

**ENVIRONMENTALLY SENSITIVE LANDS AND
LANDS NECESSARY TO PROTECT THE NATURAL ENVIRONMENT**

Summary: Staff recommends authorization of \$437,500 plus related closing costs for the purchase of three parcels under the Conservancy's Environmentally Sensitive Lands and Land Coverage Programs.

Location: Lake Tahoe Boulevard, east of Ski Run Boulevard in the City of South Lake Tahoe, El Dorado County, and in the Mark Twain and Woodvista Subdivisions in Placer County (El Dorado County Assessor Parcel Number (APN) 027-072-32 and Placer County APNs 083-110-003 and 112-171-006) (Attachments 1(a) – 1(d)).

Fiscal Summary: \$437,500 in direct acquisition costs (\$62,500 in Proposition 40 funds and \$375,000 in Lake Tahoe Conservancy Account funds).

Recommended Action: Adopt Resolution 11-09-04 (Attachment 2).

Background

This staff recommendation constitutes the 135th Environmentally Sensitive Lands recommendation submitted to the Board and includes two proposed acquisitions under the Conservancy's Environmentally Sensitive Lands Program and one under the Land Coverage Program. The proposed acquisitions are combined in a single staff recommendation because they involve standardized acquisition criteria, the same acquisition procedures, and serve the same water quality purposes.

Environmentally Sensitive Lands: The Tahoe Regional Planning Agency (TRPA) restricts development on parcels with an Individual Parcel Evaluation System (IPES) score of less than 726, on low-capability land, and on property not served by existing roads and utilities. Accordingly, the Conservancy includes such parcels within its definition of environmentally sensitive lands.

Land Coverage Program: The Conservancy seeks properties in six hydrologically-related areas on the California side of the Lake Tahoe Basin to meet excess coverage mitigation, land coverage, and restoration needs for its Land Bank. Typically, only vacant parcels or parcels with substandard and derelict improvements are evaluated for possible purchase.

Staff has completed a series of activities to evaluate parcel eligibility under these Programs. Such evaluation ensures conformity with acquisition criteria previously adopted by the Board. These activities include:

- Contacting landowners to determine their interest in allowing the Conservancy to conduct pre-acquisition activities;
- Verifying the environmental sensitivity of the property, including use of IPES data or land capability data;
- Preparing an appraisal, typically by the California Department of General Services, Real Estate Services Division (DGS), or by private appraisers;
- Conducting site management inspections;
- Completing title review;
- Sending inquiry letters to determine landowner interest in selling their property; and
- Preparing the transaction for Board authorization.

The basic standard of valuation is current fair market value, which is the customary standard applied by public agencies. Under this standard, an appraiser considers all factors that reasonable, prudent, knowledgeable, and willing buyers and sellers would consider. These include such factors as the supply and demand for a specific type of property; the existence of other similar and competitive properties; the highest and best use of the land in terms of its zoning and regulatory treatment; and the availability of utilities and other infrastructure at the time of appraisal or within the reasonably foreseeable future.

Project Description

Staff is proposing that the Conservancy expend up to \$437,500 in Proposition 40 and Lake Tahoe Conservancy Account funds for three acquisitions in El Dorado and Placer Counties (El Dorado County APN 027-072-32 and Placer County APNs 083-110-003 and 112-171-006) under the Environmentally Sensitive Lands and Land Coverage Programs (Attachment 3).

Environmentally Sensitive Lands: Placer County APN 083-110-003 (Attachment 1(b)) is mapped as Bailey Land Capability Class 3 and is considered substandard because it is located in a portion of the Mark Twain Subdivision where paved roads and utilities have never been installed. Substandard parcels in such subdivisions are a priority for purchase because, when coupled with the existing Conservancy ownership of 97% of this roadless subdivision, acquisition can prevent the development of roads and utilities to isolated parcels. In turn, such acquisition provides the greatest opportunity for water quality protection. There are no management conditions on this parcel.

Placer County APN 112-171-006 (Attachment 1(c)) has an IPES score of 541 and is located on a paved road within the Woodvista Subdivision. This 25-foot-wide parcel is proposed for purchase because it is not eligible for development, is eligible for purchase under the Conservancy's Environmentally Sensitive Lands Program, and is bounded by Conservancy ownership on three sides. The parcel is also owned by the same party as the parcel in the Mark Twain Subdivision, and they wish to sell both together or none at all. There are no management conditions on this parcel.

