

ADOPTION OF ASSET LANDS PROGRAM GUIDELINES

Summary: Staff recommends the adoption of Program Guidelines for the sale of asset lands to support Conservancy programs, to recommend up to four properties for potential sale, and to authorize up to \$75,000 towards pre-sale activities.

Location: Within El Dorado County in the Lake Tahoe Basin (El Dorado County APNs 025-360-018, the 151 parcels of the Heavenly Valley Village Condominiums depicted in Book 30, on pages 42, 43, 44, 48, 49, 50 and 51 of the El Dorado County Assessor's maps, 023-231-03, 023-381-01, 032-090-05 and 032-100-06) (Attachment 1)

Fiscal Summary: Up to \$75,000 in support and capital outlay funds

Recommended Action: Adopt Resolution 12-03-07 (Attachment 3).

Background

At the December 2008 Board meeting, staff discussed with the Board possible land transfer policies. During this discussion, staff presented the Conservancy's land acquisition inventory and discussed the limited instances in which Conservancy owned lands could be regarded as "asset lands." Asset lands are parcels of land within the Conservancy's ownership which are not essential to carrying out Conservancy goals and which could have significant market value. The table on page 3 of Attachment 2 – Asset Lands Program Guidelines (Guidelines) - summarizes the Conservancy's potential asset lands.

Staff also summarized for the Board past land exchanges, sales, and transfers authorized by the Board since 1985. From the Conservancy's inception in 1984 to the present time, the Board has approved an exchange, sale, or transfer of either fee title or an easement interest in real property, by the Conservancy or its grantee on 32 occasions, with the most recent approval in July 2010. Past approvals were granted pursuant to

the Conservancy's enabling legislation, mission, program guidelines, and funding requirements. Twenty-seven (84%) approvals took place after the Conservancy acquired the property. Of these, 20 were with a public utility company or other public agency and five were with private parties to achieve Conservancy program objectives to enhance public access to the lake or to park land (two of these sales were by Conservancy grantees upon Board approval). The most recent authorization resulted in the Conservancy acquisition of 1.5 acres of stream environment zone (SEZ) land adjoining the Upper Truckee River in return for the transfer of .25 acres of non-SEZ land to a private party. One other private exchange involved reciprocal access easements that benefit the Conservancy with its management of a single property. The other five land exchange or sale transactions (including easements) were authorized at the time the Conservancy authorized the purchase of real property.

Finally, staff discussed future land transfer, sale, and exchange principles. While staff did not seek Board action at that time, Board discussion suggested that the principles presented helped to provide a conceptual framework for future land exchange or sale proposals. The principles presented in December 2008 were based upon past board discussions and/or actions related to previously approved land transactions. These principles, with minor modification, are outlined on pages 4 and 5 of Attachment 2.

Staff is also recommending a proposed exchange of asset lands with the City of South Lake Tahoe and a transfer of other lands to the City for management purposes consistent with the proposed Guidelines (see Agenda Item 11b). In addition, staff continues to work with the California Department of Parks and Recreation and the United States Forest Service to transfer or exchange lands to achieve greater management efficiency.

Project Description

Staff recommends the adoption of Guidelines to establish policy to govern the initial sales of asset lands for the support of Conservancy programs, to designate specific lands for potential future sale, and to authorize up to \$75,000 towards pre-sale activities. These actions are more fully described below.

Program Scope

Staff recommends the adoption of the Guidelines (Attachment 2) to provide the Conservancy with the continued ability to achieve its many program objectives consistent with its legislative mandate and without compromising its core principles. Staff recommends a limited program scope and that all activities be administered pursuant to the Guidelines.

While the Guidelines provide broad parameters for consideration of future land exchanges or sales, at this time staff recommends the program scope only include project-specific circumstances (a) and (b) as outlined on page 4 of Attachment 2. The first circumstance achieves program or project objectives where the original project purposes have changed, the land is no longer needed to achieve the original project purpose, and the land does not provide significant benefits to another Conservancy program. The second circumstance achieve Conservancy program or project objectives through the disposal of land which is considered incidental to the original acquisition, program, or project objective and the project purposes have been, or can be, achieved with the remaining property.

Lands acquired under the Conservancy's Environmentally Sensitive Lands Acquisition Program (ESL lands) which were not specifically noted as a potential asset land at the time of purchase are excluded from the scope of the proposed program. This excludes approximately 4,465 separate parcels (over 90% of all Conservancy lands) which were acquired to protect water quality and for which the development potential has been retired. These undeveloped lands are within or adjoining a stream environment zone, wholly or partially within Bailey Land Capability Classes 1, 2, or 3, received a Tahoe Regional Planning Agency (TRPA) Individual Parcel Evaluation System (IPES) score of 725 points or less, are within subdivisions where either a dirt road or no road exists, or where all or a portion of the property was denuded of vegetation and the compacted dirt surface was a water quality problem.

