

**ANNUAL AUTHORIZATION OF LAND BANK ACTIVITIES
AND ALLOCATIONS OF COVERAGE AND OTHER MARKETABLE RIGHTS**

Summary: Staff recommends: (1) approval of allocations of land coverage rights for mitigation projects, public service projects, open-market transactions, and other marketable rights in 2012; (2) adoption of the Negative Declaration and Addendum and approval of the assignment of restoration credit to Caltrans' Tahoe City Sand House Project to meet Tahoe Regional Planning Agency permitting requirements; and (3) adoption of a Land Bank Transaction Fee Schedule.

Location: Throughout the six hydrologic transfer areas located on the California side of the Lake Tahoe Basin (Attachment 1).

Fiscal Summary: No expenditure of funds proposed under this recommendation.

Recommended Action: Adopt Resolution 12-06-03 (Attachment 2).

Background

Land Coverage in the Lake Tahoe Basin

Allocation of land coverage is one of the primary tools in meeting resource-related objectives within the Lake Tahoe Basin (Basin). Coverage refers to an existing or potential development's footprint on the natural surface of the ground that prevents water from percolating from the surface into the ground. The existence of coverage prevents the natural filtering function of the soil and the take-up of nutrients by vegetation. Additionally, the existence of coverage increases the volume and velocity of runoff, which accelerates erosion and the transport of sediment to the Lake.

Placement of coverage is strictly regulated in the Basin. Pursuant to the Tahoe Regional Planning Agency's (TRPA) 1987 Regional Plan and other regulatory requirements, the amount of coverage that can be placed on a parcel is limited, based on a number of

considerations, including the tendency of the land to erode.

The Regional Plan features two key elements dealing with coverage. The first of these elements, excess coverage mitigation, requires a permit applicant applying for any development in the Basin to mitigate at least a portion of the excess coverage that may exist on the particular land in question. Excess coverage pertains to property that is already covered (with structures, pavement, etc.) beyond the amount allowed under the Regional Plan.

Applicants may perform such mitigation by: (1) retiring (eliminating) existing coverage (structures, pavement, etc., which already exist on the land); (2) retiring coverage from other parcels; or (3) paying a mitigation fee into a special fund held by TRPA. Monies paid into the special fund are assigned by TRPA to a designated Land Bank, which carries out the mitigation by retiring coverage and/or restoring land as part of an organized program. There are two state-sponsored Land Banks in the Basin: one in California and one in Nevada.

The second element allows permit applicants to enlarge coverage area up to a specific limit by transferring coverage rights to the site, or the receiving parcel, from one or more eligible sending parcels in the same hydrologically-related area (HRA). Permit applicants can satisfy this requirement by acquiring the required coverage rights on the open market or by acquiring these coverage rights from a Land Bank.

The Regional Plan divides the Basin into nine HRAs. Six of the nine HRAs are located in whole or in part in California (Attachment 1). In order to mitigate for excess coverage mitigation or a transfer of coverage, as discussed above, the receiving parcel must be in the same HRA as the sending parcel. When the Regional Plan was adopted in 1987, it was believed that limiting coverage transfers on a narrowly-defined watershed basis would be too restrictive, and therefore HRAs were chosen to represent groupings of several watersheds.

The Conservancy's Land Bank

Since 1987, the Conservancy has operated the Land Bank on the California side of the Basin under its Land Bank Program, governed by a Memorandum of Understanding (MOU) with TRPA. The Program is designed to assist in implementation of the Regional Plan provisions for mitigation and transfer of ground coverage by:

- 1) Assisting TRPA in its efforts to limit the total ground coverage within the Basin, offsetting the effects of existing ground coverage which exceed current

- standards, and redirecting the pool of unused coverage rights toward less-sensitive parcels;
- 2) Assisting permit applicants on the California side of the Basin with meeting TRPA permit requirements with respect to coverage; and
 - 3) Complementing and supporting the Conservancy's efforts in the protection and restoration of lands for resource purposes and objectives.

The MOU provides, among other things, that the Conservancy will facilitate excess coverage mitigation on the California side of the Basin using the mitigation fees collected by TRPA.

Two other sets of actions involving various marketable land rights in the Basin have also been incorporated into the Program. The first involves restoration credits. The Land Bank has generated an inventory of these restoration credits through the restoration of land disturbance or land coverage situated on environmentally sensitive lands. Very little development may occur on designated sensitive lands, classified according to a system called the Bailey Land Class system. These sensitive lands include Stream Environment Zones (SEZs), which include wetlands. New coverage is only permitted in SEZs or on Bailey Class 1, 2, and 3 areas (typically characterized by steeper slopes and more erodible soils), provided TRPA can make special findings related to health and safety, access, or the need for a public facility. The limitations for such projects are exemplified by the fact that the Land Bank has assisted only 73 restoration credit projects over the life of the program, an average of three projects per year. If TRPA determines such coverage is permissible, mitigation coverage must be provided from a similar class of land, at a rate of 1.5 square feet of restored sensitive ground for every new square foot of land coverage created. If TRPA determines coverage is permissible in an SEZ area, the coverage must be mitigated with restoration credits originating from SEZ areas that have been successfully restored. If TRPA determines coverage is permissible in a Bailey Class 1, 2, or 3 area, the coverage must be mitigated with restoration credits originating from a Bailey Class 1, 2, or 3 area, respectively.

The second action involves other marketable rights. Other marketable rights are marketable commodities within the Program's inventory which do not qualify as land coverage rights or restoration credits. Such rights are more directly related to the Basin's development potential and TRPA's growth management objectives than land coverage and restoration credit, and are therefore more aggressively managed by TRPA through periodic allocation or release of these entitlements.

The Land Bank's other marketable rights are generally defined by their land use category. Under the residential use category, there are residential development rights, residential allocations, and existing residential units of use (ERUUs). Under the commercial use category is commercial floor area (CFA), and under the tourist use category are tourist accommodation units (TAUs), commonly known as motel units. The Land Bank has also periodically sold and transferred sewer units from its inventory. These units are a measure of sewer capacity, and in this case, the transferred units provided the buyers with hook-up rights to the South Tahoe Public Utility District's sewer system. In addition to land coverage, the Board has periodically allocated a number of these other marketable rights for private projects, commonly referred to as open market sales.

Over the past 25 years, the Program has largely been successful in achieving its objectives. Table I below summarizes the Program's project activity to date, both in terms of projects assisted and the number of rights provided.

Table I
Conservancy Land Bank Cumulative Totals
Projects Facilitated through December 31, 2011

| Project Category | | Number of Projects Served | Coverage Provided (Sq. ft.) | Units Provided (Units) | Revenues (\$) | |
|--------------------------------|--|---------------------------|---|---------------------------------|-------------------------------|---------------------|
| Land Coverage Related | TRPA Excess Coverage Mitigation* (Fiscal Year) | 5,604 | 1,183,491 | - | 7,576,371 | |
| | Open Market Transfers | 982 | 719,192 | - | 4,828,878 | |
| | Public Service Transfers: | | | | | |
| | -Sales | 30 | 65,620 | - | 376,457 | |
| | -Exchange or Grant | 16 | 248,889 | - | 0 | |
| | Restoration Credit | 73 | 175,601 | - | 356,034 | |
| | Sub Totals: | 6,705 | 2,392,793 | - | \$13,137,740 | |
| | Other Marketable Rights | Other Marketable Rights: | Projects | Units Provided (Sq. ft.) | Units Provided (Units) | Revenue (\$) |
| | | Commercial Floor Area | 8 | 8,151 | - | 278,912 |
| Tourist Units | | 2 | - | 16 | 30,300 | |
| Sewer Units | | 12 | - | 29 | 77,925 | |
| Residential Development Rights | | 78 | - | 128 | 254,650 | |
| Existing Residential Units | | 4 | - | 4 | 241,300 | |
| TOTALS: | | 6,809 Projects | Coverage: 2,392,793 sq. ft. CFA: 8,151 sq. ft. | 177 Units | \$14,020,827 | |

*The number reported for TRPA Excess Coverage Mitigation represents the total fees collected by TRPA over the life of the Program. The Land Bank has provided mitigation for approximately 82% of the coverage mitigation needs represented by these projects and their related fee amounts.