Cash for the purchase of these two environmentally sensitive parcels, totaling \$62,500, is available to the Conservancy under Project #7813 of the State Treasurer's Office approved projects list.

Land Coverage Program: El Dorado County APN 027-072-32 (Attachment 1(d)) is a 0.52-acre vacant commercial property along Lake Tahoe Boulevard in the City of South Lake Tahoe. The property has been confirmed as 100% stream environment zone (SEZ) and was once the site of a Unocal gas station. The improvements were demolished and the underground tanks removed in 1994. Both the Lahontan Regional Water Quality Control Board and the El Dorado County Environmental Management Department certified the demolition of improvements and the complete removal of contaminated soil on the property. No redevelopment of the property has taken place during the past 17 years. The property contains 22,450 square feet of restored hard coverage and 1,158 square feet of banked commercial floor area (CFA). The adjoining motel was the owner of this vacant land and unsuccessfully marketed the property for several years prior to losing it in foreclosure this June. The current owner and their agent recently approached the Conservancy staff to learn if the agency would be interested in the land for inclusion within the Land Bank.

Acquisition of this property, using funds from excess coverage mitigation fees paid to TRPA by project proponents, will assist the Conservancy with addressing its excess coverage mitigation obligations pursuant to its memorandum of understanding with

the TRPA. The Conservancy's Land Bank has been unable to meet a nearly 157,000 square-foot hard coverage mitigation obligation within the South Stateline Hydrologically Related Area (SS HRA). After accounting for the estimated value of the CFA, staff estimates the marginal cost for the restored hard coverage at \$14.70 per square foot. This is the lowest marginal cost for the purchase of restored hard coverage in nearly 15 years.

Staff consulted with City of South Lake Tahoe staff and officials about the proposed purchase. The City, either directly or through its redevelopment agency, owns land immediately adjoining (behind) the subject property as well as across the street. The purchase of this property presents an opportunity to further the City's redevelopment plans through the exchange of the subject property for approximately 8.2 acres owned by the City on Glenwood Way. The City property, a former drive-in theater site, is estimated to contain over 95,000 square feet of existing coverage within the SS HRA, some of which is situated within an SEZ. The Conservancy will benefit from any exchange that ultimately results in the restoration and retirement of more than 22,450 square feet of land coverage (the amount on the subject property) for the same expenditure of funds. Any future land exchange will be subject to staff's review and recommendation to the Board for consideration at a future meeting.

Project Budget

The proposed acquisitions will cost \$437,500 plus typical title and escrow costs, and DGS transaction review costs for the land coverage parcel (see Project Implementation, below).

Project Implementation

If the Board approves the acquisition, staff will provide the landowners with a property acquisition agreement and related escrow documents. Once each acquisition agreement has the necessary State signatures, escrow will be opened and a warrant ordered for the purchase price. It should be noted that DGS has delegated its approval authority to the Conservancy for routine acquisitions that do not exceed \$150,000 per lot or parcel. Consequently, the land coverage parcel will require DGS review and approval. Upon satisfaction of all conditions, escrow will close and the proceeds of the sale will be sent to the sellers.

Project Evaluation

The landowners have indicated willingness to sell to the State, and staff is recommending purchase of these parcels. The proposed acquisitions substantially comply with adopted pre-acquisition criteria for environmentally sensitive lands and land coverage parcels (Attachments 4 and 5). In staff's opinion, title to the proposed acquisitions can be conveyed in an acceptable condition to the State. The Board previously authorized general expenditures for the indirect acquisition costs (i.e., appraisal, appraisal review, escrow services, title insurance, and closing costs) of these and other potential acquisitions.

Consistency with the Conservancy's Enabling Legislation

Implementation of this project is consistent with the Conservancy's enabling legislation. Specifically, Government Code section 66907 authorizes the Conservancy to "select and acquire real property or interests therein in the name of and on behalf of the State, for the purposes of protecting the natural environment, providing public access or public recreational facilities, preserving wildlife habitat areas, or providing access to or management of acquired lands".