Program Principles and Parameters

Staff recommends the sale of asset lands be conducted consistent with the following principles and parameters:

- All land sales shall be conducted in a manner pursuant to and consistent with California Government Code section 66907.8, the Conservancy's statute providing for the sale of real property or interests therein, and any other applicable state laws.
- The Conservancy shall designate specific parcels or classes of land for sale consideration at a public meeting and authorize staff to proceed with all pre-sale activities, including the solicitation of bids to acquire lands.
- The Conservancy staff shall administer the pre-sale process consistent with these guidelines, preparing all due diligence packages and public documents describing the property and the bid/sale process, advertising the land, and conducting an open and transparent process open to all interested and qualified parties. Staff may employ title companies, engineers, surveyors, or other

planning professionals during the pre-sale process in order to display the conditions of title for prospective buyers and to perfect entitlements prior to the sale of land.

- Public notification and transaction documents will be prepared by Conservancy staff using model documents employed by the California Department of General Services (DGS) and the California Department of Transportation (Caltrans).
- A competitive bid process will be used and bids may be solicited in writing, orally, or through a combination of written and oral bidding.
- Marketing assistance of the local real estate professional community may be sought to ensure Conservancy lands are well publicized and a fixed finder's fee may be paid to the real estate professionals who represent successful bidders. Prospective buyers will not be required to team up with a real estate professional in order bid on Conservancy land sales.
- Conservancy staff may seek an appraisal or value estimate of the land from a qualified, independent appraiser to assist with staff's evaluation of the apparent high bid. Conservancy staff may reject any and all bids for any reason and in particular, if staff believes the high bid is too low for recommendation to the Conservancy board for approval at a future public meeting.
- The Conservancy shall, at a public meeting held after the completion of the bidding process, authorize the sale of land to the highest qualified bidder at the recommended price. Findings pursuant to the California Environmental Quality Act (CEQA) will be made by the Conservancy at the time a specific property is authorized for sale.
- All Proceeds from the sale of Conservancy lands are deposited in the Tahoe Conservancy Fund and available for expenditure upon appropriation by the California Legislature.

Designation of Specific Lands for Sale Consideration

Staff recommends the inclusion of the following properties at this time for sale consideration, as more fully described below:

1. **Former drive-in movie theater property along Glenwood Drive in South Lake Tahoe, CA** (El Dorado County Assessor's parcel number (APN) 025-360-018 – Attachment 4). This is an 8.44 acre property that the Conservancy will acquire in a land exchange with the City of South Lake Tahoe if the Conservancy Board approves the proposed exchange under Agenda Item 11b at the March 15, 2012 meeting. The Conservancy is acquiring this property along with over 101,000 square feet of existing land coverage and one existing residential unit of use to partially address excess coverage mitigation (ECM) obligations in the Conservancy's Land Bank and to meet other program objectives. After potential

restoration of a portion of the existing hard land coverage in the fall of 2012, staff is proposing to sell the land as a site with the remaining coverage and one existing use. The property would be sold with a covenant providing the Conservancy with restored hard land coverage rights, which assists the Conservancy's Land Bank with meeting its ECM obligations within the South Stateline Hydrologically Related Area (HRA). The remaining land coverage and residential unit of use would be restricted to the Class 7, high land capability portion of the property. The potential sale of this land is consistent with criteria 4(b), whereby the Conservancy achieves its Land Coverage Bank program objectives through the restoration and retirement of existing hard land coverage, while at the same time generating revenues for the Conservancy through the sale of land.

- 2. Tallac Vista Property at the end of Sherman Way in South Lake Tahoe, CA**
(the 151 parcels of the Heavenly Valley Village Condominiums depicted on Book 30, Pages 42, 43, 44, 48, 49, 50 and 51 of the El Dorado County Assessor's maps - Attachment 5). The 15-acre property has a panoramic view of Lake Tahoe and the surrounding peaks, and adjoins other single family residential properties along Sherman Way and National Forest System lands under Special Use Permit as Heavenly Mountain Resort. The Conservancy acquired this land with non-bond funds in 1988 pursuant to a litigation settlement that prevented the development of the condominium project. At the time of purchase the property was improved with a structure that was to be the club house for the complex. Subsequent to acquisition, the Conservancy entered into an agreement with the City and issued a Public Access and Recreation Program grant for structural renovations. The Tahoe Tallac Association operated the site as a small conference center on behalf of the City and the Conservancy from 1990 through 2007. During this period the Conservancy did not receive any income from conference and wedding rentals, but did expend money and crew resources to stabilize eroding slopes and reduce fuels in the adjoining forest.

Rental revenues did not adequately provide funding for site maintenance, causing the Tallac Association to end the rental of the facility and leaving the Conservancy with a land management concern. A seismic and maintenance assessment determined structural repairs to the first and second floor decks is needed, the leaking roof requires replacement, the interior has significant water damage (from the leaking roof and frozen pipes). Bears, woodpeckers, and rodents have accelerated cosmetic damage to exterior siding.

The Conservancy has examined the possibility of once again operating the site as a small conference facility, using a private sector party to run the facility.

However, the primary site constraint, parking, and the site's residential location still provide a barrier to the facility being an effective rental, despite the beautiful views. In addition, the market has changed: since the facility was initially operated, the South Lake Tahoe area has added a full range of event and meeting venues, including the development at the Heavenly Village. Even the Tahoe Seasons facility nearby has eliminated its conferencing capabilities. The Tallac Vista facility is not readily accessible to services demanded by event attendees and requires a shuttle for anyone wishing to return to a lodging facility or obtain any other services in the area.