As reported to the Board since 2008, certain market, economic, and regulatory trends threaten to limit the ability of the Land Coverage Program to achieve its objectives. Most significantly, since 2000, the Conservancy had difficulty acquiring new coverage for the Program. This is due to conditions in the real estate market. Accordingly, in recent years, the Program has had to rely less on traditional Land Bank acquisitions for new inventory and more on coverage rights from other Conservancy acquisitions. This change has led to a depleted coverage inventory.

Excess Coverage Mitigation

The Conservancy's obligation to retire coverage under the excess coverage mitigation (ECM) requirements remains problematic. Table II below documents the Program's insufficient supply of coverage to meet ECM obligations. As of December 2012, the Program will be unable to mitigate 176,184 square feet of the total mitigation needs in California as reported by TRPA. This deficit represents approximately 16% of the Land Bank's total obligation (1.1 million square feet) for ECM. It should be noted the Conservancy's recent acquisition of the former drive-in movie theater property pursuant to the Board's March 2012 approved Land Transfer with the City of South Lake Tahoe will allow for the restoration of 76,564 square feet of hard coverage later this year. This restoration will be used to meet ECM needs in the South Stateline HRA. Without this recent purchase and the anticipated restoration, the Conservancy's debt would be nearly 253,000 square feet.

If the Conservancy continues to face difficulties in replenishing the Program's coverage inventory, the Program's effectiveness will be greatly threatened.

| Table II Conservancy / TRPA MOU Deficits For Excess Coverage Mitigation (Projected as of December 31, 2012) | | | | |
|---|------------------------------|-------------------------|-------------------------|-----------------|
| Hydrologic Area | Potential Coverage (Sq. Ft.) | Soft Coverage (Sq. Ft.) | Hard Coverage (Sq. Ft.) | Total (Sq. Ft.) |
| <i>South Stateline</i> | 0 | 0 | -87,992 | -87,992 |
| <i>Upper Truckee</i> | 0 | 0 | 0 | 0 |
| <i>Emerald Bay</i> | -42,153 | 0 | 0 | -42,153 |
| <i>McKinney Bay</i> | -3,726 | 0 | -7,870 | -11,596 |
| <i>Tahoe City</i> | 0 | 0 | -1,972 | -1,972 |
| <i>Agate Bay</i> | 0 | 0 | -32,471 | -32,471 |
| TOTALS: | -45,879 | 0 | -130,305 | -176,184 |

Restoration Credit for Sensitive Lands

The Conservancy's primary source of restoration credits originates from numerous Environmentally Sensitive Lands (ESL) acquired under the Conservancy's ESL Program, SEZ Program, and Public Access and Recreation Program, and from litigation settlement acquisitions.

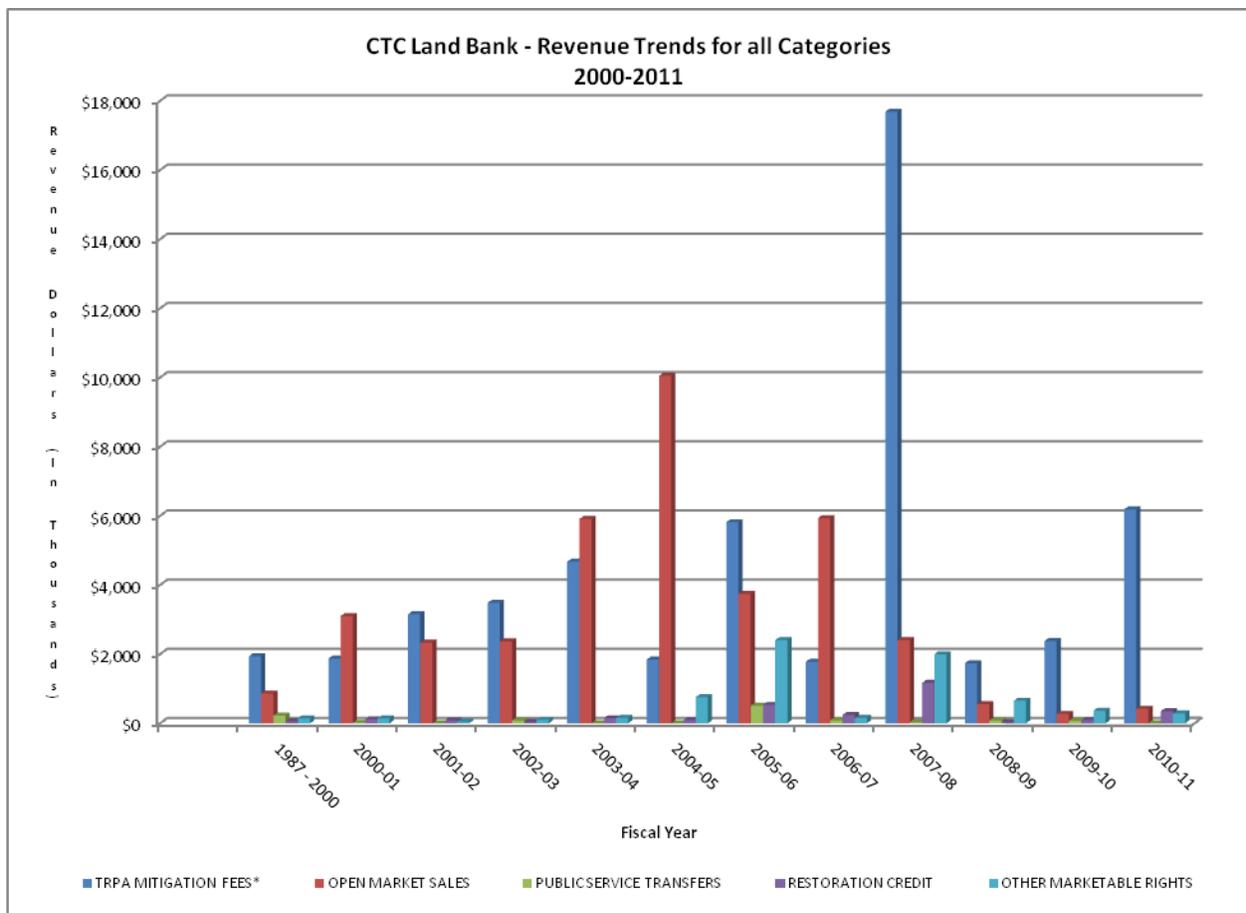
The Conservancy has provided over 175,000 square feet of restored mitigation credit from sensitive land areas to assist 73 projects. The majority of this restored sensitive land credit was applied toward TRPA permit requirements for bike trails, Caltrans projects, and public utility projects. The Land Bank program has allowed these important projects to move forward, resulting in an environmental gain in restored sensitive land areas.

The Program's current allocation of restoration credits, which are needed for public service and Conservancy-sponsored projects, have been sold or are reserved for specific projects. There is 19,000 square feet of restoration credit available from the Program's

unallocated inventory. By comparison, the annual average demand is approximately 8,200 square feet, but is expected to exceed this average in 2012 – 13. Staff is requesting allocation of 19,000 square feet to meet projected demand.

The Conservancy controls over 200,000 square feet of SEZ coverage in need of restoration. Once restored, the Conservancy may need a significant amount of this inventory to mitigate future Conservancy-funded recreation projects or other Conservancy mitigation obligations.

Program revenues have annually been recycled into the Conservancy’s Land Management and SEZ Restoration Programs to support the ongoing retirement and restoration of coverage. Reflecting the overall economic downturn, Land Bank Program activities during 2009 and 2010 were the lowest they had been in the past ten years. The following bar graph reveals that the annual revenue of all categories in 2011, except Public Service Projects and Other Marketable Rights, has started to rebound.



Land Bank Acquisition Priorities

As approved by the Board in September 2011, staff has prepared a budget request seeking \$3,440,000 in Land Bank revenues for inclusion in the Conservancy's proposed Fiscal Year 2012-2013 budget. These funds would be used for land acquisition and property restoration purposes, in support of the Land Bank and other Conservancy programs. As shown in Table II on page 7, the acquisition of additional land coverage rights in all but the Upper Truckee HRAs is important for the Land Bank to meet its excess coverage mitigation obligations pursuant to its Memorandum of Understanding with TRPA. Additional inventory within some HRAs is also desirable to meet Conservancy and other public service project needs in the future. Finally, it is desirable for the Conservancy to acquire a supply of land coverage to sell to private projects where sale revenues can assist the Conservancy with meeting Land Coverage and other program objectives. Upon inclusion in the Conservancy's Fiscal Year 2012-13 budget, staff will resume pre-acquisition activities pursuant to existing Program guidelines. As required, the Conservancy will schedule individual acquisition projects for Board review prior to close of escrow.

