

ALTA MIRA PUBLIC ACCESS ACQUISITION PROJECT

Summary: Staff recommends authorization to expend \$2,500,000 to purchase a 0.87 acre lakefront parcel to enhance public lake access at El Dorado Beach, authorization to expend up to \$321,000 towards relocation assistance and related closing costs, authorization to expend up to \$50,000 to supplement building demolition and site stabilization, authorization to convey approximately 0.43 acres to the California State Lands Commission upon receipt of compensation by the State Lands Commission in an amount of \$500,000, and authorization to enter into a long term lease-back with the State Lands Commission for Conservancy use, operation and management of the transferred property.

Location: Along the lake side of U.S. Highway 50 at the eastern boundary of El Dorado Beach within the City of South Lake Tahoe, El Dorado County (El Dorado County Assessor Parcel Number 027-010-16) (Attachment 1)

Fiscal Summary: \$2,500,000 in direct land acquisition costs, up to \$321,000 in relocation assistance and closing costs, and up to \$50,000 for supplemental demolition and site stabilization related activities (Proposition 40, Proposition 84, and Lake Tahoe Conservancy Account)

Recommended Action: Adopt Resolution 14-05-08 (Attachment 2).

Background

The Alta Mira property is on the east end of lakefront parkland along U.S. Highway 50 beginning at El Dorado Beach at Lakeview Commons, which is widely considered the most significant, visible assemblage of public lakefront within the City of South Lake Tahoe (City).

In 2012, the City completed the first phase of the El Dorado Beach at Lakeview Commons Project, funded by Conservancy planning and site improvement grants totaling \$6.8 million. The second phase of the project includes an extension of the bike

path and other public access improvements from Rufus Allen Blvd eastward to the Alta Mira property.

On March 15, 2012 the Conservancy authorized \$10,000 to purchase an 18-month option to acquire the Alta Mira property for the fixed price of \$2,500,000. The option term started on December 26, 2012. Since that time staff has sought a funding partner to share in the cost of the acquisition. The California State Lands Commission (SLC), which owns the lake bed below the low-water mark of 6,223.0 feet above sea level, and which administers the State's Public Trust Easement providing for lateral public access along the California shoreline between the Lake's high and low water marks, authorized \$500,000 at their April 2014 meeting towards the purchase in return for a narrow strip of land connecting the highway to the Lake, and title to the underlying fee interest between the high and low water lines (Attachment 3). It should be noted, however, that an amended SLC authorization at a future meeting (June or August 2014) will be needed to facilitate the transfer of property from the Conservancy to SLC.

Project Description

Staff recommends:

1. Approval of the Alta Mira Relocation Assistance Plan (Attachment 5);
2. Authorization to exercise the option and expend \$2,500,000 to purchase one lakefront parcel totaling approximately 0.87 acres to enhance public lake access at El Dorado Beach in South Lake Tahoe;
3. Authorization to expend up to \$321,000 for relocation assistance related expenses, customary closing costs, and Department of General Services, Real Estate Services Division (RESD) acquisition and relocation assistance support;
4. Authorization to expend up to \$50,000 towards supplemental demolition and initial site stabilization related expenses;
5. Authorization to convey approximately 0.43 acres to the California State Lands Commission upon receipt of compensation by the State Lands Commission in an amount of \$500,000; and
6. Authorization to enter into a long-term lease arrangement with SLC for management of the transferred property.

The essential terms of the proposed purchase are as follows:

- The purchase price of \$2,500,000 will be funded by the Conservancy with a subsequent reimbursement of \$500,000 from SLC upon the conveyance of approximately 0.43 acres to SLC.
- The Conservancy will acquire the property subject to the new 234 square foot multi-use trail easement the City is acquiring for the El Dorado to Ski Run Bicycle Trail.
- The sellers will deliver the property to the State at the close of escrow in a condition that immediately affords enhanced visual access to the lake (Attachment 4) by demolishing and removing above-ground improvements and personal property from the land.
- The sellers will excavate and remove a buried fuel oil tank that was abandoned and filled with cement.
- The sellers will decommission four monitoring wells by filling them with cement to the satisfaction of applicable regulatory agencies.
- The sellers will remediate a small quantity of remaining soil contaminated with fuel oil to the satisfaction of applicable regulatory agencies.