The sale of Tallac Vista is consistent with criteria 4(a). The Conservancy can continue to achieve the water quality and land use benefits stemming from retirement of 150 condominium units through an appropriate deed restriction. The Public Access and Recreation benefits of the conference facility were debatable, even when the facility was fully functioning. While conferences and weddings enabled people to use and enjoy the site, those services are best provided by the private sector in commercial locations and are very different from the outdoor recreation that the Conservancy typically facilitates. The property does not provide significant benefits to any other Conservancy programs and is a maintenance liability and ongoing expense to the agency.

3. **Two parcels of land along Lake Tahoe Boulevard adjoining the Tahoe Valley Pharmacy and Factory Stores at the Y developments immediately east of the intersection of State Route 89 and US Highway 50 in South Lake Tahoe, CA** (El Dorado County APNs 023-231-03 and 023-381-01 – Attachment 6). This 3.68-acre area was acquired with non-bond funds in 1988 under the Conservancy's Land Coverage Program. 48,000 square feet of hard and soft land coverage was restored on the property after acquisition and has been incorporated into the Land Bank for possible allocation pursuant to the Land Bank's criteria. The Land Bank can provide sufficient coverage to allow sale of this property with full 30% coverage rights as allowed by the land capability; adoption of the Tahoe Valley Community Plan could allow a commercial development to transfer in up to 70% land coverage, consistent with transferred coverage ratios. At the request of the City of South Lake Tahoe, the Conservancy noted this property as an "asset land" at the time of purchase due to its strategic location along U.S. Highway 50 just east of the South Y intersection. Sale of this land is consistent with criteria 4(a). The land is not critical to achieve Land Bank program purposes and the land does not provide significant benefits to other Conservancy programs.
4. **Two 20-acre home sites west of Lodgepole Trail on the Lyons Ranch East property in unincorporated El Dorado County, CA.** Two potential home site

parcels west of Lodgepole Trail on the Lyons Ranch East property (APNs 032-090-05 and 032-100-06, Attachment 7). In 2008, the Conservancy used bond funds to purchase 125 acres of mixed land capability to meet objectives of the Recreation and Access, Land Coverage Bank, and Environmentally Sensitive Lands programs. With the land, the Conservancy acquired two residential development rights, a residential allocation (since expired), and 847,120 square feet of potential coverage in the Upper Truckee River Hydrologic Area. The Board considered future sale of a portion of this property when approving acquisition in March, 2008 as follows: "At a future date the Conservancy may wish to consider creating and selling two acreage home sites, on the property's higher capability lands, to recoup a significant portion of its land acquisition cost." Lot line adjustments can be made to create two high capability, 20-acre home sites with sufficient coverage rights for adequate single family residential development. Existing utilities and roadways can support residential activity here, although development approval ultimately requires meeting the special use findings permissible in this plan area. Lot line adjustment can retain Conservancy options for protecting the public's access to recreation resources, allowing future consideration of a developed bike trail, protecting low capability lands, and providing potential coverage to the Land Bank.

Pre-Sale Activities

Staff is recommending the authorization of up to \$75,000 in agency support and capital outlay funds for conducting required pre-sale activities, including expenditures with title companies, engineers, surveyors, or other planning professionals during the pre-sale process in order to display the conditions of title for prospective buyers and to perfect entitlements prior to the sale of land. Other expenditures may include local government and/or TRPA permit fees (e.g. in the event a boundary line adjustment is required), sales marketing costs, and related expenses required to adequately market and conduct a sale of asset lands.

Implementation

If adopted by the Board, the Asset Lands Program Guidelines (Attachment 2) will provide effective policy guidance to staff and the public when evaluating the possible disposition of potential asset lands. As noted in the Guidelines, prior to formally initiating activities geared towards the possible sale of asset lands and before expending any funds specifically towards perfecting entitlements on such lands, staff will first seek Board authority to initiate such activities.

Project Evaluation

The proposed Asset Lands Program Guidelines clearly communicate the policy objectives and priorities of the Conservancy at this time with respect to the possible disposal of asset lands for management purposes consistent with the Conservancy's statute. They incorporate procedures for asset land disposal that are used by both DGS and Caltrans. While over 400 properties within the Conservancy's land inventory could be considered asset lands, only four properties have been identified at this time for pre-sale activities as a measured introduction to the realm of land disposal to further Conservancy program objectives.

Consistency with the Conservancy's Enabling Legislation

Implementation of this project is consistent with the Conservancy's enabling legislation. Specifically, Government Code section 66907.8 allows for the Conservancy to sell, exchange, or otherwise transfer any real property or interest therein, or option acquired under the legislation to local public agencies, State agencies, federal agencies, nonprofit organizations, individuals, corporate entities or partnerships for management purposes pursuant to terms and conditions approved by the Conservancy.

Compliance with the California Environmental Quality Act

CEQA findings are not required to initiate a program for the sale of asset lands because the adopted guidelines specify that future Conservancy action at a public meeting is required to authorize the sale of any property. Therefore, specific CEQA findings will be included with the recommendation to sell any land at subsequent Conservancy meetings.