Land Coverage and Marketable Rights Study and TRPA Regional Plan Update

In May 2010, the Board authorized staff to initiate a Land Coverage and Marketable Rights Study to assist staff in evaluating the future of the Conservancy Land Bank, in conjunction with TRPA's Regional Plan Update (Update). A local consulting firm, Environmental Incentives, Inc. (Consultant), was selected for this work.

The Consultant anticipates publishing the final report by the end of this month, including findings and specific policy recommendations, after nearly two years of comprehensive inventory and analysis. Two broad stakeholder meetings were held to help identify the most important policy changes. Delays with the Update allowed many of the Consultant's recommendations to be incorporated into Alternative 3 of the Update. The most significant recommendations that are included among the Update Alternatives are:

1. Increase flexibility to effectively invest excess coverage mitigation (ECM) fees by removing the hydrologically related area (HRA) restriction.
2. Restrict the use of future ECM fees to the acquisition and restoration of existing land coverage. TRPA's preferred alternative #3 restricts the fees to land capability classes 1 and 2, which includes SEZs and very steep slopes. Potential, or unused, land coverage would no longer be permitted to be acquired and retired for ECM purposes.

3. Use a map and criteria to identify parcels that do not require land capability verifications.
4. Raise the maximum allowable coverage permitted to 70% for commercial facilities and mixed-use facilities on parcels with existing development situated on high capability lands (Class 4 through 7) within community plans or town centers.
5. Allow a 1:1 coverage transfer ratio for coverage from sensitive lands to town centers up to the maximum allowed.
6. Allow restored soft coverage from sensitive lands to be transferred from commercial development in town centers (the Update proposes only from SEZs).
7. Reduce coverage required for decks and pervious surfaces.
8. Restoration requirements associated with new coverage on SEZ or sensitive land increases the cost of public benefit projects (the Update proposes that non-motorized public trails be exempt from land coverage provisions under specified criteria).

Participating as one of many stakeholders in TRPA's Update in 2010, Conservancy staff provided comments to TRPA on elements of the Regional Plan that affect the Land Bank and other Conservancy programs.

Staff commented on the use of excess coverage mitigation fees. As described above, the Program's primary contractual obligation under its MOU with TRPA involves the requirements governing use of fees. Currently, the Conservancy must use fees to purchase, restore, and/or retire either potential (available but unused) or existing coverage (impervious covering of the ground [hard coverage] or compacted soil [soft coverage]) in a specified ratio based upon the project that elects to pay the fee. TRPA is proposing a fundamental shift that would require the Conservancy to use fees to acquire, restore, and retire only existing coverage. Staff supports this fundamental shift, as it will provide greater environmental benefit through the restoration of existing coverage as mitigation for excess coverage created before 1972. Staff further suggested that TRPA consider restricting the use of ECM fees to the acquisition, restoration, and retirement of existing coverage within SEZs, because restored SEZs provide the greatest environmental benefit. One of the Update's alternatives encourages the use of ECM fees for this purpose.

Additionally, while staff supports the shift to require restoration and retirement of existing land coverage with fees, staff remains concerned that TRPA's alternatives do not go far enough to establish an economically-sustainable fee program. Under current conditions, most of these funds needed to acquire, restore, and retire existing hard coverage are set using a formula that estimates existing coverage restoration at a cost of

\$8.50 per square foot. However, the current estimated cost to acquire, restore, and retire existing coverage can be two to fifteen times higher than the fee paid. Furthermore, the current market's dearth of available properties for acquisition and restoration and the deficit of over 176,000 square feet of land coverage for excessive coverage mitigation challenge the efficacy of the program.

Unless the Update eliminates the current coverage retired per dollar collected formula and allows Land Banks to use best efforts to acquire and retire as much coverage as possible with fees, staff believes the Program may not be economically viable. Therefore, staff has informed TRPA that the Conservancy may not be prepared to continue as the California Land Bank unless the ECM fee program undergoes significant modification. Staff believes the Program modifications, including the elimination of HRA restrictions in conjunction with the ability to use fees to acquire and restore as much SEZ or Class 1 or 2 land coverage as possible, are a positive step towards making the Program economically sustainable in the future.

Annual Conservancy Allocations of Marketable Rights

Since 1991, the Board has annually authorized allocations of land coverage and other marketable rights. Program Guidelines adopted by the Board have delegated authority to staff to make limited allocation and sale decisions throughout the year.

The Conservancy's land coverage has been allocated in each of the HRAs to meet excess coverage mitigation and transfer needs (e.g. public service projects such as bicycle trails and public utility projects, and private sector projects such as residential and commercial development). Such needs include the projected demand of both the public and private sectors, as gauged through informal surveys and other communications with public agencies and realtors.

The present action recommends that, where available, the annual allocation of coverage rights be distributed among several project categories, including (1) excess coverage mitigation, (2) public service projects, and (3) open market transfers. The recommended allocations, in square feet, are based on staff's estimates of the demand in each category for 2012. In cases of shortage, excess coverage mitigation will be given preference.

Staff is recommending allocation of potential coverage rights in five of the six HRAs. Due to continued inventory shortages in the Emerald Bay, Tahoe City and Agate Bay HRAs, there is no coverage available to allocate for certain public and private sector

projects in these three HRAs (e.g. potential coverage in Emerald Bay or hard coverage for commercial projects in Tahoe City and Agate Bay).

Previous allocations to the public service category are reserved for at least five future public projects located in four different HRAs. Examples of these future projects include: Lakeside Bike Trail, Liberty Energy, California Department of Transportation, and the California Department of Boating and Waterways.

The recommended allocations in each HRA are summarized in Table III as follows:

| Table III | | | | |
|---|-------------------------------------|--------------------------------|--------------------------------|------------------------|
| Recommended Land Coverage Allocations for 2012 | | | | |
| Hydrologic Area | Potential Coverage (Sq. ft.) | Soft Coverage (Sq. ft.) | Hard Coverage (Sq. ft.) | Total (Sq. ft.) |
| <i>South Stateline</i> | 61,406 | 0 | 0 | 61,406 |
| <i>Upper Truckee</i> | 123,938 | 0 | 1,646 | 125,584 |
| <i>Emerald Bay</i> | 0 | 0 | 0 | 0 |
| <i>McKinney Bay</i> | 3,730 | 0 | 0 | 3,730 |
| <i>Tahoe City</i> | 3,280 | 0 | 0 | 3,280 |
| <i>Agate Bay</i> | 12,280 | 0 | 0 | 12,280 |
| TOTALS: | 204,634 | 0 | 1,646 | 206,280 |

The Allocation Tables attached to this report (Tables 1-9) provide greater detail regarding these recommended allocations. The very large quantities in the South Stateline and Upper Truckee HRAs reflect the Board’s reservation of 60,000 square feet of potential coverage in the South Stateline HRA and 50,000 square feet of potential coverage in the Upper Truckee HRA for the City of South Lake Tahoe for public service improvements within the City consistent with Conservancy program objectives. Within the South Stateline HRA, the City envisions the need for future public improvements such as campground renovation and bicycle trail and water quality improvements within the 56-acre El Dorado County-owned lands along Lake Tahoe Boulevard (Lakeview Commons).

Allocation of Restoration Credit

All previously allocated restoration credits, which are needed for public service and Conservancy-sponsored projects, have been sold or are reserved for specific projects. On average, the annual demand for restoration credits is approximately 8,200 square feet. Based upon the expression of interest for restoration credits during the next year from several project proponents, staff is recommending allocation of the remaining 19,000 square feet of the Conservancy's inventory.

| Table IV | | | | |
|---|-------------------------------|---|---|--|
| Inventory and Recommended Restoration Credit Allocations | | | | |
| (In square feet) | | | | |
| Total Estimated Inventory | Total Allocated Amount | Allocated Amount Committed to Buyers | Remaining Inventory Available for Allocation | Recommended Allocation for 2012 |
| 235,320 | 216,320 | 216,320 | 19,000 | 19,000 |

Allocation of Other Marketable Rights

For 2012, staff is recommending allocation of four residential development rights in Placer County from the Land Bank to meet estimated demand for future projects. This action will result in a total of ten rights available for the upcoming building season in Placer County. Demand for these rights usually originates from residential developers building a multi-family residence or a secondary residence.