Title to the entire property will be held by the State of California. After the conveyance of 0.43 acres to SLC, the Conservancy will own fee title to 90% of the property above the high water line (0.44 acres). SLC will own fee title to the easterly 12 feet of the property between Lake Tahoe Blvd. and the lake and fee title to all of the property lying below the high water mark of 6,228.75 feet (0.43 acres). Each agency will own and control approximately half of the total property area as depicted in Attachment 3.

As part of the proposed transaction, SLC will lease its land area back to the Conservancy for 49 years to consolidate long-term responsibility for property management with the Conservancy. The Conservancy will coordinate development and implementation of future site improvement plans with the SLC under the proposed lease arrangement.

The Alta Mira site is currently improved with a 5,402 +/- square foot building that houses six commercial and two residential tenants, occupying 3,647 and 1,755 square feet respectively). All tenants are on month-to-month leases and will be afforded relocation benefits consistent with State law. As an initial step in the relocation assistance process pursuant to Relocation Assistance Guidelines promulgated by the California Housing and Community Development Department, the firm Kathy Wood & Associates has prepared a Relocation Assistance Plan (RAP, Attachment 5). A copy of

the RAP was provided to the eight tenants, the owners, and any interested public for comments for 30 days beginning March 1, 2014. No comments were submitted.

Project Budget

A total of \$2,871,000 is recommended for authorization at this time to cover the items outlined and explained in more detail below.

Acquisition	\$2,500,000
Relocation Assistance Costs	295,000
PWB related approval	20,000
Title/Escrow Fees	6,000
Supplemental Demolition and Site Stabilization	<u>50,000</u>
TOTAL	\$2,871,000

The RAP estimates that a Conservancy expenditure of \$115,000 to \$165,000 will be necessary to meet relocation entitlement obligations. RESD staff recommend that the Conservancy set aside an additional \$60,000 in contingency funding for these entitlements. The RAP also includes implementation consultant fees and the costs to review the RAP and subsequent RAP entitlement work and relocation process. Staff estimates these costs at no more than \$70,000. Consequently, up to \$295,000 is estimated to cover all of the anticipated relocation assistance costs.

The proposed purchase requires approval by the California State Public Works Board (PWB) on behalf of the State and the Conservancy. Approval is currently scheduled for the June 13, 2014 PWB meeting. RESD staff is required to review the proposed transaction and prepare the PWB approval information. The estimated RESD cost to perform this function is up to \$20,000.

Staff proposes the authorization of up to \$50,000 to supplement the required demolition and site stabilization costs for which the sellers are responsible. This funding will pay for the removal of the concrete basement foundation and basement walls (the sellers were only required to knock down the first foot or two of the foundation wall below the ground surface), the off hauling of all concrete material, the importation of a larger quantity of clean dirt to fill the basement hole, and the establishment of suitable fencing to protect the site during the 2014 winter period and beyond until a suitable long-term improvement plan is implemented on site.

Project Implementation

Upon demolition and the close of escrow, the Conservancy will acquire approximately 3,647 square feet of commercial floor area and two existing residential units of use. These commodities will then be sold, transferred, or retired through the Conservancy's Land Bank consistent with Tahoe Regional Planning Agency and local jurisdiction policies.

Project Evaluation

This acquisition will enhance both public and visual access to Lake Tahoe meets the Conservancy's Public Access Program objectives by increasing access to a regionally significant resource, enhancing an existing public access facility (El Dorado Beach) and improving the scenic quality of South Lake Tahoe's urban core.