Compliance with the California Environmental Quality Act (CEQA)

Pursuant to CEQA Guidelines (California Code of Regulations, Title 14, § 15000 et seq.), certain classes of activities are statutorily exempt from CEQA or are exempt because they have been determined by the Secretary for Natural Resources to have no significant effect on the environment. Pursuant to Public Resources Code section 21082, the Conservancy has also adopted regulations to implement, interpret, and make specific the provisions of CEQA (California Code of Regulations, Title 14, § 12100 et seq.). Staff has evaluated this project and has found it to be exempt under CEQA. This project qualifies for a categorical exemption under CEQA Guidelines, section 15325 (transfer of ownership in land in order to preserve open space, habitat, or historical resources). A Notice of Exemption (NOE) has been drafted for the project (Attachment 6). If the Board considers and concurs with the project, staff will file the NOE with the State Clearinghouse pursuant to CEQA Guidelines, section 15062.

List of Attachments:

- Attachment 1(a) – Location Map
- Attachment 1(b) – ESL Property, Placer County APN 083-110-003
- Attachment 1(c) – ESL Property, Placer County APN 112-171-006
- Attachment 1(d) – Land Coverage Property, El Dorado County APN 027-072-32
- Attachment 2 – Resolution 11-09-04
- Attachment 3 – Proposed Acquisitions
- Attachment 4 – Environmentally Sensitive Lands Acquisition Criteria
- Attachment 5 – Land Coverage Program Acquisition Criteria
- Attachment 6 – Notice of Exemption

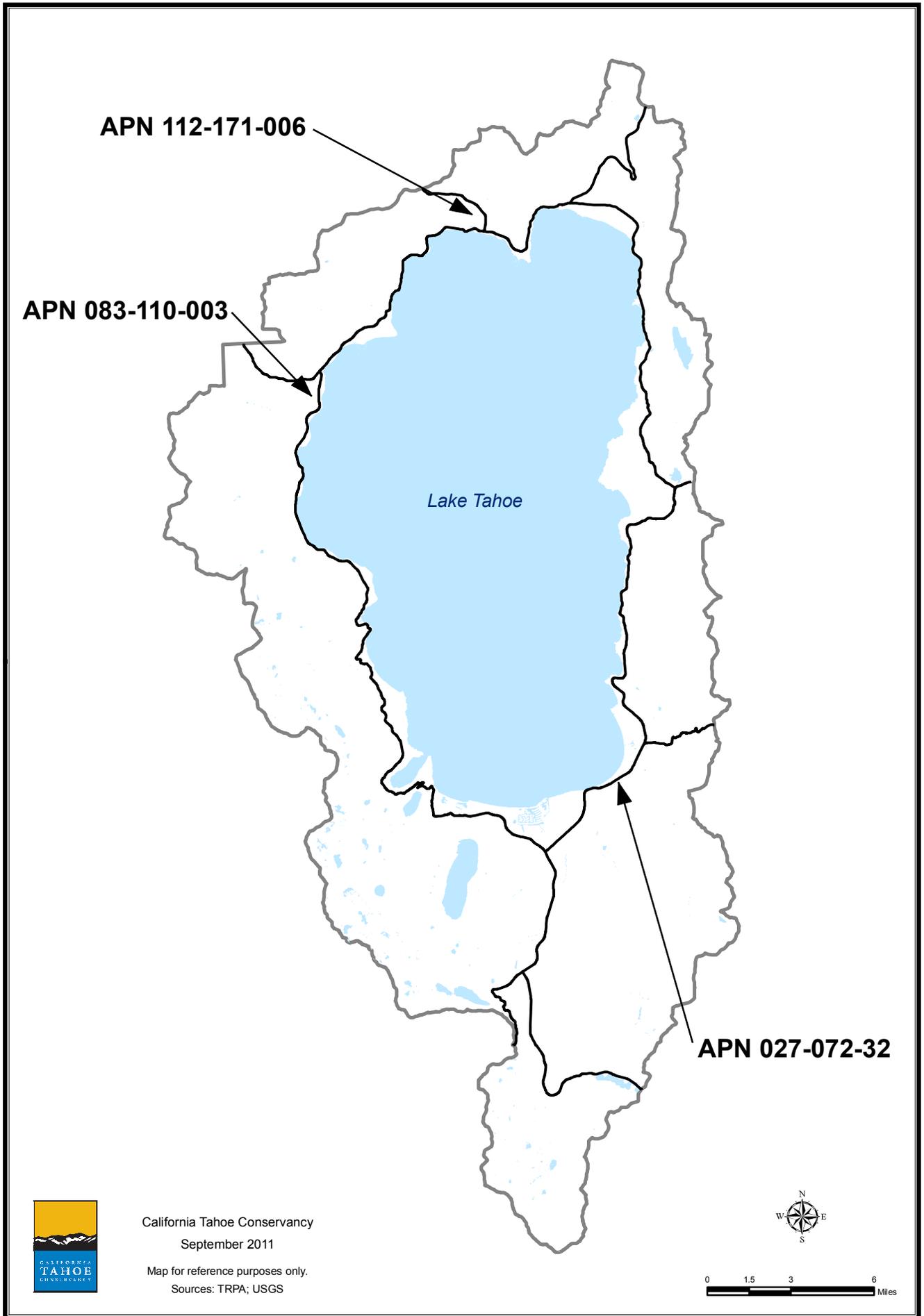
Conservancy Staff Contact:

Amy Cecchetti

(530) 543-6033

acecchetti@tahoe.ca.gov

ATTACHMENT 1(a)
ESL and Land Coverage Location Map



California Tahoe Conservancy

September 2011

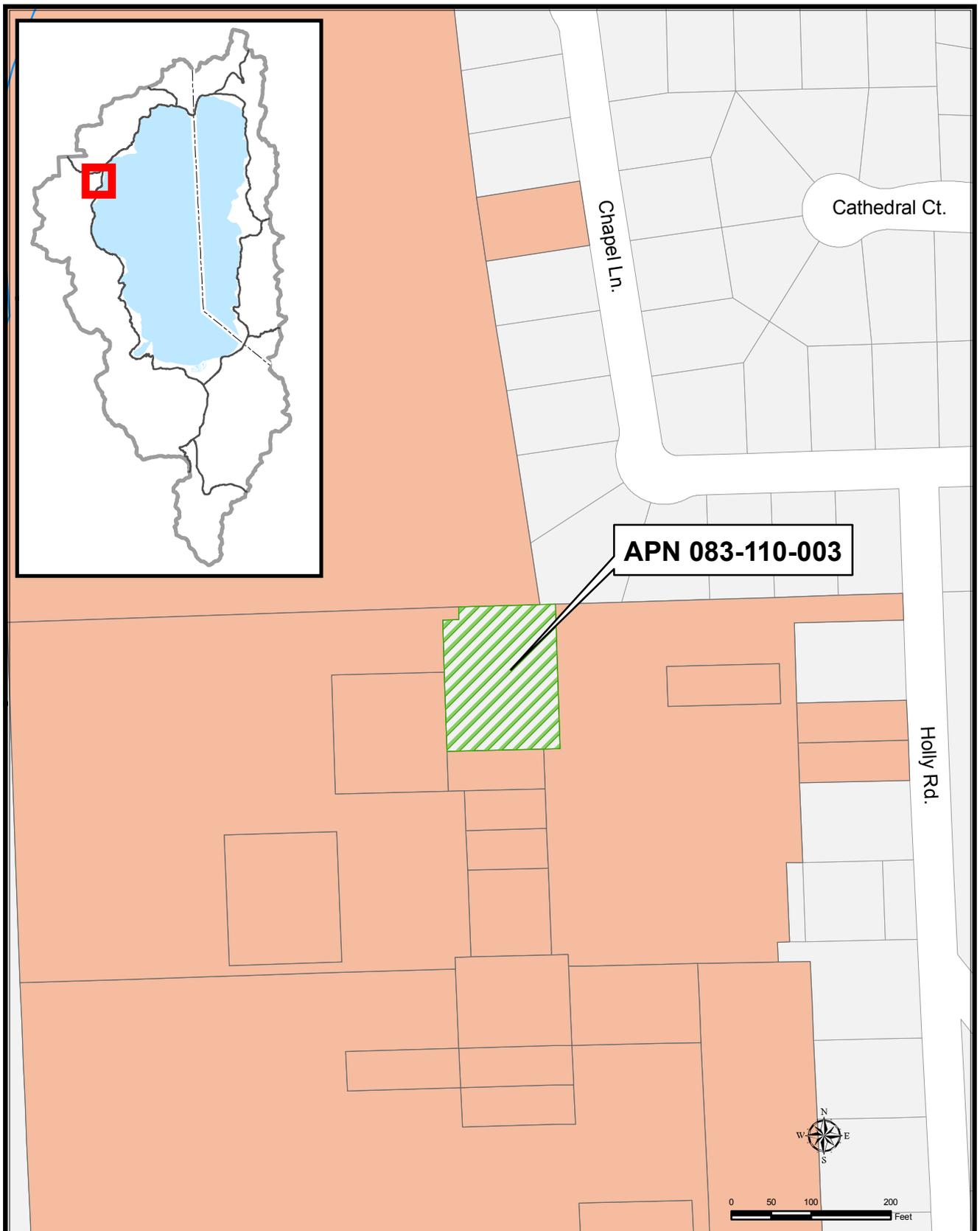
Map for reference purposes only.