Due to the depressed economy, there continues to be very little demand for CFA or ERRUs. Commercial and residential building projects requiring these rights are generally on hold or cancelled; therefore staff believes that previous allocations should be sufficient to meet project needs in 2012. In both El Dorado and Placer Counties, market activity for such rights is likely to remain limited. Details regarding the Land Bank's inventory and sales activity for most of these other marketable rights can be viewed in Table 10, attached to this report.

Fee Schedule

Staff is recommending adoption of a fee schedule for land coverage and marketable rights transactions completed through the Land Bank to offset the staffing and administrative costs associated with operating the Land Bank. The fee schedule is

consistent with the Conservancy's Draft Strategic Plan which seeks to identify and implement appropriate revenue sources to assist with day-to-day Conservancy operations. The proposed fee schedule reflects the Conservancy's need to cover the actual cost of processing transactions in an efficient manner and maintain excellent customer service. The proposed fee collections will not raise revenues in excess of the cost of such services. The Fees will be reviewed annually. Staff will recommend cost adjustments as warranted. For projects with environmental documents requiring Conservancy Board approval, a fee will be charged for staff review of the environmental document and preparation of an addendum (if necessary), the staff recommendation, and related materials for Board review.

The proposed fee schedule is summarized as follows:

1. Land coverage transactions exempt from the California Environmental Quality Act (CEQA) will be charged a \$350 administrative fee.
2. Marketable rights transactions exempt from CEQA, such as a residential development right (RDR), existing residential unit of use (ERUU), or commercial floor area (CFA), will be charged \$800.
3. Coverage or marketable rights transactions requiring approval by the Board and adoption of an environmental document pursuant to CEQA will be charged a fee of \$2,500 in addition to the fee outlined above.

Reverse Auction

As described earlier in Table I on page 5, the Conservancy has provided nearly 2.4 million square feet of land coverage for ECM, public service, and private market transfers during the past 25 years. And as noted earlier, acquiring sufficient quantities of land coverage to meet all land bank functions in the six HRAs has proven more difficult during the past dozen years. As a result, the Conservancy's Land Bank is currently unable to completely meet its ECM obligations and the Land Bank is now unable to meet all public service and private market demand in some HRAs.

Staff is evaluating ways to more effectively acquire land coverage from eligible properties for inclusion within the Land Bank consistent with Board-adopted acquisition criteria. These criteria can be summarized as follows:

1. The property contains hard, soft, or potential land coverage which meet program needs;
2. The landowner(s) have indicated a willingness to sell;
3. Title to the lot or parcel can be conveyed in acceptable condition;
4. Undeveloped lands must meet one or more of the following:

- a. Have an Individual Parcel Evaluation Score (IPES) > 725 but < 776 points;
 - b. Have some stream environment zone (SEZ) present;
 - c. Buffer or border a SEZ or require installation of utilities through SEZ; or
 - d. Have slopes > 24%.
5. Improved parcels with derelict structures, existing pavement or foundations.

Typically, the Conservancy acquires full fee title to land and its associated rights, including coverage rights. Occasionally, the Conservancy acquires land coverage rights through the purchase of a conservation easement without the burden of land ownership. In addition, land coverage rights have been acquired through either an exchange of land or an exchange of land coverage rights (as a form of in-lieu payment for land coverage rights the Conservancy provided in a different HRA). The recently completed City land exchange assisted the Conservancy with partially addressing the Land Bank's obligation to provide adequate excess coverage mitigation prescribed in TRPA's Regional Plan through the acquisition, restoration, and retirement of land coverage in the South Stateline HRA. The City land exchange also resulted in the Land Bank's acquisition of a modest quantity of low-capability potential land coverage in the Upper Truckee HRA. This potential land coverage can be sold for approximately \$25 per square foot in today's market.

The Consultant's Land Coverage and Marketable Rights Study recommends the California and Nevada Land Banks consider using a Reverse Auction process to stimulate landowner interest and to create a market mechanism to acquire land coverage rights at the most favorable price. A Reverse Auction is a public auction held to acquire rights, with or without an interest in real property, from the lowest bidder. Staff intends to work with the Consultant to establish a Reverse Auction process to assist with future land coverage purchases. As with all land and coverage acquisitions, staff will bring specific recommended purchases to the Board at future meetings.

ALLOCATION AND ASSIGNMENT OF RIGHTS TO THE CALTRANS TAHOE CITY SAND HOUSE PROJECT AND ADOPTION OF NEGATIVE DECLARATION

As part of this report, staff is recommending adoption of the Negative Declaration and approval of the assignment of restoration credit to the California Department of Transportation (Caltrans) Tahoe City Sand House Project (Sand House Project) to meet TRPA permitting requirements. The Conservancy's action will support implementation of a building improvement project near Tahoe City in Placer County.

Background

Caltrans and the Federal Highway Administration (FHWA) propose to reconstruct the existing sand storage building at their Tahoe City Maintenance Station. This facility existed prior to 1972. The TRPA permit for this project requires the mitigation of 1,040 square feet of excess land coverage on the project area. In order to comply with the TRPA permit, Caltrans is requesting to transfer 1,040 square feet of restoration credit from the Conservancy Land Bank to this project.

Project Description

Staff is recommending the Conservancy provide low-capability restoration credit in support of the Sand House Project, located south of Tahoe City adjacent to the Lower Truckee River on State Route 89 in Placer County, at post mile 8.9, as described more particularly below.

TRPA guidelines provide a variety of measures to mitigate coverage associated with water quality projects. The TRPA permit states that either restoration credit or potential coverage rights may be removed on-site or purchased from another property located within the Tahoe City HRA in order to meet ECM requirements for this project. Staff proposes to transfer restoration credit from the Conservancy's Villas at Lake Forest parcel(s), located in the Tahoe City HRA.

Staff is recommending allocation and assignment of up to 1,040 square feet of SEZ restoration credit from the available inventory. This amount is included in the annual allocation of restoration credit in this staff recommendation. Board action is requested to assist Caltrans in meeting project deadlines.

Project Evaluation

Staff is recommending approval because allocation, assignment, and transfer of the rights are consistent with the land coverage program objectives to facilitate implementation of a public project that meets resource objectives in a timely manner. In addition, the Conservancy is obligated to provide this restoration credit pursuant to an agreement that transferred Caltrans' former U.S. Highway 50 (Freeway) Right-of-Way (ROW) between Meyers and Stateline and its associated coverage to the Conservancy in 2000. In return for the ROW land and coverage, the Conservancy agreed to provide up to 583,000 square feet of transferable land coverage, mitigation, or restoration credit over a 25-year period. Over the past 11 years, the Conservancy has provided Caltrans

with 104,087 square feet of land coverage and/or restoration credit. Provision of up to 1,040 square feet of restoration credit for this project would be the Conservancy's eighth payment toward this obligation, bringing the total provided to 105,127 square feet.

Consistency with California Environmental Quality Act (CEQA)

Caltrans, acting as the Lead Agency, prepared an Initial Study (IS) and Negative Declaration (ND) for the Sand House Project to comply with CEQA. Caltrans approved the ND on November 8, 2011, and a Notice of Determination (NOD) was filed on November 28, 2011.

On April 30, 2012, the Conservancy prepared an Addendum to the ND to comply with CEQA. Since completion of the ND, the issued TRPA permit shows that 1,040 square feet of ECM is required. Although this information is not included in the ND, staff does not consider this requirement to be a substantial change to the proposed project involving any new significant effects because this coverage existed prior to 1972, when TRPA established land coverage limitations, and Best Management Practices have been installed. The Conservancy's Addendum incorporated this information and determined that there were no substantial changes in the environmental effects of the project, that no new information of substantial importance has arisen, and that there has been no substantial change to the circumstances under which the project is being undertaken. The Addendum also determined that the mitigation measures in the adopted ND remain the same. The Caltrans NOD, ND, and record of project approval may be examined at the Caltrans office, 703 B Street, Marysville, CA 95901.

