

California Tahoe Conservancy
Agenda Item 8c
May 9, 2014

**TAHOE VALLEY COMMERCIAL STREAM ENVIRONMENT ZONE
ACQUISITION PROJECT**

Summary: Staff recommends authorization to expend \$325,000 for the purchase of one improved parcel, totaling approximately 0.48 acres, to facilitate stream environment zone (SEZ) restoration and open space within the Tahoe Valley Area Plan in South Lake Tahoe; and to approve and expend up to \$65,000 for relocation assistance and related closing costs.

Location: 2122 Lake Tahoe Blvd. near the South Y intersection of U.S. Highway 50 and State Route 89 in the City of South Lake Tahoe, El Dorado County (El Dorado County Assessor Parcel Number 023-241-23) (Attachment 1)

Fiscal Summary: \$325,000 in direct land acquisition costs (Lake Tahoe Conservancy Account), and up to \$65,000 in relocation assistance, transaction review, and closing costs

Recommended Action: Adopt Resolution 14-05-04 (Attachment 2).

Property Description

The 0.48 acre property is located at 2122 Lake Tahoe Blvd. in South Lake Tahoe (APN 023-241-23) within the Tahoe Valley Area Plan (Attachment 1) and Town Center. This commercial property has two small buildings built in 1971, as shown in Attachment 3. Together they total about 1,663 square feet in size.

The Tahoe Regional Planning Agency (TRPA) has confirmed the property to be 100% Stream Environment Zone (SEZ). In addition, TRPA has verified the presence of 7,754 square feet of existing land coverage (37.1% of the property area) comprised of paving and two buildings. The owner has not installed TRPA-required Best Management Practices (BMPs), and the rear portion of the property, which is compacted dirt, fills with water during rain and snow events.

The site is on a confirmed SEZ in a location that the City of South Lake Tahoe has proposed for a greenbelt in its draft Tahoe Valley Area Plan. The uses of the property will be determined through further development and comment on the Area Plan.

The owner has a month-to-month lease on the A-frame style building with a business that has occupied this space for over 10 years. The smaller building closest to the road has a new tenant with a three-year lease that expires February 28, 2017.

A Phase 1 Environmental Site Assessment (ESA), an Asbestos and Lead Building Inspection Report (ALBI), and an Accessibility Compliance Evaluation (ACE) were all performed as part of staff's pre-acquisition due diligence work.

The ESA reported one "recognized environmental condition (REC)" that does not present a hazardous or unacceptable condition. The REC identifies one groundwater monitoring well at the rear of the property that is well-marked with stakes and has locked metal cap.

The ALBI found less than five square feet of Asbestos Containing Construction Material (ACCM) with 2% Chrysotile. No other ACCMs were identified. No lead-based paint was found but Lead Containing Material in extremely low percentages was found. The majority of the cost to demolish the improvements will be related to the demolition activities, with a minor percentage related to the "abatement" of the specific ACCM material (black roofing mastic).

The ACE identified conditions expected with a property and structures that have not been retrofitted to comply with the Americans with Disabilities Act (ADA). These include a parking area without a van-accessible parking space and compliant signing, no designated travel way to both structures, no ramp to access the rear building that currently only has stairs, non-compliant door hardware, and tiny restrooms with old fixtures typical of buildings from the early 1970's.

The current owner was sued for ADA compliance in late 2011. A settlement and release was executed by all parties in late December 2013, wherein the owner agrees to make certain ADA improvements related to the rear structure entrance and connectivity to the parking area within an 18-month period. None of these improvements have been implemented to date.

Project Description

Staff recommends:

1. Approval of the Relocation Impact Statement (Attachment 4);
2. Authorization to expend \$325,000 towards the purchase of the 0.48 acre multi-tenant commercial SEZ property in “as is” condition for the purposes of restoring SEZ and open space and enhancing water quality within the Tahoe Valley Area Plan, restoring existing land coverage, and banking marketable rights for possible future use; and
3. Authorization to expend up to \$65,000 for relocation assistance related expenses, customary closing costs, and Department of General Services- Real Estate Services Division (RESD) acquisition and relocation assistance support.

The tenants 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 Impact Statement (RIS, Attachment 4).

Project Budget

A total of \$390,000 is recommended for authorization at this time to cover the items outlined and explained in more detail below.