Sources: TRPA; USGS



ATTACHMENT 1(b)

Location Map

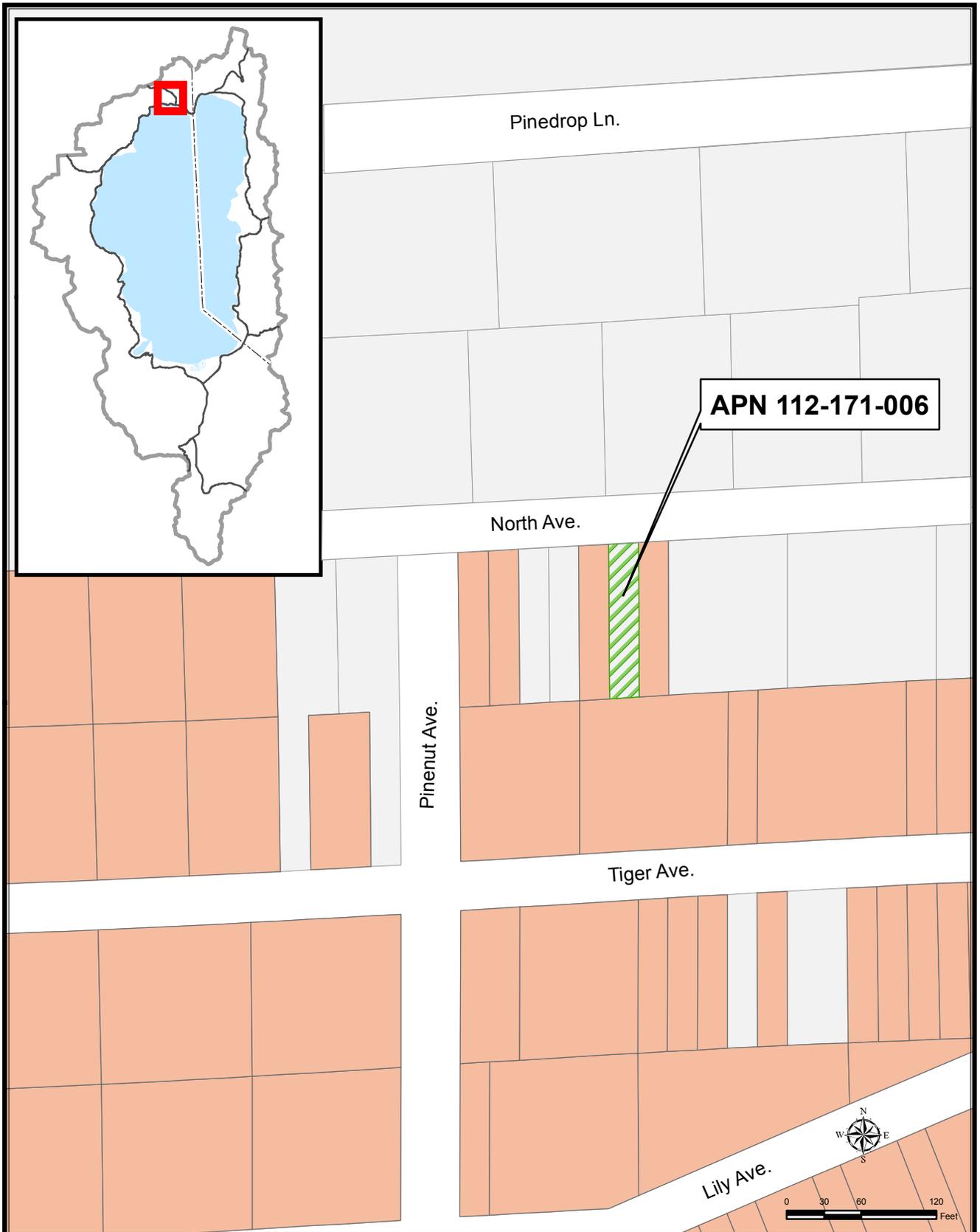


-  **ESL Parcel**
-  **Conservancy-owned Parcels**

California Tahoe Conservancy
September 2011
Map for reference purposes only.
Sources: TRPA; USGS; Placer County