Staff has reviewed the IS/ND and Addendum and believes that the improvements proposed have been adequately analyzed in the documents. Staff has determined that the project, as proposed, would not cause a significant effect on the environment.

Copies of the Caltrans IS/ND, CA Department of Fish and Game receipt for Caltrans ND filing, Caltrans NOD, and Conservancy Addendum (Attachments 3a, 3b, 3c, and 3d, respectively), and Conservancy NOD (Attachment 4) have been provided to the Board under separate cover and are available for public review at the Conservancy office, 1061 Third Street, South Lake Tahoe, CA 96150.

Staff recommends the Board review the IS/ND and Addendum and make the findings as set forth in the Resolution (Attachment 2). If the Board authorizes the Sand House Project, staff will file a Notice of Determination with the State Clearinghouse pursuant to CEQA Guidelines (Cal. Code Regs., Title 14, § 15000 et seq.), section 15075.

List of Attachments:

- Attachment 1 – California Hydrologic Transfer Areas Map
- Attachment 2 – Resolution 12-06-03
- Attachment 3a – Sand House Project - Caltrans Initial Study with Negative Declaration
(on attached CD)
- Attachment 3b – Sand House Project - CA Department of Fish and Game receipt for
Caltrans ND filing (on attached CD)
- Attachment 3c – Sand House Project - Caltrans Notice of Determination (on attached
CD)
- Attachment 3d – Sand House Project - Conservancy Addendum to Initial Study with
Negative Declaration (on attached CD)
- Attachment 4 – Sand House Project - Conservancy Notice of Determination

List of Allocation Tables for Land Coverage and Other Marketable Rights:

- Table 1 - South Stateline Hydrologic Area
- Table 2 - South Stateline Hydrologic Area, Caltrans Right-of-Way
- Table 3 - Upper Truckee Hydrologic Area
- Table 4 - Upper Truckee Hydrologic Area, Caltrans Right-of-Way
- Table 5 - Emerald Bay Hydrologic Area
- Table 6 - McKinney Bay Hydrologic Area
- Table 7 - Tahoe City Hydrologic Area
- Table 8 - Agate Bay Hydrologic Area
- Table 9 - Summary of Land Coverage Allocations
- Table 10 - Inventory and Allocations of Other Marketable Rights

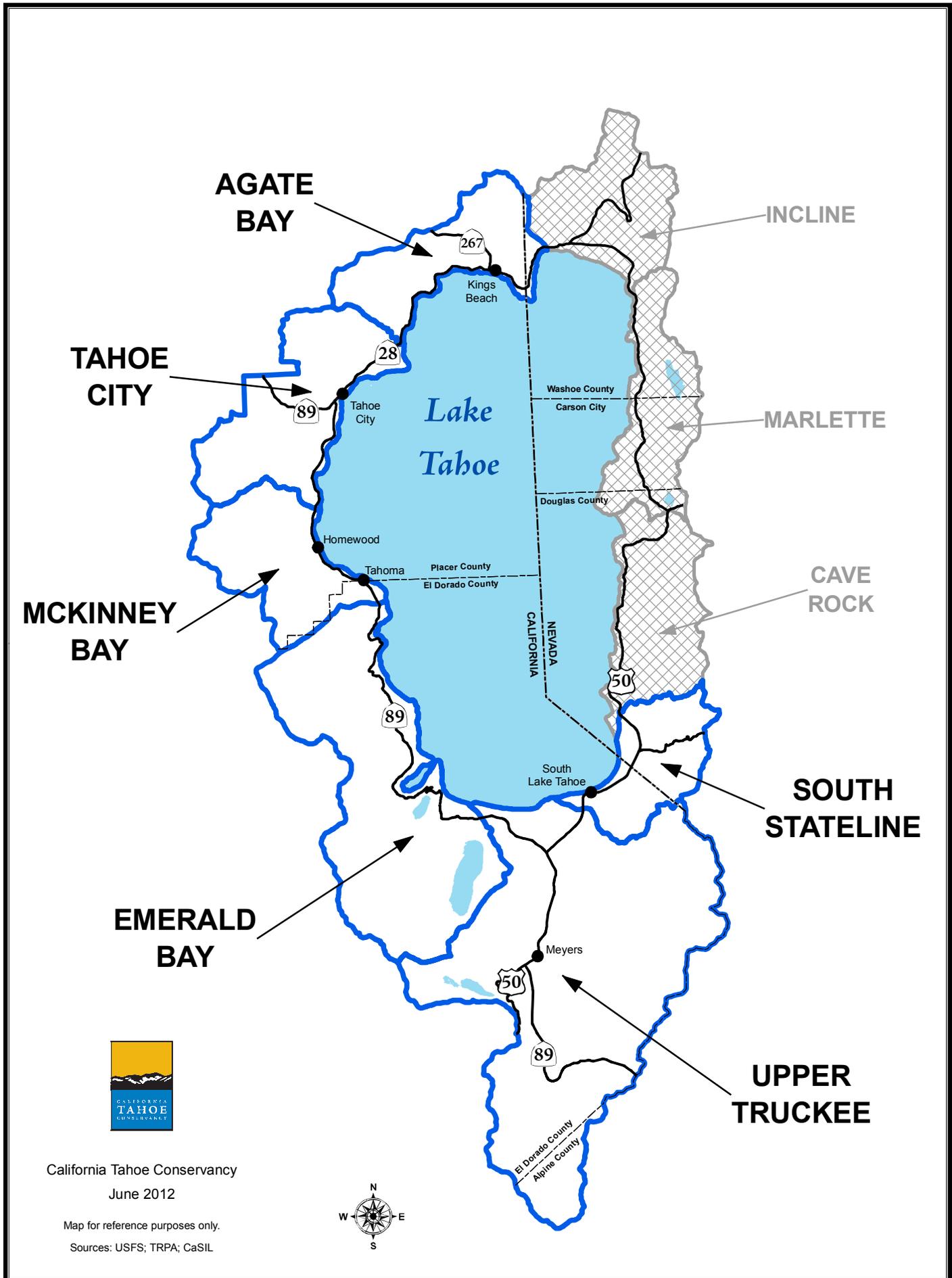
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ATTACHMENT 1
California Hydrologic Transfer Areas



California Tahoe Conservancy
June 2012

Map for reference purposes only.

Sources: USFS; TRPA; CaSIL

ATTACHMENT 2

California Tahoe Conservancy

Resolution

12-06-03

Adopted: June 20, 2012

ANNUAL AUTHORIZATION OF LAND BANK ACTIVITIES AND ALLOCATIONS OF COVERAGE AND OTHER MARKETABLE RIGHTS

Staff recommends that the Conservancy adopt the following resolution pursuant to Government Code sections 66905 et seq., 66907, 66907.1, 66907.2, 66907.8, 66908, 66908.1, and 66950 et seq.:

“The California Tahoe Conservancy hereby adopts the allocations of land coverage and other marketable rights, authorizes staff to institute a fee schedule for land coverage transactions, and further authorizes staff to take all actions and to expend funds necessary to implement the Land Coverage and Marketable Rights Program, as more fully set forth in the accompanying staff report.”

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 considered the environmental impacts of the Caltrans Tahoe City Sand House Project as described in the Initial Study and Negative Declaration (IS/ND). Caltrans approved the IS/ND on November 8, 2011, and a Notice of Determination was filed on November 28, 2011. The Conservancy drafted an Addendum to the IS/ND on April 30, 2012 clarifying the purchase of coverage/restoration credit in order to satisfy this component of the Tahoe Regional Planning Agency permit for this project. Neither new impacts nor mitigation measures result from the Addendum. The Conservancy has reviewed the IS/ND and Addendum and finds that the improvements proposed have been adequately analyzed in the IS/ND and Addendum. The Conservancy finds that no substantial changes are proposed in the project, and no substantial changes have occurred with respect to the circumstances

under which the project is undertaken that would involve any new significant environmental effects or significantly increase the severity of any previously-identified impacts. Accordingly, the Conservancy finds that the Negative Declaration and Addendum are adequate for compliance with CEQA for the transfer of restoration credits and directs staff to file the Notice of Determination for this project with the State Clearinghouse.”