Acquisition	\$325,000
Relocation Assistance Costs	55,000
RESD Transaction Review	8,000
Title/Escrow Fees	2,000
TOTAL	\$390,000

The RIS estimates that a range of \$20,000 to \$30,000 in funding will be necessary for the Conservancy to meet its relocation entitlement obligations. RESD staff recommends that the Conservancy also set aside an additional \$15,000 in contingency funding for entitlements. In addition to the estimated entitlement costs, the Conservancy must pay relocation assistance implementation consultant and RESD fees related to the relocation process. Staff estimates these costs at no more than \$10,000. Consequently, up to \$55,000 is estimated to cover all of the anticipated relocation assistance costs.

The proposed purchase requires review of the transaction documents by RESD. The estimated RESD cost to perform this function is up to \$8,000.

Project Implementation

Upon the close of escrow, the Conservancy will own the property and the improvements. Staff will complete environmental review for the proposed demolition and restoration of the property and manage the property and its two tenants until the tenants have been relocated. Upon restoration the Conservancy Land Bank will have approximately 1,663 square feet of commercial floor area (CFA) and 7,754 square feet of restored SEZ hard coverage. These commodities will then be sold, transferred, or retired through the Conservancy's Land Bank consistent with TRPA and local jurisdiction policies.

The Conservancy's plan for addressing property and structural deficiencies with the ADA is restoration of the SEZ conditions on the property after the tenants are relocated and the buildings are demolished.

Project Evaluation

This acquisition will meet Conservancy SEZ and Watershed Restoration Program objectives by allowing for restoration of SEZ and the improvement of water quality within the Tahoe Valley Area Plan and Land Coverage Program objectives through the purchase and restoration of land coverage and other marketable rights.

Consistency with the Conservancy's Enabling Legislation

The proposed acquisition is 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.

Compliance with the California Environmental Quality Act (CEQA)

Pursuant to California Environmental Quality Act (CEQA) Guidelines (Cal. Code Regs., tit. 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. Staff has evaluated this project and has found it to be exempt under CEQA. This project qualifies for a categorical exemption under CEQA Guidelines sections 15301 (demolition of an existing facility)

and 15325 (transfer of land in order to preserve or restore open space and natural conditions) (Attachment 5).

List of Attachments:

Attachment 1 – Location Map

Attachment 2 – Resolution 14-05-04

Attachment 3 – Property Photos

Attachment 4 – Relocation Impact Statement

Attachment 5 – Notice of Exemption

Conservancy Staff Contact:

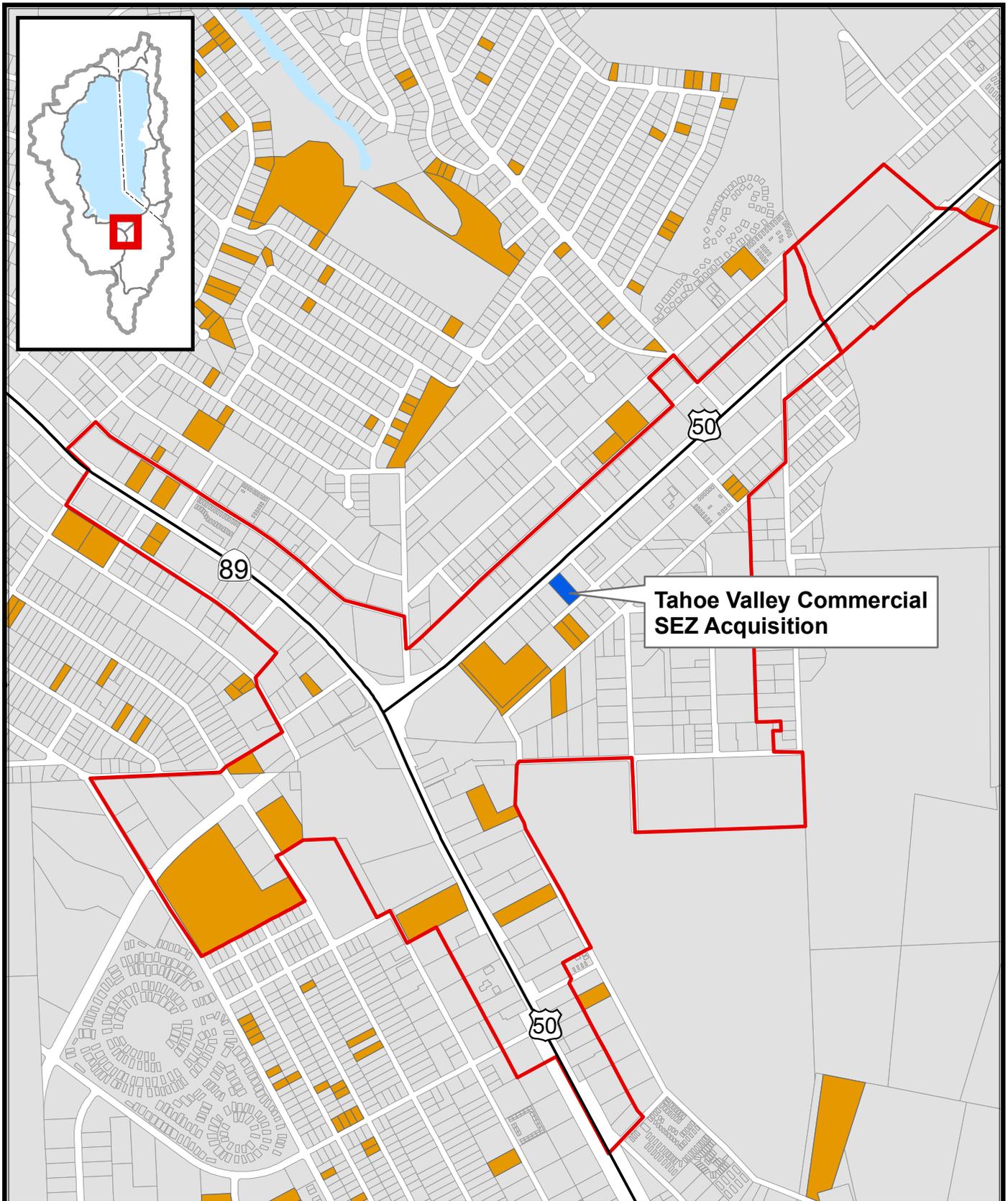
Bruce Eisner

(530) 543-6043

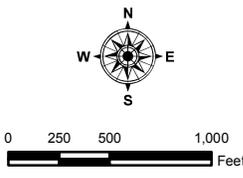
beisner@tahoe.ca.gov

ATTACHMENT 1

Location Map



**Tahoe Valley Commercial
SEZ Acquisition**



-  **Proposed Acquisition**
-  **Tahoe Conservancy**
-  **Tahoe Valley Town Center**

California Tahoe Conservancy
May 2014

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



ATTACHMENT 2

California Tahoe Conservancy

Resolution

14-05-04

Adopted: May 9, 2014

TAHOE VALLEY COMMERCIAL STREAM ENVIRONMENT ZONE ACQUISITION PROJECT

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

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

- 1) Adopts the Relocation Impact Statement, and allocates up to \$55,000 for relocation assistance entitlements, relocation assistance consultants, and Department of General Services relocation assistance review;
- 2) Authorizes staff to expend up to \$325,000 and to take all other actions necessary to acquire fee interest in the property located at 2122 Lake Tahoe Boulevard in South Lake Tahoe (El Dorado County Assessor Parcel Number 023-241-23); and
- 3) Authorizes up to \$10,000 for Department of General Services transaction review and customary title/escrow closing costs.”

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 9th day of May 2014.

In WITNESS THEREOF, I have hereunto set my hand this 9th day of May 2014.

Patrick Wright
Executive Director

ATTACHMENT 3

TAHOE VALLEY COMMERCIAL STREAM ENVIRONMENT ZONE ACQUISITION PROJECT

Property Photo



ATTACHMENT 4

**TAHOE VALLEY COMMERCIAL STREAM ENVIRONMENT ZONE
ACQUISITION PROJECT**

Relocation Impact Statement

On attached CD

ATTACHMENT 5

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: Tahoe Valley Commercial Stream Environment Zone (SEZ) Acquisition

Project Location: - Specific – El Dorado County Assessor Parcel Number 023-241-23.

Project Location - City
South Lake Tahoe

Project Location - County
El Dorado

Description of Nature, Purpose, and Beneficiaries of Project:

Purchase of fee interest in one improved environmentally sensitive parcel to protect the environment as part of the California Tahoe Conservancy’s SEZ/Watershed Restoration and Land Coverage programs.

Name of Public Agency Approving Project:

California Tahoe Conservancy (Conservancy Meeting of May 9, 2014) (Agenda Item 8c)

Name of Person or Agency Carrying Out Project: California Tahoe Conservancy

Exempt Status:

- Ministerial (Sec. 15073)
- Declared Emergency (Sec. 15071 (a))
- Emergency Project (Sec. 15071 (b) and (c))
- Categorical Exemption. Class 1, Section 15301; Class 25, Section 15325
(See also Title 14, Division 5.3, Section 12102.25)

Reasons Why Project is Exempt:

Action involves the acquisition of land to the Conservancy in order to preserve or restore open space and natural conditions in the Lake Tahoe Basin and the demolition of an existing facility.

Contact Person

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Area Code

(530)

Telephone

543-6043

Date Received for Filing:

Patrick Wright, Executive Officer