List of Attachments:

- Attachment 1 – Project Location Map
- Attachment 2 – Asset Lands Program Guidelines
- Attachment 3 – Resolution 12-03-07
- Attachment 4 – Former Drive-in Movie Theater Location Map
- Attachment 5 – Tallac Vista Location Map
- Attachment 6 – Two Parcels at the South "Y" Location Map
- Attachment 7 – Lyons Ranch East Location Map

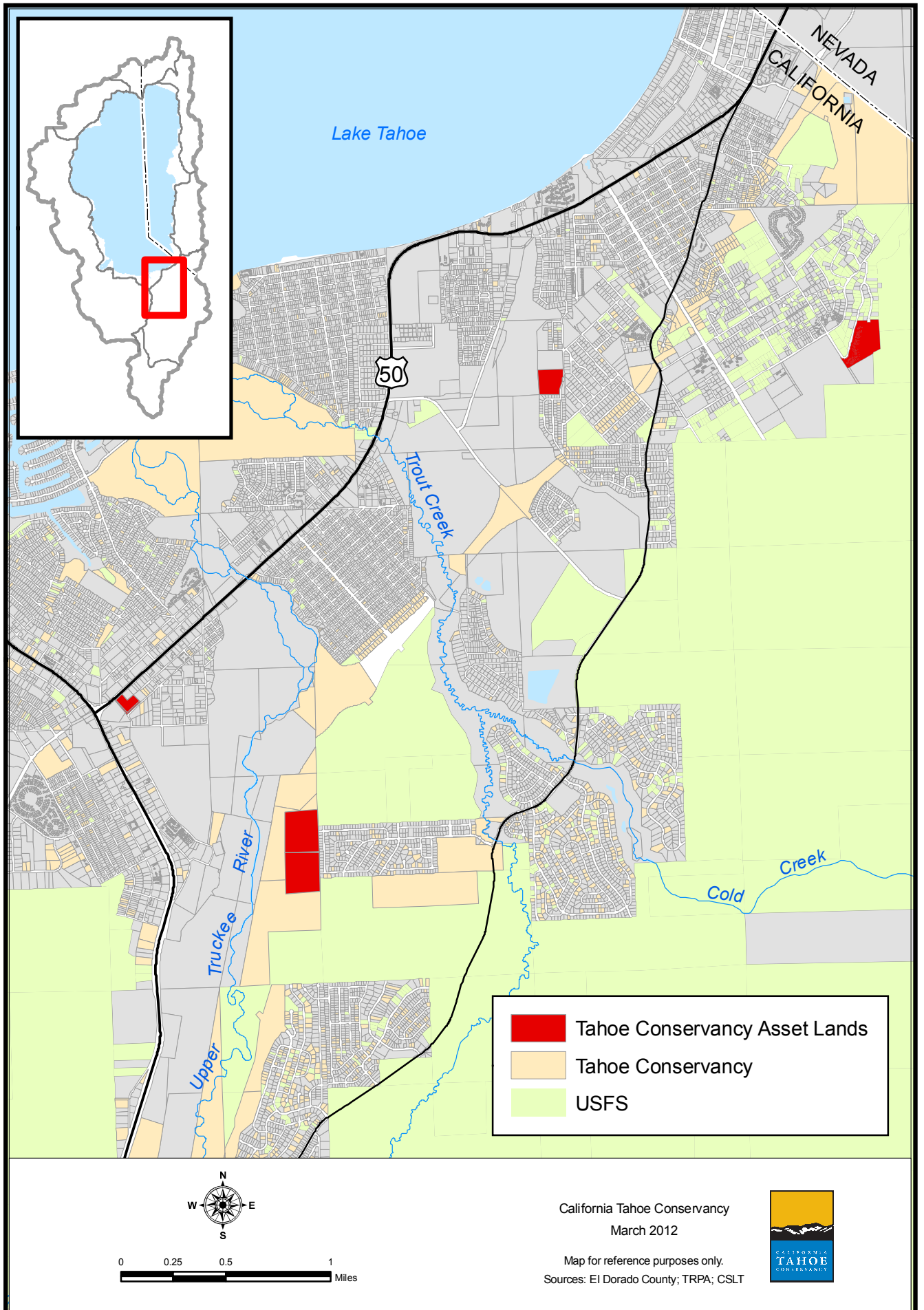
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ATTACHMENT 1
Project Location Map



CALIFORNIA TAHOE CONSERVANCY

ASSET LANDS PROGRAM GUIDELINES

*Principles and Parameters to Govern Conservancy
Property Sale, Exchange, and Transfer*



March 15, 2012

Direct all inquiries and correspondence to:

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TABLE OF CONTENTS

1. PROGRAM PURPOSE AND BACKGROUND	1
Overview	
California Tahoe Conservancy Mission	
Land Management and Acquisition Program Overview	
Consistency with Conservancy's Enabling Legislation	
Conservancy Inventory of Asset Lands	
2. GENERAL ASSET LANDS PROGRAM CRITERIA	4
When will the Conservancy consider pursuing transactions that involve the transfer, sale, or exchange of Conservancy land?	
How can the public become aware of Conservancy land sales, transfers or exchanges?	
3. GOVERNMENT-TO-GOVERNMENT TRANSFERS: PRINCIPLES AND PARAMETERS	6
Sale and Exchange Considerations	
4. OTHER SALES AND EXCHANGES: PRINCIPLES AND PARAMETERS	7
Sale and Exchange Considerations	
5. 2012 CONSERVANCY LAND SALE PROGRAM: PRINCIPLES AND PARAMETERS	9
Parameters	
Principles	
Specific Lands for Sale Consideration	

1. PROGRAM PURPOSE AND BACKGROUND

Overview

The Conservancy has devised a broad range of approaches to the management of Conservancy land in a manner consistent with its acquisition and management objectives. These Program Guidelines establish a land sale or land exchange component under its overall property management program, providing a consistent set of criteria for Board adoption of individual land sale, transfer, and exchange actions. The Conservancy has developed these Program Guidelines as internal operating procedures that offer broad policy guidance, providing the agency with the ability to adjust its land ownership consistent with its legislative mandate and without compromising its core program objectives.