**ATTACHMENT 1(c)
Location Map**

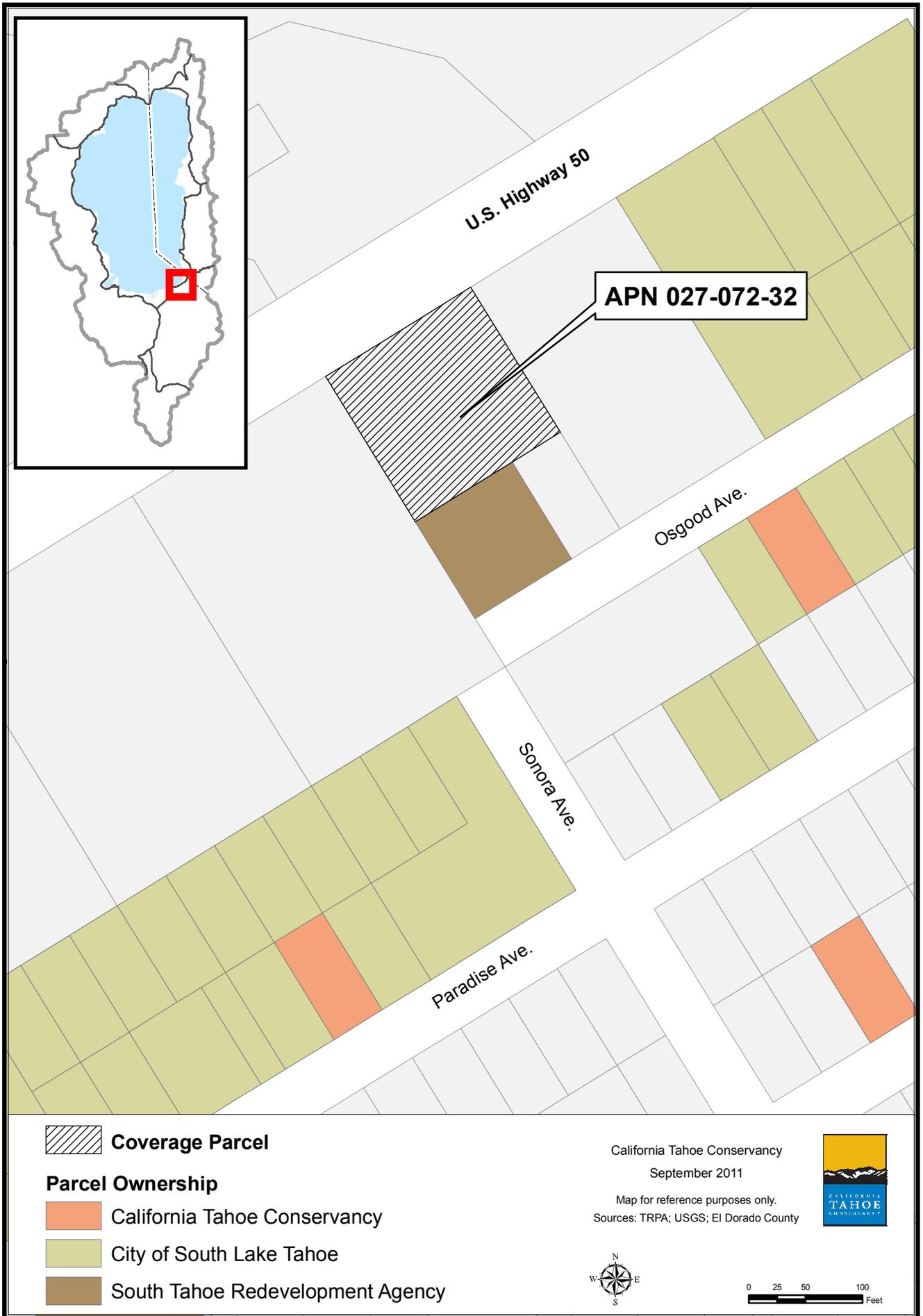


-  **ESL Parcel**
-  **Conservancy-owned Parcels**

California Tahoe Conservancy
September 2011
Map for reference purposes only.
Sources: TRPA; USGS; Placer County



**ATTACHMENT 1(d)
Location Map**



ATTACHMENT 2

California Tahoe Conservancy
Resolution
11-09-04
Adopted: September 15, 2011

ENVIRONMENTALLY SENSITIVE LANDS

Staff recommends the California Tahoe Conservancy make the following finding based on the accompanying staff report pursuant to Public Resources Code section 21000 et seq.:

“The California Tahoe Conservancy has evaluated the project and determined it to be categorically exempt from the California Environmental Quality Act (CEQA). The Conservancy hereby directs staff to file a Notice of Exemption for this project with the State Clearinghouse.”

Staff further recommends that the Conservancy adopt the following resolution pursuant to Government Code section 66907:

“The California Tahoe Conservancy hereby authorizes staff to expend up to \$437,500 and to take all other actions necessary to acquire fee or less-than-fee interest in three environmentally sensitive parcels or parcels necessary to protect the natural environment (El Dorado County Assessor Parcel Number 027-072-32 and Placer County Assessor Parcel Numbers 083-110-003 and 112-171-006).”

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 15th day of September 2011.

In WITNESS THEREOF, I have hereunto set my hand this 15th day of September 2011.

Patrick Wright
Executive Director

ATTACHMENT 3

Proposed Acquisitions September 15, 2011

EL DORADO COUNTY PARCEL

