub-contract revenues, reduced by the ordinary and customary expenses of insurance and site maintenance, and labor paid by ALYESHMERNI when attendance on the site actually occurs. AGENCY

and ALYESHMERNI do not as of the date of execution expect positive net income to produce revenue sharing under this paragraph; however, both parties adopt and agree to this revenue sharing in order to preserve the public benefits heretofore received with the amount of rent AGENCY receives, an amount which might otherwise become inappropriate.

5. Term. This Lease Agreement shall remain in full force and effect for a period of five years from the date of its execution, unless the AGENCY provides earlier written notice of termination: (a) no less than 90 days in advance, and (b) no sooner than January 1, 2009. ALYESHMERNI hereby waives any claim or dispute arising out of the AGENCY's decision to terminate early as provided above. At any time during the term of this Lease Agreement it may be terminated upon the mutual written consent of the parties hereto.

6. Indemnification. ALYESHMERNI agrees to and shall defend, indemnify, and hold harmless AGENCY and the City of South Lake Tahoe, their elective and appointed boards, officers, agents, representatives, invitees, guests, employees and volunteers from any and all claims, demands, actions, suits, proceedings, costs, losses, injuries, expenses, damages and liabilities, including reasonable attorney's fees and costs that may occur from any act or omission by ALYESHMERNI, its agents, employees, subcontractors, volunteers, licensees, invitees and guests arising out of or from any accident or other occurrence on,

about, or in any way involving the leased premises, which causes injury to any person or property whatsoever.

7. **Insurance.** ALYESHMERNI shall obtain and maintain continuously in effect at all times during the terms hereof, at ALYESHMERNI's sole expense, a minimum of \$1,000,000 blanket general liability insurance policy protecting ALYESHMERNI against liability by reason of ALYESHMERNI's agents, employees, representatives, licensees, volunteers, invitees and guests wrongful or negligent acts, or omissions incident to the use of the premises. ALYESHMERNI shall name AGENCY and the City of South Lake Tahoe as additional insureds on all policies, and such insurance shall be primary as respects AGENCY and the City of South Lake Tahoe. ALYESHMERNI shall provide to AGENCY certificates and endorsements evidencing all required insurance. All such insurance shall provide that it shall not be cancelled or otherwise terminated unless AGENCY is given written notice thirty (30) days prior to such cancellation or other termination.

8. **Assignment or Subletting.** ALYESHMERNI may assign or sublet its rights under this Lease Agreement with AGENCY's prior written consent, which shall be provided in writing by the AGENCY Manager. AGENCY shall not unreasonably withhold consent consistent with this lease and its purpose; however, prior consent shall be required in order to keep all interested parties

promptly informed of all AGENCY development activities that may affect the property and its usage.

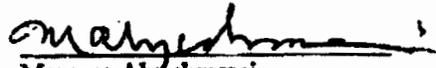
9. Remedy. In addition to any other remedy which may be lawfully obtained, in the event ALYESHMERNI fails to adhere to any of his obligations set forth herein, this Lease Agreement shall terminate if ALYESHMERNI fails to cure any such failure after three days' written notice thereof, as provided for in California Code of Civil Procedure Section 1161.

SOUTH TAHOE REDEVELOPMENT
AGENCY



Mike Weber, Agency Chair

MANSOOR ALYESHMERNI



Mansoor Alyeshmerni
Ski Run Marina Property Owner

APPROVED AS TO FORM:



Catherine L. DiCamillo
City Attorney

ATTEST:


Susan Alessi, City Clerk