California Tahoe Conservancy Mission

The California Tahoe Conservancy (Conservancy) is a California state agency with a mission to preserve, protect, restore, enhance, and sustain the unique and significant natural resources and recreational opportunities of the Lake Tahoe Basin. Established in 1984, the Conservancy's jurisdiction extends throughout the California side of the Lake Tahoe Region, as defined in California Government Code Section 66905.5. The Conservancy develops and implements projects to improve water quality, preserve Lake Tahoe's scenic beauty, provide recreational opportunities and public access, preserve wildlife habitat areas, and manage and restore lands to protect the natural environment.

Land Management and Acquisition Program Overview

The Conservancy's program for the purchase of environmentally sensitive lands was initially adopted in April 1985. Land acquisition criteria were modified on several occasions -- in April 1986, May 1987, July 1988, September 1988, and February 1989 -- to encompass significant resource lands and lands necessary to protect the natural environment.

In addition to acquisition of environmentally sensitive lands, the Conservancy has periodically acquired parcels for public access, and stream environment zone and wildlife protection purposes. The Conservancy has also acquired parcels through litigation settlements and "bulk acquisitions," or acquisitions of a variety of properties from a landowner, not all of which supported the primary purpose of the acquisition, but which were part of the package of lands that were part of the acquisition.

In the Conservancy's land acquisition inventory of 4,890 parcels totaling more than 6,500 acres, there are just over 400 Conservancy-owned properties that are regarded as "*asset lands*." **Asset lands** are parcels of land within the Conservancy's ownership which are not essential to carrying out Conservancy goals, which could have significant market value, and which are not otherwise restricted from disposal

by law or Board policy. In fact, some asset lands, at the time of acquisition, were identified for possible future transfer or sale.

Managing the Conservancy's properties is a complex task. Aside from their sheer numbers and small sizes – most are no bigger than 1/3 of an acre – parcels are often scattered throughout already-developed areas, creating the potential for conflicts between open space and residential uses. The Conservancy's Property Management Program was adopted in September 1986 and guides land management of Conservancy-owned lands. In contrast, these Program Guidelines will provide direction regarding the circumstances and considerations for land that is considered for transfer from Conservancy ownership.

Consistency with Conservancy's Enabling Legislation

These Program Guidelines for Conservancy Asset Lands are consistent with the Conservancy's enabling legislation.

- The Conservancy is authorized under Government Code Section 66907 to *“select and acquire real property or interests therein in the name of and on behalf of the State, for the purposes of protecting the natural environment.”*
- Pursuant to Government Code Section 66907.1, *“the Conservancy may acquire interests in land by means of land exchanges.”*
- Government Code Section 66907.2 provides for the Conservancy to *“accept and hold real property or any interest herein acquired through gift, exchange, donation or dedication.”*
- Pursuant to Government Code Section 66907.8, *“notwithstanding any other provision of law, the Conservancy may . . . sell, exchange, or otherwise transfer any real property or interest therein, or option acquired under this title to local public agencies, State agencies, Federal agencies, nonprofit organizations, individuals, corporate entities or partnerships for management purposes pursuant to terms and conditions approved by the Conservancy.”*

NOTE: State Surplus Property Law may apply if a proposed conveyance is not for management purposes, part of a land exchange, or for a specific project purpose.

Conservancy Inventory of Asset Lands

Conservancy asset lands generally fall within the following categories:

Description of Lands	Approximate Number of Parcels
Commercially or multi-family residentially zoned lands within or adjoining a community plan area. These may be Environmentally Sensitive Lands (ESL) or Land Coverage Program acquisitions.	8
Project-specific lands acquired to support the Public Access and Recreation Program that are no longer required to meet program objectives.	10
High capability lands acquired as part of a “bulk land acquisition” of environmentally sensitive lands.	87
Acreage within larger parcels acquired for the Public Access and Recreation Program from which two, 20-acre residential parcels may be created without compromising the original purpose of acquisition of the properties.	2
Land Bank acquisitions that have been fully utilized or are no longer needed for Land Bank purposes.	210
Litigation Settlement property adjoining Heavenly Ski Area for which user demand has changed such that it no longer economically meets public access program objectives.	1
High capability lands, not essential to fulfilling agency objectives, within the former State Route 50 Freeway Right of Way stretching from Meyers to the California/Nevada Stateline.	100

Important to the discussion of asset lands identification is what lands are not generally suitable for disposal. At this time, lands acquired under the Conservancy’s ESL Acquisition Program which were not specifically noted as a potential asset land at the time of purchase are generally excluded from the scope of the program. Therefore, approximately 4,465 separate parcels (over 90% of all Conservancy lands) which were acquired to protect water quality and for which the development potential has been retired are generally excluded from consideration at this time. These undeveloped lands are within or adjoining a stream environment zone, wholly or partially within Bailey Land Capability Classes 1, 2, or 3, received a Tahoe Regional Planning Agency Individual Parcel Evaluation System (IPES) score of 725 points or less, are within subdivisions where either a dirt road or no road exists, or where all or a portion of the property was denuded of vegetation and the compacted dirt surface was a water quality problem.