Staff further recommends that the Conservancy adopt the following resolution pursuant to Government Code sections 66905 et seq. and 66908:

“The Conservancy authorizes the assignment of 1,040 square feet of restoration credit to facilitate construction of the Caltrans Tahoe City Sand House Project (located on State Route 89 south of Tahoe City in Placer County, at post mile 8.9) consistent with the applicable program guidelines and the accompanying staff report.”

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 20th day of June 2012.

In WITNESS THEREOF, I have hereunto set my hand this 20th day of June 2012.

Patrick Wright
Executive Director

ATTACHMENT 3

CALTRANS TAHOE CITY SAND HOUSE PROJECT

- 3a – Caltrans Initial Study with Negative Declaration
- 3b – CA Department of Fish and Game Receipt for Caltrans ND Filing
- 3c – Caltrans Notice of Determination
- 3d – Conservancy Addendum to Initial Study with Negative Declaration

On Attached CD

ATTACHMENT 4

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 sections 21108 and 21152 of the Public Resources Code.

Project Title:

California Department of Transportation (Caltrans) Tahoe City Maintenance Station's Sand House Replacement Project.

State Clearinghouse Number:

2011092033

Contact Person:

Amy Cecchetti

Telephone Number:

(530) 543-6033

Project Location:

Lower Truckee River near Tahoe City, on State Route 89 at mile post 8.9, in Placer County.

Project Description:

Replacement of the Caltrans Tahoe City Maintenance Station's existing brine tank, sand storage building, minor electrical, and paving for the Caltrans Tahoe City Sand House.

This is to advise that the California Tahoe Conservancy, acting as a responsible agency, has approved the above described project on June 20, 2012 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 for the project was prepared and approved by California Department of Transportation on November 8, 2011, and a Notice of Determination was filed on November 28, 2011. The Notice of Determination, Negative Declaration, and record of project approval may be examined at Caltrans, 703 B Street, Marysville, CA 95901. The California Tahoe Conservancy reviewed the Negative Declaration. The California Tahoe Conservancy drafted an Addendum on April 30, 2012. The Addendum may be examined at the California Tahoe Conservancy, 1061 Third Street, South Lake Tahoe, CA 96150.
 3. The Conservancy finds that no substantial changes are proposed in the project, and no substantial changes have occurred with respect to the circumstances under which the project is taken that would affect any potentially significant environmental effects. Furthermore, there are no changes regarding the project that would require new or different mitigation measures.
-

Fish and Game Fees: N/A

Date Received for Filing:

Patrick Wright
Executive Director

SOUTH STATELINE HYDROLOGIC AREA - ALLOCATION RECOMMENDATION FOR 2012

Total Potential Coverage Owned: 364,979 ft² ¹

Total Hard Coverage Owned: 34,480 ft²

Total Soft Coverage Owned: 1,168 ft²

| | (A) Total Coverage Allocated Through 2011 | (B) Mitigation Required Thru 2011 (est.) | (C) Reserved / On-Site Projects | (D) Remaining Unused Allocation | (E) Projected Demand 1/1/12 to 12/31/12 | (F) Additional Available for Allocation <i>Potential: 61,708 Hard: 2,073 Soft: 1,168</i> Recommended Allocation: | (G) Year-End Estimated Balance for the Allocated Coverage ² |
|---|---|--|---------------------------------------|---------------------------------------|---|---|---|
| <u>Excess Coverage Mitigation</u> (public and private) | Potential: 56,940 Hard: 24,947 | 55,753 181,080 | 0 0 | 1,187 -156,133 | 2,593 8,423 | 1,406 0 | 0 -164,556 |
| <u>Transfer of Coverage</u> | | <u>Sold or in Escrow:</u> | | | | | |
| A. Reservation for public projects and CTC sponsored projects | Potential: 167,197 Hard: 0 Soft: 0 | 163,607 0 0 | 0 0 0 | 3,590 0 0 | 63,590 0 0 | 60,000 0 0 | 0 0 0 |
| B. Open market sales | Potential: 79,134 Hard: 7,460 Soft: 0 | 74,447 5,581 0 | 0 0 0 | 4,687 1,879 0 | 4,687 1,879 0 | 0 0 0 | 0 0 0 |
| C. Reservation for projects in Comm. Plan areas | Potential: 0 Hard: 0 Soft: 0 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 0 |
| TOTALS: | Potential: 303,271 Hard: 32,407 Soft: 0 | 293,807 186,661 0 | 0 0 0 | 9,464 -154,254 0 | 70,870 10,302 0 | 61,406 0 0 | 0 -164,556 0 |

Table 1

Potential Coverage: unallocated balance = 302
Hard Coverage: unallocated balance = 2,073
Soft Coverage: unallocated balance = 1,168

¹ Included in this portion of the owned inventory is 61,406sq. ft. of potential coverage recommended for allocation from the Caltrans right-of-way to meet ongoing Land Bank needs.

² This is an estimate of the year-end balance for each category assuming that the CTC Board and staff would not make any additional allocations of new inventory in the next 12 months. The balance has been determined by using the following calculation: [(column D plus column F) minus column E equals column G].

Cal Trans Right-of-Way
June 2012
SOUTH STATELINE HYDROLOGIC AREA - ALLOCATION RECOMMENDATION
 Estimated Total Coverage Owned: 576,492 ft²

| | (A) Allocations Through 2011 (ft ²) | (B) Coverage Required Thru 12/31/11 | (C) Reserved / On-Site Projects (ft ²) | (D) Remaining Unused Allocation (ft ²) | (E) Projected Need in 2012 (ft ²) | (F) Recommended Allocation for 2012: (ft ²) | (G) Total Allocation To Date: (ft ²) |
|---|--|---|--|--|---|--|--|
| Existing On-Site Easements | 3,700 | 0 | 3,700 | 0 | 0 | 0 | 3,700 |
| Cal Trans Projects | 27,500 | 0 | 27,500 | 0 | 0 | 0 | 27,500 |
| Land Bank Public Service or CTC Project Needs | 153,934 | 55,000 | 98,934 | 0 | 60,000 | 60,000 | 213,934 |
| Land Bank Mitigation and Open Market Needs | 82,358 | 82,358 | 0 | 0 | 1,406 | 1,406 | 83,764 |
| TOTALS: | 267,492 | 137,358 | 130,134 | 0 | 61,406 | 61,406 | 328,898 |

TABLE 2

Coverage: unallocated/unreserved balance = 247,594 ft²

UPPER TRUCKEE HYDROLOGIC AREA - ALLOCATION RECOMMENDATION FOR 2012

Total Potential Coverage Owned: 1,222,641 ft²

Total Hard Coverage Owned: 126,105 ft²

Total Soft Coverage Owned: 131,452 ft²

| | (A) Total Coverage Allocated Through 2011 | (B) Mitigation Required Thru 2011 (est.) | (C) Reserved / On-Site Projects | (D) Remaining Unused Allocation | (E) Projected Demand 1/1/12 to 12/31/12 | (F) Additional Available for Allocation <i>Potential: 627,563</i> <i>Hard: 66,813</i> <i>Soft: 31,452</i> Recommended Allocation: | (G) Year-End Estimated Balance for the Allocated Coverage ¹ |
|---|---|--|---------------------------------------|---------------------------------------|---|--|---|
| <u>Excess Coverage Mitigation</u> (public and private) | Potential: 344,007 Hard: 28,294 | 353,792 28,609 | 0 0 | -9,785 -315 | 16,455 1,331 | 26,240 1,646 | 0 0 |
| <u>Transfer of Coverage</u> | | <u>Sold or in Escrow:</u> | | | | | |
| A. Reservation for public projects and CTC sponsored projects | Potential: 44,948 Hard: 0 Soft: 0 | 40,734 0 0 | 0 0 0 | 4,214 0 0 | 101,912 0 0 | 97,698 0 0 | 0 0 0 |
| B. Open market sales | Potential: 228,858 Hard: 30,998 Soft: 100,000 | 212,287 15,984 88,720 | 0 0 0 | 16,571 15,014 11,280 | 10,000 5,000 8,000 | 0 0 0 | 6,571 10,014 3,280 |
| C. Reservation for projects in Comm. Plan areas | Potential: 0 Hard: 0 Soft: 0 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 0 |
| TOTALS: | Potential: 617,813 Hard: 59,292 Soft: 100,000 | 606,813 44,593 88,720 | 0 0 0 | 11,000 14,699 11,280 | 128,367 6,331 8,000 | 123,938 1,646 0 | 6,571 10,014 3,280 |

Potential Coverage: unallocated balance = 503,625

Hard Coverage: unallocated balance = 65,167

Soft Coverage: unallocated balance = 31,452

¹ This is an estimate of the year-end balance for each category assuming that the CTC Board and staff would not make any additional allocations of new inventory in the next 12 months. The balance has been determined by using the following calculation: [(column D plus column F) minus column E equals column G].