<i>Assessor Parcel Number</i>	<i>Subdivision</i>	<i>Category*</i>	<i>Special Conditions**</i>	<i>Acreage</i>	<i>Value</i>
027-072-32	Bijou Park	CP	None	0.52	\$375,000
Total number of proposed acquisitions in EL DORADO COUNTY					1
Total acreage for EL DORADO COUNTY					0.52
Total value for EL DORADO COUNTY					\$375,000

PLACER COUNTY PARCELS

<i>Assessor Parcel Number</i>	<i>Subdivision</i>	<i>Category*</i>	<i>Special Conditions**</i>	<i>Acreage</i>	<i>Value</i>
083-110-003	Mark Twain	SS	None	0.57	\$ 32,500
112-171-006	Woodvista	IP	None	0.07	\$ 30,000
Total number of proposed acquisitions in PLACER COUNTY					2
Total acreage for PLACER COUNTY					0.64
Total value for PLACER COUNTY					\$ 62,500
*** GRAND TOTAL PARCELS ***					3
*** GRAND TOTAL ACRES ***					1.16
*** GRAND TOTAL VALUE ***					\$437,500

Definitions:

- * Category:
 - CP Coverage Parcel
 - IP IPES confirmed by TRPA's inspection
 - MM Man Modified parcel
 - SEZ Stream Environment Zone parcel
 - SS Substandard Parcel

- ** Special Condition:
 - M Parcel with a management concern that the landowner is required to correct or remove prior to close of escrow. Examples include large accumulations of trash, stored vehicles, hazard trees, etc.

ATTACHMENT 4

ENVIRONMENTALLY SENSITIVE LANDS ACQUISITION CRITERIA

California Tahoe Conservancy Criteria for the Evaluation of Environmentally Sensitive Lots in the Lake Tahoe Basin for Possible Acquisition under the Tahoe Conservancy Act of 1984 and the Lake Tahoe Acquisitions Bond Act of 1982 (adopted April 19, 1985; April 18, 1986; May 21, 1987; July 22, 1988; September 23, 1988; February 17, 1989; and September 16, 2005).