Consistency with the Conservancy's Enabling Legislation

The proposed acquisition and lease with SLC are consistent with the Conservancy's enabling legislation. Specifically, Government Code section 66907 provides for the Conservancy to acquire interests in real property for the purposes, in part, of protecting the natural environment and providing public access or public recreational opportunities. Section 66907.1 allows for the Conservancy to acquire interests in land through leases. Section 66907.4 specifies approval by the State Public Works Board is required when the purchase price exceeds \$550,000 per legal lot or parcel.

Compliance with the California Environmental Quality Act (CEQA)

The Conservancy, acting as the lead agency, prepared an Initial Study and Negative Declaration (IS/ND) and filed a Notice of Determination (NOD) to comply with CEQA at the time the Conservancy authorized the purchase of an 18-month option on March 15, 2012 (Attachment 6). The project was assigned State Clearinghouse Number 2012022047.

Staff has reviewed the IS/ND and believes that the current project proposal to exercise the option and authorize the purchase of the Alta Mira property, as proposed, is similar to the project analyzed two years ago. Staff has determined that the project, as proposed, would not cause a significant effect on the environment. Since completion of the IS/ND, there is no new information, substantial changes to the proposed project, or changes to implementation which would involve any new significant effects which were not previously analyzed.

Staff recommends that the Board review the IS/ND, make the findings as set forth in the attached resolution, and authorize the project as described above. If the Board adopts the IS/ND and authorizes the project, staff will file an NOD with the State Clearinghouse pursuant to CEQA Guidelines, section 15075. Attachment 7 contains the Conservancy's proposed NOD.

The Conservancy previously paid the \$2,101.50 filing fee with the California Department of Fish and Wildlife as part of the California Environmental Quality Act process.

List of Attachments:

Attachment 1 – Project Location Map

Attachment 2 – Resolution 14-05-08

Attachment 3 – Tahoe Conservancy and State Lands Commission Parcels Map

Attachment 4 – Photo Simulation

Attachment 5 – Relocation Assistance Plan (on attached CD)

Attachment 6 – Initial Study/Negative Declaration, 2012 and 2014 Notices of Determination (on attached CD)

Attachment 7 – Proposed Notice of Determination

Conservancy Staff Contact:

Bruce Eisner

(530) 543-6043

beisner@tahoe.ca.gov

ATTACHMENT 1 Alta Mira Location Map



Ownership

- | | |
|--|---|
| Local Government | Alta Mira |
| Other Public | Tahoe Conservancy |
| Private | |

California Tahoe Conservancy
May 2014

Map for reference purposes only.
Sources: TRPA; El Dorado County



ATTACHMENT 2

California Tahoe Conservancy

Resolution

14-05-08

Adopted: May 12, 2014

ALTA MIRA PUBLIC ACCESS ACQUISITION PROJECT

Staff recommends that the California Tahoe Conservancy (Conservancy) adopt the following finding based on the accompanying staff report, and pursuant to Public Resources Code section 21000 et seq.:

"The Conservancy, in its capacity as the lead agency, independently prepared the Initial Study and Negative Declaration and Response to Comments for the Alta Mira Public Access Acquisition Project. The Conservancy finds on the basis of the whole record before it that there is no substantial evidence that the Project will have a significant effect on the environment. The Conservancy finds that since completion of the IS/ND, there is no new information, substantial changes to the proposed Project, or changes to implementation which would involve any new significant effects which were not previously analyzed. The Negative Declaration reflects the Conservancy's independent judgment and analysis. The Conservancy hereby adopts the Negative Declaration and directs staff to file a Notice of Determination with the State Clearinghouse for this Project."