2. GENERAL ASSET LANDS PROGRAM CRITERIA

When will the Conservancy consider pursuing transactions that involve the transfer, sale, or exchange of Conservancy land?

In no case shall the Conservancy be compelled to transfer any properties under its ownership. However, as a general policy, the Conservancy would consider pursuing transactions involving the transfer, sale, or exchange of Conservancy land if the following criteria are met:

- 1) The transaction is consistent with the Conservancy's enabling legislation (Gov. Code § 66905 et seq.). Specifically, Government Code section 66907.8 allows for the Conservancy to sell, exchange, or otherwise transfer any real property or interest therein, or option acquired under the legislation to local public agencies, State agencies, federal agencies, nonprofit organizations, individuals, corporate entities or partnerships for management purposes pursuant to terms and conditions approved by the Conservancy; and
- 2) The transaction is consistent with these and other Conservancy Program Guidelines and purposes, such as: policies adopted as part of the development of the Conservancy's ESL Program; the Conservancy's Property Management Program and related guidelines; the Conservancy's Leasing and Stewardship Land Management Services Guidelines; and past Conservancy Board policy discussions and actions relating to specific land purchases; and
- 3) The transaction is consistent with requirements of bond acts and other applicable funding sources specific to the acquisition, including but not limited to California Propositions 12, 13, 40, 50, 84, and the Lake Tahoe Acquisitions Bond Act of 1982 (Gov. Code § 66950 et seq.).

In addition to the above 3 criteria, the proposed transaction shall document how it satisfies one or more of the following project-specific circumstances:

- a) *Achieves program or project objectives where the original project purposes have changed, the land is no longer needed to achieve the original project purpose, and the land does not provide significant benefits to another Conservancy program.*

Example: A number of parcels in the vicinity of U.S. Highway 50 and State Route 89 in Meyers were purchased to facilitate construction of a permanent visitor center. Current site improvement considerations do not require all of these parcels for project implementation. Several of the parcels are high capability lands within the Meyers Community Plan area.

- b) *Achieves program or project objectives through the disposal of land which is considered incidental to the original acquisition, program, or project objective and the project purposes have been, or can be, achieved*

with either the remaining property or remaining property interest, and/or with the “consideration” being offered in trade.

Example: Lands which may have been acquired as part of a bulk acquisition (e.g. within the City of South Lake Tahoe located near the Tahoe Daily Tribune building).

- c) *Achieves public and environmental benefits that significantly exceed the public or environmental value of the land owned by the Conservancy.*

Example: If another party owns or acquires a parcel that is of high value for environmental purposes, and proposes to transfer the property to the Conservancy in exchange for other Conservancy land of significantly less environmental importance, such as the exchange transaction that occurred in 2010).

- d) *Facilitates more efficient management of public lands in the Basin or through project delivery, while furthering Conservancy program objectives.*

Example: Possible Conservancy land transfer/exchange with the U.S. Forest Service, the California Department of Parks and Recreation, and/or the City of South Lake Tahoe.

- e) *Provides equitable relief to the owner of a neighboring parcel, in such a manner that environmental disturbance is minimized and the Conservancy’s acquisition objectives are not adversely impacted.*

Example: Certain cases where a pre-existing condition such as a secondary access or encroaching structure can be documented as present on a portion of Conservancy land prior to Conservancy acquisition.

- f) *The Conservancy may consider a possible transfer, sale, or exchange of land in certain cases when criteria 1-3 (above) are met and where the transaction would help achieve other State mandates, local community plan goals, redevelopment objectives, or other public purposes on a case-by-case basis.*

How can the public become aware of Conservancy land sales, transfers or exchanges?

Actions proposing to transfer lands from Conservancy ownership shall all require Conservancy Board decisions, including appropriate CEQA documentation and processing. All transactions shall be processed as follows:

Board Process – Upon receipt of a request or upon initiation by Conservancy staff of a possible land transfer opportunity, the item may first be presented to the Board for authorization to fund the due diligence review and sale or exchange process. The land ownership adjustment action will be evaluated for consistency with these Program Guidelines. If staff determines that the transfer meets the criteria and consideration included in these guidelines, the action shall be

presented to the Board on a case-by-case basis, for authorization to complete the transaction and transfer the land. All Board actions require public noticing, including on site posting of the lands proposed for transfer.

