

California Tahoe Conservancy
Agenda Item 11.a.
June 15, 2017

**CONSERVANCY LAND BANK SALE AND TRANSFER OF TOURIST
ACCOMMODATION UNITS**

Recommended Actions: Adopt Resolution 17-06-09 (Attachment 1) containing the appropriate California Environmental Quality Act determination and authorizing staff to take all actions necessary to sell and transfer six Existing Residential Units of Use (ERUUs) and ten Tourist Accommodation Units (TAUs) to Placer County for use on Assessor's Parcel Numbers (APNs) 094-070-001 and 094-070-002 to implement the Tahoe City Lodge Project (Project).

Location: Placer County APNs 094-070-001, 094-070-002, and the Project, located on the north side of North Lake Boulevard (State Route 28) approximately 200 yards northeast of the Wye and in the western portion of the commercial area of Tahoe City (255 and 265 North Lake Boulevard in Tahoe City) (Attachment 2C).

Fiscal Summary: The recommended action will authorize a sale and transfer of six ERUUs and ten TAUs resulting in up to \$762,500 in revenues (price based on potential Tahoe Regional Planning Agency bonus units creating 61 usable TAUs at \$12,500 each). Conservancy staff performed analysis determining the asking price is at fair market value. Consistent with the Conservancy's Land Bank Guidelines, revenues will be deposited into the Tahoe Conservancy Fund and put back into the Conservancy's efforts to acquire and restore lands.

Overview

Description of Recommended Action

Staff recommends the Board authorize the sale and transfer of six ERUUs and ten TAUs to Placer County. The purpose of the sale and transfer is to satisfy the Project permit special conditions, which require the transfer of 14 TAUs from stream environment zones (SEZs) and 47 TAUs transferred in accordance with Section 51.5 of the Tahoe Regional Planning Agency (TRPA) Code of Ordinances to the Project. The ERUUs can

be converted to TAUs as per TRPA Code Section 50.10 because they were non-conforming units from a SEZ sending parcel and were removed. With available TRPA bonuses for SEZ sending parcels located more than a mile and a half from a town center, the 16 base units likely can become 61 usable units.

The sale and transfer of the TAUs to Placer County for the Project will help implement the recently adopted Placer County Tahoe Basin Area Plan. The Project redevelops the existing commercial complex into a 118-unit lodge, with three buildings that would include a mix of hotel units, one and two bedroom condo hotel suites, hotel amenities, restaurant, roof top bar, and parking. The owner will restore 1.7 acres of SEZ (in exchange for removing 1.7 acres of the neighboring golf course) and reconstruct the golf course clubhouse owned and operated by Tahoe City Public Utility District. The Project was approved by Placer County in December 2016 and by TRPA in January 2017.

If approved by the Board, Conservancy staff will work with Placer County and TRPA to complete the Purchase and Sale Agreement, Notice of Transfer, TRPA Deed Restriction and Conditional Permit, and record all necessary documents with the Placer County Recorder's Office.

History

Since 1987, the Conservancy has assisted over 6,000 landowners in meeting permit requirements for land coverage or other development rights. As a part of the Tahoe Livable Communities Program and consistent with our strategic plan goals, the Conservancy has reserved most Land Bank development rights for use in town centers. Providing TAUs for the Project, one of the first in the Tahoe City Town Center under the new Placer County Tahoe Basin Area Plan and the first major new tourist accommodation in Tahoe City since before TRPA was founded, is consistent with these priorities. The Conservancy has identified six ERUUs and ten TAUs from sending parcels in Placer County that are eligible for sale and transfer for use on the Project, and that with TRPA bonuses, likely can become 61 usable units.

The six ERUUs (Attachment 2B) originate from a 1992 acquisition of Placer County APNs 115-030-090 and 115-030-091. The parcels were purchased with Lake Tahoe Acquisition Bond Act funds for \$911,500. The purpose of acquisition was for recreation and access and the ERUUs were incidental to the acquisition. The ERUUs were deemed nonconforming and eligible for conversion to TAUs by TRPA code section 50.10. Since acquisition, the two parcels became part of a larger developed public access project known as Patton Landing at Carnelian Bay. The parcels are largely dedicated to

wetlands basins, a sidewalk with streetscape elements along the highway, and a public access pathway from the highway to Lake Tahoe.