Staff further recommends that the Conservancy adopt the following resolution pursuant to Government Code sections 66907, 66907.1, and 66907.4:

"In substantial compliance with the staff recommendation of this same date, the California Tahoe Conservancy hereby:

- 1) Adopts the Alta Mira Relocation Assistance Plan and allocates up to \$295,000 for relocation assistance entitlements, relocation assistance consultants, and Department of General Services relocation assistance review;
- 2) Authorizes staff to expend up to \$2,500,000 and to take all other actions necessary to acquire fee interest in the Alta Mira parcel (El Dorado County Assessor Parcel Number 027-010-16);
- 3) Authorizes up to \$26,000 for Department of General Services Public Works Board support and customary title/escrow closing costs;

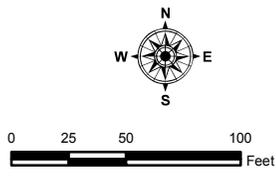
- 4) Authorizes up to \$50,000 for demolition and site stabilization costs on the Alta Mira property;
- 5) Authorizes the transfer of approximately 0.43 acres to the California State Lands Commission upon receipt of compensation by the California State Lands Commission in an amount of \$500,000; and
- 6) Authorizes the execution of a 49-year lease with the California State Lands Commission for the operation and maintenance of the portion of the Alta Mira property conveyed to the California State Lands Commission by the Conservancy."

I hereby certify that the foregoing is a true and correct copy of the resolution duly and regularly adopted by the California Tahoe Conservancy at a meeting thereof held on the 12th day of May 2014.

In WITNESS THEREOF, I have hereunto set my hand this 12th day of May 2014.

Patrick Wright
Executive Director

ATTACHMENT 3
Tahoe Conservancy and State Lands Commission Parcels



California Tahoe Conservancy
May 2014

Map for reference purposes only.
Sources: El Dorado County; State Lands Commission



ATTACHMENT 4

Photo Simulation



Existing Condition



Post Demolition Simulation

ATTACHMENT 5

ALTA MIRA PUBLIC ACCESS ACQUISITION PROJECT

Relocation Assistance Plan

ATTACHMENT 6

ALTA MIRA PUBLIC ACCESS ACQUISITION PROJECT

Initial Study
Mitigated Negative Declaration
March 15, 2012 Notice of Determination
March 20, 2014 Notice of Determination

On attached CD

ATTACHMENT 7

NOTICE OF DETERMINATION

TO: Office of Planning and Research
1400 10th Street, Room 121
Sacramento, CA 95814

FROM: California Tahoe Conservancy
1061 Third Street
South Lake Tahoe, CA 96150

Subject:

Filing of Notice of Determination in compliance with section 21108 of the Public Resources Code

Project Title:

Alta Mira Public Access Acquisition Project

State Clearinghouse Number:

2012022047

Contact Person:

Bruce Eisner

Telephone Number:

(530) 543-6043

Project Location:

The project is in the City of South Lake Tahoe at 3339 Lake Tahoe Boulevard, El Dorado County APN 027-010-16.

Project Description:

The California Tahoe Conservancy proposes to expend funds to acquire fee title interest to the Alta Mira property, a 0.87 acre parcel commonly known as the Alta Mira property (3339 Lake Tahoe Boulevard (U.S. Highway 50), South Lake Tahoe, CA). The sellers will deliver the property to the Conservancy at the close of escrow in a condition that immediately affords visual access to Lake Tahoe by removing all visible improvements and personal property. At the close of escrow the California Tahoe Conservancy will convey approximately 0.43 acres to the California State Lands Commission and enter into a 49-year lease with the California State Lands Commission to operate and maintain the property transferred to the California State Lands Commission.

This is to advise that the California Tahoe Conservancy, acting as the lead agency, has approved the above described project on May 12, 2014 and has made the following determinations regarding the above described project:

1. The project will not have a significant effect on the environment.
2. A Negative Declaration was adopted for this project pursuant to the provisions of CEQA.
3. Mitigation measures were not made a condition of the project approval, and no mitigation monitoring plan was adopted.
4. The Negative Declaration may be examined at 1061 Third Street, South Lake Tahoe, CA 96150.

Fish and Wildlife Fees: A California Department of Fish and Wildlife Environmental Filing Fee was paid for this project. A copy of the receipt will be filed with this notice.

Date Received for Filing:

Patrick Wright
Executive Director
California Tahoe Conservancy