3. GOVERNMENT-TO-GOVERNMENT TRANSFERS: PRINCIPLES AND PARAMETERS

Transfer, Sale, or Exchange Considerations

Both the States of California and Nevada and the U.S. Forest Service have legislation/regulation for acquisition of certain environmentally sensitive lands and other lands at Lake Tahoe. Cooperative planning assisted with their acquisition such that government entities did not compete when making purchase offers; cooperative planning for land ownership adjustment can also assist with efficient public property management. In addition, local government land acquisitions for various purposes have also created a public land base that could be strategically adjusted for land management efficiency. Finally, specific project needs or agency funding situations sometimes dictate the need for government-to-government transfers of jurisdiction of either fee title or easements, both permanently and temporarily, in order to implement the project or to best deliver government services to the public. Properties received by the Conservancy from the U.S. Forest Service or the California Department of Parks and Recreation will likely contain a covenant (e.g. deed restriction) to ensure the properties are managed by the Conservancy consistent with the purposes for which they were acquired.

Government-to-government land ownership adjustments (transfer, sale, or exchange, in whole or in part, permanent or temporary, and in fee or easement) shall satisfy consideration (d), as described in the section of these Program Guidelines entitled “*When will the Conservancy consider pursuing transactions that involve the transfer, sale, or exchange of Conservancy land?*” Specifically these transactions shall facilitate more efficient management of public lands in the Basin or through project delivery, while furthering Conservancy program objectives.

These Program Guidelines provide the circumstances for government-to-government transactions. Sales, transfers, or exchanges shall further one or more of the following objectives:

- Shift management responsibility to another suitable public land manager will provide for continued management of the property in a manner consistent with the funding source requirements and purposes for which it was acquired; and/or
- Accommodate legitimate past uses in order to avoid future use conflicts; and/or
- Support regulatory policies or deliver public services, including recreational use and public access; and/or
- Enhance administrative capabilities; and/or
- Shift management responsibility to another suitable land manager, resulting in a reconfiguration or consolidation of ownerships that improves management and enhanced resource protection; and/or
- Further one or more Conservancy program objectives.

4. OTHER SALES, TRANSFERS, OR EXCHANGES: PRINCIPLES AND PARAMETERS

Sale, Transfer, or Exchange Considerations

Land ownership adjustments (transfer, sale, or exchange, in whole or in part, permanent or temporary, and in fee or easement) with non-government entities shall satisfy either consideration (c) or (e), as described in the section of these Program Guidelines entitled “*When will the Conservancy consider pursuing transactions that involve the transfer, sale, or exchange of Conservancy land?*” Specifically these transactions shall achieve public and environmental benefits that significantly exceed the public or environmental value of the land owned by the Conservancy or provide equitable relief to the owner of a neighboring parcel in such a manner that environmental disturbance is minimized and the Conservancy’s acquisition objectives are not adversely impacted.

Proposals from non-government entities are not a current priority for the Conservancy and may be evaluated as time and workloads allow. Conservancy staff may also consult with other agencies and organizations with expertise to help evaluate proposals. In some cases, the applicant may be asked to further refine their proposal or provide supplemental information.

Previous Conservancy land transfers or exchanges have derived one or more of the following benefits:

- Substantial environmental benefit achieved.
- Broader public benefit achieved and there is no reasonable or feasible alternative to the use of a small portion of high capability land on a Conservancy-owned property(ies).
- Broader public benefits were achieved or superior land management objectives were achieved through boundary line adjustment.
- Made the Conservancy whole and minimized environmental disturbance.
- Directly supported and implemented a Conservancy or grantee program or project objective.
- Extraordinary public and environmental benefits were realized that would not otherwise be achievable.

Future land transfers, sales, or exchanges with adjoining private land owners must be consistent with one or more of the above benefits and will be evaluated against the following criteria:

- Consistency with acquisition – Generally, all exchanges will have to serve the purpose for which the parcel was acquired. In most cases the exchange will have to be consistent with open space and the protection of the natural environment objectives.

- Suitable site – The proposed Conservancy property is suitable for the proposed use (i.e., topography, vegetation) described in this staff report.
- Furthers management objectives – The proposed use must further the Conservancy’s management objectives, including enhancement of the environment, provision of water quality benefits, and avoidance of use conflicts.
- Consistency with rules and regulations – The existing or future use is consistent with and supports applicable regulatory policies and supports planning objectives in the Lake Tahoe Basin.
- The resulting resource benefits for the Conservancy must be at least equal to those envisioned by the Conservancy’s original acquisition and management objectives – the area should be of substantially the same size and value and may have similar environmental characteristics. The nature and composition of the landscape and forest vegetation resources should be similar on both parcels. Both parcels should have nearly identical environmental sensitivity.
- The properties to be exchanged are of equal or greater value to the Conservancy.
- If resolving an encroachment onto Conservancy land:
 - the encroachment can be documented to have been present five or more years prior to Conservancy acquisition; and
 - The proposed transfer/exchange is the most cost effective and reasonable way of achieving the Conservancy’s objectives; and
 - The recommended sale, transfer, or exchange is a reasonable and fair alternative for both the Conservancy and the adjoining landowner.

5. 2012 CONSERVANCY LAND SALE PROGRAM

Parameters: The limited, 2012 program scope includes Board authority to explore sale of a limited number of properties, all of which satisfy either criteria (a) or (b), above; specifically:

- (a) Lands that, if sold, achieve Conservancy program or project objectives where the original project purposes have changed and the land is no longer needed to achieve the original project purpose, and the land does not provide significant benefits to another Conservancy program.
- (b) Lands that, if sold, achieve Conservancy program or project objectives through the disposal of land which is considered incidental to the original acquisition, program, or project objective and the project purposes have been, or can be, achieved with the remaining property.