Cal Trans Right-of-Way
June 2012
UPPER TRUCKEE HYDROLOGIC AREA - ALLOCATION RECOMMENDATION
 Estimated Total Coverage Owned: 892,795 ft²

| | (A) Allocations Through 2011 (ft ²) | (B) Coverage Required Thru 12/31/11 | (C) Reserved / On-Site Projects (ft ²) | (D) Remaining Unused Allocation (ft ²) | (E) Projected Need in 2012 (ft ²) | (F) Recommended Allocation for 2012: (ft ²) | (G) Total Allocation To Date: (ft ²) |
|---|--|---|--|--|---|--|--|
| Existing On-Site Easements | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cal Trans Projects | 242,000 | 0 | 242,000 | 0 | 0 | 0 | 242,000 |
| Land Bank Public Service or CTC Project Needs | 289,580 | 0 | 289,580 | 0 | 0 | 0 | 289,580 |
| Land Bank Mitigation and Open Market Needs | 18,619 | 18,619 | 0 | 0 | 0 | 0 | 18,619 |
| Totals: | 550,199 | 18,619 | 531,580 | 0 | 0 | 0 | 550,199 |

TABLE 4

Coverage: unallocated/unreserved balance = 342,596 ft²

EMERALD BAY HYDROLOGIC AREA - ALLOCATION RECOMMENDATION FOR 2012

Total Potential Coverage Owned: 69,434 ft²

Total Hard Coverage Owned: 0 ft²

| | (A) Total Coverage Allocated Through 2011 | (B) Mitigation Required Thru 2011 (est.) | (C) Reserved / On-Site Projects | (D) Remaining Unused Allocation | (E) Projected Demand 1/1/12 to 12/31/12 | (F) Additional Available for Allocation <i>Potential: 0</i> <i>Hard: 0</i> Recommended Allocation: | (G) Year-End Estimated Balance for the Allocated Coverage ¹ |
|---|---|--|---------------------------------------|---------------------------------------|---|--|---|
| <u>Excess Coverage Mitigation</u> (public and private) | Potential: 36,837 Hard: 0 | 75,479 0 | 0 0 | -38,642 0 | 3,511 0 | 0 0 | -42,153 0 |
| <u>Transfer of Coverage</u> | | <u>Sold or in Escrow:</u> | | | | | |
| A. Reservation for public projects and CTC sponsored projects | Potential: 10,179 Hard: 0 | 9,302 0 | 0 0 | 877 0 | 877 0 | 0 0 | 0 0 |
| B. Open market sales | Potential: 22,418 Hard: 0 | 22,043 0 | 0 0 | 375 0 | 1,000 0 | 0 0 | -625 0 |
| C. Reservation for projects in Comm. Plan areas | Potential: 0 Hard: 0 | 0 0 | 0 0 | 0 0 | 0 0 | 0 0 | 0 0 |
| TOTALS: | Potential: 69,434 Hard: 0 | 106,824 0 | 0 0 | -37,390 0 | 5,388 0 | 0 0 | -42,778 0 |

Potential Coverage: unallocated balance = 0
Hard Coverage: unallocated balance = 0

¹ This is an estimate of the year-end balance for each category assuming that the CTC Board and staff would not make any additional allocations of new inventory in the next 12 months. The balance has been determined by using the following calculation: [(column D plus column F) minus column E equals column G].

MCKINNEY BAY HYDROLOGIC AREA - ALLOCATION RECOMMENDATION FOR 2012

Total Potential Coverage Owned: 214,030 ft² ¹

Total Hard Coverage Owned: 3,135 ft²

| | (A) Total Coverage Allocated Through 2011 | (B) Mitigation Required Thru 2011 (est.) | (C) Reserved / On-Site Projects | (D) Remaining Unused Allocation | (E) Projected Demand 1/1/12 to 12/31/12 | (F) Additional Available for Allocation <i>Potential: 3,730</i> <i>Hard: 0</i> Recommended Allocation: | (G) Year-End Estimated Balance for the Allocated Coverage ¹ |
|---|---|--|---------------------------------------|---------------------------------------|---|--|---|
| <u>Excess Coverage Mitigation</u> (public and private) | Potential: 98,023 Hard: 3,135 | 97,227 10,516 | 0 0 | 796 -7,381 | 4,526 489 | 3,730 0 | 0 -7,870 |
| <u>Transfer of Coverage</u> | | <u>Sold or in Escrow:</u> | | | | | |
| A. Reservation for public projects and CTC sponsored projects | Potential: 30,946 Hard: 0 | 1,056 0 | 0 0 | 29,890 0 | 29,890 0 | 0 0 | 0 0 |
| B. Open market sales | Potential: 81,331 Hard: 0 | 75,718 0 | 0 0 | 5,613 0 | 5,613 0 | 0 0 | 0 0 |
| C. Reservation for projects in Comm. Plan areas | Potential: 0 Hard: 0 | 0 0 | 0 0 | 0 0 | 0 0 | 0 0 | 0 0 |
| TOTALS: | Potential: 210,300 Hard: 3,135 | 174,001 10,516 | 0 0 | 36,299 -7,381 | 40,029 489 | 3,730 0 | 0 -7,870 |

Table 6

4/20/12 - GW to check Eagle Rock numbers.

Potential Coverage: unallocated balance = 0

Hard Coverage: unallocated balance = 0

¹ Included in the owned inventory is 3,730 sq. ft. of potential coverage that staff is recommending for allocation from the Conservancy's "Eagle Rock Property".

² This is an estimate of the year-end balance for each category assuming that the CTC Board and staff would not make any additional allocations of new inventory in the next 12 months. The balance has been determined by using the following calculation: [(column D plus column F) minus column E equals column G].

TAHOE CITY HYDROLOGIC AREA - ALLOCATION RECOMMENDATION FOR 2012

Total Potential Coverage Owned: 398,676 ft² ¹

Total Hard Coverage Owned: 7,135 ft²

| | (A) Total Coverage Allocated Through 2011 | (B) Mitigation Required Thru 2011 (est.) | (C) Reserved / On-Site Projects | (D) Remaining Unused Allocation | (E) Projected Demand 1/1/12 to 12/31/12 | (F) Additional Available for Allocation <i>Potential: 3,280</i> <i>Hard: 0</i> Recommended Allocation: | (G) Year-End Estimated Balance for the Allocated Coverage ¹ |
|---|---|--|---------------------------------------|---------------------------------------|---|--|---|
| <u>Excess Coverage Mitigation</u> (public and private) | Potential: 190,735 Hard: 7,135 | 183,469 8,702 | 0 0 | 7,266 -1,567 | 8,546 405 | 1,280 0 | 0 -1,972 |
| <u>Transfer of Coverage</u> | | <u>Sold or in Escrow:</u> | | | | | |
| A. Reservation for public projects and CTC sponsored projects | Potential: 131,424 Hard: 0 | 95,797 0 | 7,425 0 | 28,202 0 | 11,829 0 | 0 0 | 16,373 0 |
| B. Open market sales | Potential: 73,237 Hard: 0 | 69,703 0 | 0 0 | 3,534 0 | 5,534 0 | 2,000 0 | 0 0 |
| C. Reservation for projects in Comm. Plan areas | Potential: 0 Hard: 0 | 0 0 | 0 0 | 0 0 | 0 0 | 0 0 | 0 0 |
| TOTALS: | Potential: 395,396 Hard: 7,135 | 348,969 8,702 | 7,425 0 | 39,002 -1,567 | 25,909 405 | 3,280 0 | 16,373 -1,972 |

Table 7

Potential Coverage: unallocated balance = 0
Hard Coverage: unallocated balance = 0

¹ Included in the owned inventory is 3,280 ft² of potential coverage which staff is recommending for allocation from the Conservancy's "Dollar property".

