

**BIJOU PARK CREEK WATERSHED MANAGEMENT/
SOUTHWEST CORNER PROJECT
LICENSE AGREEMENT**

Recommended Action: Adopt Resolution 17-06-12 (Attachment 1) containing the appropriate California Environmental Quality Act determinations and authorizing a long-term license agreement with the City of South Lake Tahoe (City) on seven California Tahoe Conservancy (Conservancy) parcels in support of the Bijou Park Creek Watershed Management/Southwest Corner Project.

Location: Seven Conservancy-owned parcels (El Dorado County Assessor's Parcel Numbers 027-112-13, 027-112-14, 027-112-15, 027-112-16, 027-112-17, 027-112-24, and 027-053-14) located in the City, six of which are adjacent to and south of Lloyd Avenue and one parcel which is adjacent to and north of Osgood Avenue. (Attachment 2).

Fiscal Summary: The proposed authorization does not involve receipt of funds by the Conservancy, and will result in incidental staff costs related to the preparation and processing of the agreement.

Overview

Description of Recommended Action

Staff recommends the Board authorize a long-term license agreement with the City on seven Conservancy-owned parcels to facilitate implementation of the Bijou Park Creek Watershed Management/Southwest Corner Project (Project). The proposed license will provide the City with access rights to construct and maintain stream environment zone (SEZ) restoration, and water quality and public access improvements.

The Project will result in ecosystem and watershed benefits by rewetting SEZ lands and enhancing vegetation and sensitive habitats. The Project will also improve water quality by reducing sediment and nutrients, which discharge to Bijou Park Creek and then to

Lake Tahoe at Ski Run Marina. The City is proposing to partner with a developer to remove all existing development located within the Project area, restore SEZ and improve water quality, and redevelop the remainder of the site with pedestrian trails and commercial uses. The Conservancy parcels recommended for the license agreement will be used only for the SEZ restoration, water quality, and public access elements of the Project.

Staff intends to enter into a license agreement with the City in the summer of 2017.

History

The Bijou Park Creek Watershed extends from Heavenly Mountain Resort to Lake Tahoe at the Ski Run Marina. As this area was settled, most of the lower watershed, including meadows and marshes, was paved and developed. Much of the SEZ in the lower watershed was lost to development, and opportunities to restore SEZ and improve water quality are currently limited.

The Project area includes a hotel (Knights Inn - formerly Super 8), commercial and residential development, and Conservancy lands. This portion of the lower watershed once functioned as valuable meadow and riparian habitat. Early development of this area involved installation of a pipe which carries Bijou Park Creek underground, causing a drying of the SEZ and inadequate flood conveyance. Conservancy lands in the Project area no longer support the vegetation and characteristics of a healthy stream system.

The Project provides an opportunity for environmental enhancement paired with localized redevelopment, as it involves a partnership between the City and a private developer. The City is requesting permission to use unimproved Conservancy lands for multi-benefit resource improvements as part of the Project. The license agreement is a priority for the City as it is critical to daylighting Bijou Park Creek and creating a functioning stream system. Specific improvements may include re-contouring of the site to allow for stream bank restoration, water quality basins, re-vegetation and slope stabilization measures, and a pedestrian path from Osgood Avenue to the transit stop at U.S. Highway 50. The Conservancy and City may consider these parcels as part of a future comprehensive land exchange to facilitate efficient land management.

The Conservancy acquired Assessor's Parcel Numbers (APNs) 027-112-13, 027-112-14, 027-112-15, 027-112-16, 027-112-17, and 027-112-24 in the late 1980s under the Environmentally Sensitive Lands Acquisition Program. The Conservancy acquired APN 027-053-14 in 1995 under the Land Bank Program. All of these parcels were acquired for protection of the natural environment, and the license will authorize only uses which

are consistent with protecting natural resources. The license will not allow private commercial development or other uses which are inconsistent with the purpose of acquisition.

The City and developer plan to demolish the existing structures in summer of 2017. The City plans to begin construction of the SEZ restoration, water quality, and public access improvements once demolition is completed.