The California Tahoe Conservancy has authorized staff to take steps and expend funds necessary to initiate landowner contacts and other pre-acquisition and assessment activities for up to 7,400 undeveloped parcels needed to protect the natural environment in all watersheds on the California side of the Tahoe Basin. Such lots shall be evaluated by staff for possible acquisition pursuant to the following criteria:

- a. the lot or parcel has not been designated or reserved for acquisition by the U.S. Forest Service under the Burton-Santini program;
- b. the landowner(s) has/have indicated a willingness to sell;
- c. the lot or parcel is confirmed to be environmentally sensitive or is needed to protect the natural environment;
- d. title to the lot or parcel can be conveyed in an acceptable condition;
- e. the physical condition of the property is acceptable;
- f. the lot or parcel can be conveyed free of property ownership fees;
- g. the lot or parcel is not subject to easements, rights-of-way, Covenants, Conditions and Restrictions, or other restrictions (excluding deed restrictions of sensitive lands) which render the acquisition unnecessary; and
- h. acquisition of the lot or parcel meets the resource objectives and requirements of the Tahoe Conservancy Act (Government Code section 66905 et seq.) and the Lake Tahoe Acquisitions Bond Act of 1982 (Government Code section 66950 et seq.).

Acquisition of eligible lots shall be subject to review and approval by the Conservancy Board and the allocation and availability of funds for this program.

ATTACHMENT 5

LAND COVERAGE PROGRAM ACQUISITION CRITERIA

California Tahoe Conservancy Criteria for the Evaluation of Parcels Containing Existing and Potential Coverage to Meet Coverage Needs in Six Hydrologically Related Areas on the California Side of the Lake Tahoe Basin (adopted October 23, 1987).

The California Tahoe Conservancy has authorized staff to take steps and expend funds to initiate a land coverage program for lots or parcels which are needed to meet coverage and restoration needs in all six hydrologically related areas on the California side of the Tahoe Basin. Such lots or parcels shall be evaluated by staff for possible acquisition provided the parcels substantially conform to the following criteria:

- a. the property contains hard, soft or potential land coverage which meet program criteria;
- b. the landowner(s) has/have indicated a willingness to sell;
- c. title to the lot or parcel can be conveyed in an acceptable condition;
- d. the physical condition of the property is acceptable;
- e. the lot or parcel can be conveyed free of property ownership fees; and
- f. the lot or parcel, if unimproved, is not subject to easements, rights-of-way, Covenants, Conditions and Restrictions, or other restrictions which would prohibit the placement of coverage on site and thus render the acquisition unnecessary; and

Acquisition of eligible lots shall be subject to review and approval by the Conservancy Board and the allocation and availability of funds for this program.

ATTACHMENT 6

NOTICE OF EXEMPTION

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

Project Title:

Acquisition of three vacant parcels under the Conservancy's Environmentally Sensitive Lands and Land Coverage Acquisition Programs.

Project Location – Specific:

El Dorado County APN 027-072-32 and Placer County APNs 083-110-003 & 112-171-006

Project Location – City:

South Lake Tahoe (1 parcel)

Project Location – County:

El Dorado (1 parcel) and Placer (2 parcels)

Description of Nature, Purpose, and Beneficiaries of Project:

Purchase of fee interest in three parcels as part of the California Tahoe Conservancy's Environmentally Sensitive Lands and Land Coverage Acquisition Programs.

Name of Public Agency Approving Project:

California Tahoe Conservancy (Conservancy meeting of 9/15/2011) (Agenda Item9)

Name of Person or Agency Carrying Out Project:

California Tahoe Conservancy

Exempt Status:

- Ministerial (§ 21080 (b)(1); § 15268)
- Declared Emergency (§ 21080 (b)(3); § 15269 (a))
- Emergency Project (§ 21080 (b)(4); § 15269 (b)(c))
- X Categorical Exemption. Title 14, Chapter 3, Article 19, § 15325, Class 25.

Reasons Why Project is Exempt:

Action involves the acquisition of environmentally sensitive land and land necessary to protect the natural environment by the Conservancy for the purpose of preserving open space in the Lake Tahoe Basin.

Contact Person:

Amy Cecchetti

Telephone Number:

(530) 543-6033

Date Received for Filing:

Patrick Wright
Executive Director