² This is an estimate of the year-end balance for each category assuming that the CTC Board and staff would not make any additional allocations of new inventory in the next 12 months. The balance has been determined by using the following calculation: [(column D plus column F) minus column E equals column G].

AGATE BAY HYDROLOGIC AREA - ALLOCATION RECOMMENDATION FOR 2012

Total Potential Coverage Owned: 397,773 ft² ¹

Total Hard Coverage Owned: 23,153 ft²

Total Soft Coverage Owned: 4,387 ft²

| | (A) Total Coverage Allocated Through 2011 | (B) Mitigation Required Thru 12/31/11 (est.) | (C) Reserved / On-Site Projects | (D) Remaining Unused Allocation | (E) Projected Demand 1/1/12 to 12/31/12 | (F) Additional Available for Allocation <i>Potential: 12,280</i> <i>Hard: 0</i> <i>Soft: 0</i> Recommended Allocation: | (G) Year-End Estimated Balance for the Allocated Coverage ¹ |
|---|---|--|---------------------------------------|---------------------------------------|---|---|---|
| Excess Coverage Mitigation (public and private) | Potential: 169,940 Hard: 12,543 | 174,120 43,013 | 0 0 | -4,180 -30,470 | 8,100 2,001 | 12,280 0 | 0 -32,471 |
| Transfer of Coverage | | <u>Sold or in Escrow:</u> | | | | | |
| A. Reservation for public projects and CTC sponsored projects | Potential: 57,851 Hard: 0 Soft: 0 | 6,791 0 0 | 0 0 0 | 51,060 0 0 | 4,774 0 0 | 0 0 0 | 46,286 0 0 |
| B. Open market sales ³ | Potential: 157,702 Hard: 10,610 Soft: 0 | 144,099 10,610 0 | 5,000 0 0 | 13,603 0 0 | 8,603 0 0 | 0 0 0 | 0 0 0 |
| C. Reservation for projects in Comm. Plan areas | Potential: 0 Hard: 0 Soft: 4,387 | 0 0 0 | 0 0 4,387 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 0 |
| TOTALS: | Potential: 385,493 Hard: 23,153 Soft: 4,387 | 325,010 53,623 0 | 5,000 0 4,387 | 60,483 -30,470 0 | 21,477 2,001 0 | 12,280 0 0 | 46,286 -32,471 0 |

Table 8

Potential Coverage: unallocated balance = 0
Hard Coverage: unallocated balance = 0
Soft Coverage: unallocated balance = 0

¹ Staff is recommending a total of 12,280 ft² of potential coverage allocation from the Conservancy's "Dollar Property".

² This is an estimate of the year-end balance for each category assuming that the CTC Board and staff would not make any additional allocations of new inventory in the next 12 months. The balance has been determined by using the following calculation: [(column D plus column F) minus column E equals column G].

³ In the Open Market Sales category, staff is recommending reservation and redirection of 5,000 ft² of potential coverage from the unused remaining allocation. This reservation allocation will satisfy a future obligation pursuant to an agreement executed through a completed Conservancy land acquisition project.

SUMMARY OF ACTUAL ALLOCATION RECOMMENDATION FOR EACH HYDROLOGIC AREA FOR USE IN 2012

June 2012

WITH SUMMARY OF TOTAL ALLOCATION TO DATE

| | South Stateline Hydro. Area Recommendation | | Upper Truckee Hydro. Area Recommendation | | Emerald Bay Hydro. Area Recommendation | | McKinney Bay Hydro. Area Recommendation | | Tahoe City Hydro. Area Recommendation | | Agate Bay Hydro. Area Recommendation | | Total Allocation to Each Category | |
|---|--|--------------------------|--|------------------------------|--|--------------------------|---|--------------------------|---------------------------------------|--------------------------|--------------------------------------|----------------------------|-----------------------------------|---------------------------------|
| | Allocation for 2012 | Total Allocation To Date | Allocation for 2012 | Total Allocation To Date | Allocation for 2012 | Total Allocation To Date | Allocation for 2012 | Total Allocation To Date | Allocation for 2012 | Total Allocation To Date | Allocation for 2012 | Total Allocation To Date | Allocation for 2012 | Total Allocation To Date |
| <u>Excess Coverage Mitigation</u> (public and private) | Pot: 1,406 Hard: 0 | 58,346 24,947 | 26,240 1,646 | 370,247 29,940 | 0 0 | 36,837 0 | 3,730 0 | 101,753 3,135 | 1,280 0 | 192,015 7,135 | 12,280 0 | 182,220 12,543 | 44,936 1,646 | 941,418 77,700 |
| <u>Transfer of Coverage</u> | | | | | | | | | | | | | | |
| A. Reservation for public projects and CTC sponsored projects | Pot: 60,000 Hard: 0 Soft: 0 | 227,197 0 0 | 97,698 0 0 | 142,646 0 0 | 0 0 0 | 10,179 0 0 | 0 0 0 | 30,946 0 0 | 0 0 0 | 131,424 0 0 | 0 0 0 | 57,851 0 0 | 157,698 0 0 | 600,243 0 0 |
| B. Open market sales | Pot: 0 Hard: 0 Soft: 0 | 79,134 7,460 0 | 0 0 0 | 228,858 30,998 100,000 | 0 0 0 | 22,418 0 0 | 0 0 0 | 81,331 0 0 | 2,000 0 0 | 75,237 0 0 | 0 0 0 | 157,702 10,610 0 | 2,000 0 0 | 644,680 49,068 100,000 |
| C. Reservation for projects in Comm. Plan areas | Pot: 0 Hard: 0 Soft: 0 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 0 | 0 0 4,387 | 0 0 0 | 0 0 4,387 |
| TOTALS: | Pot: 61,406 Hard: 0 Soft: 0 | 364,677 32,407 0 | 123,938 1,646 0 | 741,751 60,938 100,000 | 0 0 0 | 69,434 0 0 | 3,730 0 0 | 214,030 3,135 0 | 3,280 0 0 | 398,676 7,135 0 | 12,280 0 0 | 397,773 23,153 4,387 | 204,634 1,646 0 | 2,186,341 126,768 104,387 |

Total allocation recommendation for use in 2012 for all types of coverage = 206,280 sf

Total allocation recommendation to date, provided board allocates additional 206,280 sf = 2,417,496 sf

Table 9

TABLE 10

| Inventory and Allocations of Other Marketable Rights June 2012 | | | | | | |
|---|--------------------------------|--|---------------------------|--|--|---------------------------------|
| A | B | C | D | E | F | G |
| Type of Rights | Jurisdiction (of origin) | Estimated Inventory (subject to TRPA verification) | Number of Units Committed | Remaining Allocated Units Available For Sale | Remaining Inventory Available for Allocation | Recommended Allocation For 2012 |
| Residential Development Rights | City of SLT | 71 | 64 | 7 | 0 | 0 |
| | El Dorado Co. (unincorporated) | 119 | 28 | 18 | 73 | 0 |
| | Placer County | 85 | 36 | 6 | 43 | 4 |
| | Total RDRs | 275 | 128 | 31 | 116 | 4 |
| | | | | | | |
| | | | | | | |
| Existing Residential Units of Use (ERUUs) | City of SLT | 27* | 3 | 4 | 20 | 0 |
| | | * Could be used as CFA or 25 TAU's. | | | | |
| | El Dorado County | 2 | 0 | 1 | 1 | 0 |
| | Placer County | 31 | 1 | 9 | 21 | 0 |
| | Total ERUUs | 60 | 4 | 14 | 42 | 0 |
| | | | | | | |
| Commercial Floor Area (CFA) (in square feet) | City of SLT | 5,204 | 4,976 | 228 | 0 | 0 |
| | El Dorado Co. | 6,784 | 247 | 5,679 | 858 | 0 |
| | Kings Beach | 12,312 | 0 | 5,600 | 6,712 | 0 |
| | Carnelian Bay | 3,527 | 2,928 | 599 | 0 | 0 |
| | Total CFA | 27,827 | 8,151 | 12,106 | 7,570 | 0 |
| | | | | | | |
| | | | | | | |

The current status of the inventory for each marketable right is identified in Columns D, E, and F. The sum of those three columns equals the total inventory for that respective marketable right.