Financing

The proposed authorization would result in minor incidental staff costs related to the preparation and processing of the agreement. Consistent with the Conservancy's Special Use Guidelines and the Soil Erosion Control Program Guidelines, the City is not charged a fee for the use of the Conservancy-owned property because the improvements are associated with water quality improvement projects.

Authority

Consistency with the Conservancy's Enabling Legislation

The recommended license is consistent with the Conservancy's enabling legislation. Specifically, Government Code section 66907.8 authorizes the Conservancy to lease, rent, or otherwise transfer, including through license agreements, any real property interest to fulfill its purposes of protecting the natural environment and promoting State and regional planning priorities. Section 66907.9 authorizes the Conservancy to initiate, negotiate, and participate in agreements for the management of land under its ownership or control with local public agencies.

Consistency with the Conservancy's Strategic Plan

The recommended action is consistent with the Strategic Plan because the license for use of Conservancy land for Project improvements facilitates the efficient management of Conservancy land (Strategy III) and the investment in high priority conservation and recreation/Environmental Improvement Program (EIP) projects (Strategy II).

Consistency with the Conservancy's Program Guidelines

The recommended action is consistent with the Conservancy's Special Use Guidelines and the Erosion Control Program Guidelines because the action furthers the Conservancy's overall agency purposes by allowing the City to construct and maintain storm water conveyance and treatment infrastructure to improve water quality for Lake Tahoe.

The license agreement will contain standard language requiring contractor insurance, indemnification, and restoration of any damage to the Conservancy parcels. Furthermore, the City will be required to maintain the improvements for 20 years after the installation.

Consistency with External Authorities

The recommended action is consistent with the EIP because it facilitates the implementation of EIP project # 01.01.01.0086 associated with improving storm water quality and restoring a portion of Bijou Park Creek.

Compliance with the California Environmental Quality Act

The City, acting as the lead agency, prepared an initial study and mitigated negative declaration (IS/MND) for the Bijou Park Creek Watershed Management/Southwest Corner Project (Project) to comply with the California Environmental Quality Act (CEQA). The City adopted the IS/MND on May 11, 2017 and filed a notice of determination (NOD) on May 12, 2017.

In order to comply with CEQA, the Conservancy, acting as a responsible agency, prepared an addendum (Attachment 3) to the IS/MND to clarify that a Conservancy-owned parcel (El Dorado County APN 027-053-14) is within the Project area.

A copy of the IS/MND and the Conservancy's Mitigation Monitoring and Reporting Program (MMRP) are provided to the Board on an attached CD (Attachment 4). The IS/MND, addendum, and Conservancy MMRP are available for public review at the Conservancy office, 1061 Third Street, South Lake Tahoe, CA 96150. The IS/MND is also available for public review at the City Services office, 1052 Tata Lane, South Lake Tahoe, CA 96150.

Staff has reviewed the MND and, with the addendum, believes that the Project has been adequately analyzed in the documents. Staff has determined that the Project, as mitigated, will not cause a significant effect on the environment. The mitigation measures for the Conservancy action can be found in the Conservancy's MMRP.

Staff recommends the Board review and consider the City's IS/MND and the Conservancy's addendum, together with any comments received during the public review process; certify that it has independently considered and reached its own conclusions regarding the potential environmental effects of the Project; make the findings as set forth in the attached resolution; adopt the MMRP; and authorize the

Project. If the Board considers and concurs with the MND and addendum, staff will file an NOD with the State Clearinghouse pursuant to CEQA guidelines section 15096. Attachment 5 contains the Conservancy's proposed NOD.

List of Attachments:

Attachment 1 – Resolution 17-06-12

- Exhibit A – Mitigation Monitoring and Reporting Program

Attachment 2 – Project Map

Attachment 3 – Addendum to the IS/MND

Attachment 4 – CEQA Documents

- City IS/MND
- City Initial Environmental Checklist
- City Mitigated Finding of No Significant Effect
- Conservancy Mitigation Monitoring and Reporting Program

Attachment 5 – Conservancy Notice of Determination

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