The ten TAUs originate from a 1990 acquisition of Placer County APN 117-072-014 (Attachment 2B). The parcel was purchased with Lake Tahoe Acquisition Bond Act funds for \$1,140,000. The purpose of the acquisition was recreation and access and the TAUs were incidental to the acquisition. The parcel is currently a popular dispersed recreation site known as Sandy Beach. Sandy Beach is contracted for management by California Department of Parks and Recreation. The site contains limited amenities including picnic sites, portable toilet, and a viewing bench.

Eight of the TAUs and all of the ERUUs are from SEZ, and sending parcels located outside of a town center. Based on informal discussion to date with TRPA, multipliers for both SEZ and distance of the sending parcels from town centers could result in as many as 61 usable TAUs. The bonus units can be created under Table 51.3.6-1 in TRPA Code Section 51.3.3 C which allows: 1) units coming from SEZ sending parcels get a 1.5 multiplier; and 2) residential units coming from greater than one and a half miles away from a town center get an additional multiplier of 2. In order to maximize the multipliers for SEZ and distance from a town center, TRPA requires the Conservancy to deed restrict the sending parcels as open space.

Financing

The recommended action will authorize a sale and transfer of six ERUUs and ten TAUs resulting in up to \$762,500 in revenues (price based on potential bonus units creating 61 TAUs at \$12,500 each). Conservancy staff has performed analysis determining the asking price is at fair market value. Consistent with the Conservancy's Land Bank Guidelines, revenues will be deposited into the Tahoe Conservancy Fund and put back into the Conservancy's efforts to acquire and restore lands.

Authority

Consistency with the Conservancy's Enabling Legislation

This acquisition is consistent with the Conservancy's enabling legislation. Government Code section 66907.8 authorizes the Conservancy to sell interests in real property to fulfill its mission and to promote the State's planning priorities.

Consistency with the Conservancy's Strategic Plan

The recommended action is consistent with Strategic Plan Strategy I.B. "Align State Agency Activities and Policies in the Basin to Support Sustainability and Climate Change Initiatives" by utilizing the Conservancy's banked development rights in a town center.

Consistency with the Conservancy's Program Guidelines

The recommended action is consistent with the Conservancy's Land Bank Program Guidelines by helping to facilitate the implementation of a public or private project which meets planning and resource management objectives, especially in community plan areas and area plans.

Consistency with External Authorities

The recommended action is consistent with TRPA Code Sections 50.10, 51.3, and 51.5 and helps implement the Regional Plan and the Placer County Tahoe Basin Area Plan, specifically by facilitating a redevelopment project in a town center.

Compliance with the California Environmental Quality Act

Placer County, acting as the lead agency, prepared an environmental impact report/environmental impact statement (EIR/EIS) for the Placer County Tahoe Basin Area Plan and the Tahoe City Lodge to comply with California Environmental Quality Act (CEQA). It was prepared in conjunction with TRPA to fulfill TRPA requirements. The County certified the Final EIR/EIS on December 6, 2016 and TRPA approved the Final EIR/EIS on January 25, 2017. The County filed a notice of determination (NOD) on December 6, 2016 with the Placer County Clerk and the State Clearinghouse.

In order to comply with CEQA, the Conservancy, acting as a responsible agency, prepared an addendum (Attachment 3) to the Final EIR/EIS clarifying the Conservancy's role as a CEQA responsible agency.

A copy of the Final EIR/EIS and associated addendum are provided to the Board and are available for public review at the California Tahoe Conservancy office, 1061 Third Street, South Lake Tahoe, CA 96150 (Attachment 4).

Staff recommends that the Board review the Final EIR/EIS and addendum; make the appropriate CEQA findings pursuant to CEQA Guidelines, section 15091; adopt a statement of overriding considerations pursuant to CEQA Guidelines, section 15093;

adopt a mitigation monitoring and reporting program pursuant to CEQA Guidelines, section 15097; and authorize the sale and transfer of ERUUs and TAUUs. If the Board authorizes the sale and transfer, staff will file a NOD with the State Clearinghouse pursuant to CEQA Guidelines, section 15096 (Attachment 5).

List of Attachments:

Attachment 1 – Resolution 17-06-09

- Exhibit A – CEQA Findings of Fact
- Exhibit B – Statement of Overriding Considerations
- Exhibit C – Mitigation Monitoring and Reporting Program

Attachment 2 – Maps of proposed sending and receiving parcels

Attachment 3 – Addendum

Attachment 4 – Placer County CEQA Documents

- Final EIR/EIS for the Placer County Tahoe Basin Area Plan and Tahoe City Lodge
- Notice of Determination
- Mitigation Monitoring and Reporting Program
- Statement of Findings of Fact
- Statement of Overriding Considerations

Attachment 5 – Notice of Determination

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