Principles: The 2012 sale of asset lands shall be conducted consistent with the following principles:

- All land sales shall be conducted in a manner pursuant to and consistent with California Government Code Section 66907.8, the Conservancy's statute providing for the sale of real property or interests therein, and applicable state laws.
- The Conservancy Board shall designate specific parcels or classes of land for sale consideration at a public meeting and authorize staff to proceed with all pre-sale activities, including the solicitation of bids to acquire lands.
- The Conservancy staff shall administer the pre-sale process consistent with these guidelines, preparing all due diligence packages and public documents describing the property and the bid/sale process, advertising the land, and conducting a transparent process open to all interested and qualified parties. Staff may employ title companies, engineers, surveyors, appraisers, land use planning, and/or real estate professionals during the pre-sale process in order to display the conditions of title for prospective buyers and to perfect entitlements prior to the sale of land.
- Public notification and transaction documents will be prepared by Conservancy staff using model documents employed by the California Department of General Services (DGS) and the California Department of Transportation (Caltrans).
- A competitive bid process will be used and bids may be solicited in writing, orally, or through a combination of written and oral bidding.
- Marketing assistance of the local real estate professional community may be sought to ensure Conservancy lands are well publicized and a fixed "finder's fee" may be paid to the real estate professionals who represent successful bidders. Prospective buyers will not be required to team up with a real estate professional in order bid on Conservancy land sales.
- Conservancy staff may seek an appraisal or value estimate of the land from

- a qualified, independent appraiser to assist with staff's evaluation of the apparent high bid. Conservancy staff may reject any and all bids for any reason and in particular, if staff believes the high bid is too low for recommendation to the Conservancy board for approval at a future public meeting.
- The Conservancy shall, at a public meeting held after the completion of the bidding process, authorize the sale of land to the highest qualified bidder at the recommended price. California Environmental Quality Act (CEQA) decisions will be made by the Conservancy at the time a specific property is authorized for sale.
 - Buyer is responsible for all title, escrow, recording and other closing costs. Any appraisals, surveys, or legal description preparation as part of the due diligence process whereby the Conservancy determines likely use and value of the property will be paid by the Conservancy in order to determine how to best market the property.
 - All proceeds from the sale of Conservancy lands are deposited in the Tahoe Conservancy Fund and available for expenditure upon appropriation by the California Legislature. Proceeds from Lake Tahoe Acquisition Bond Act parcels may only be used to buy other undeveloped parcels and proceeds from parcels acquired with other bond funds may be used to buy and/or restore lands consistent with existing Conservancy statute and programs.

Specific Lands for Sale Consideration:

1. Former drive-in movie theater property along Glenwood Drive in South Lake Tahoe, CA: El Dorado County Assessor Parcel (APN) 025-360-018; 8.44 acres.

Sale as a residential estate home site with 25,000 square feet of coverage and one existing residential unit of use. Residential development would be restricted to the Class 7, high land capability portion of the property. Sale of this land is consistent with criteria 4(b), whereby the Conservancy achieves its Land Coverage Bank program objectives through the restoration and retirement of over 76,000 square feet of existing hard land coverage.

2. Tallac Vista Property at the end of Sherman Way in South Lake Tahoe, CA: The 151 parcels of the Heavenly Valley Village Condominiums depicted on Book 30, Pages 42, 43, 44, 48, 49, 50 and 51 of the El Dorado County Assessor's maps; 15 acres.

"As is" sale as a residential estate home suitable for significant remodel or demolition and reconstruction. Sale of this land is consistent with criteria 4(a), whereby the Conservancy enhances its administrative capabilities through the generation of revenues from the sale of land that is no longer needed to achieve the original project purpose, and the land does not provide significant benefits to another Conservancy program. Specifically, this property adjoins the Heavenly Ski

Area and user demand has changed such that it no longer economically meets public access program objectives.

3. Two parcels of land along Lake Tahoe Boulevard adjoining the Tahoe Valley Pharmacy and Factory Stores at the Y developments immediately east of the intersection of State Route 89 and US Highway 50 in South Lake Tahoe, CA: APNs 023-231-03 and 023-381-01; 3.68 acres.

Sale of a vacant commercial property located strategically along U.S. Highway 50, just east of the South Y intersection, within the preliminary Tahoe Valley Community Plan Area. Sale of this land is consistent with criteria 4(a) because the land is no longer needed to achieve Land Bank program purposes and the land does not provide significant benefits to other Conservancy programs.

4. Two 20-acre home sites west of Lodgepole Trail on the Lyons Ranch East property in unincorporated El Dorado County, CA: APNs 032-090-05 and 032-100-06; 40 acres.

Sale of two 20-acre home site parcels on high capability lands west of Lodgepole Trail in El Dorado County. Sale of this land is consistent with criteria 4(b), whereby the Conservancy achieves its Public Access, Wildlife, and Land Coverage program objectives through retention of 86 acres that protect the South Tahoe Greenway and wildlife movement corridors, as well as over 770,000 square feet of potential land coverage for future Land Bank purposes.

ATTACHMENT 3

California Tahoe Conservancy
Resolution
12-03-07
Adopted: March 15, 2012

ADOPTION OF ASSET LANDS PROGRAM GUIDELINES

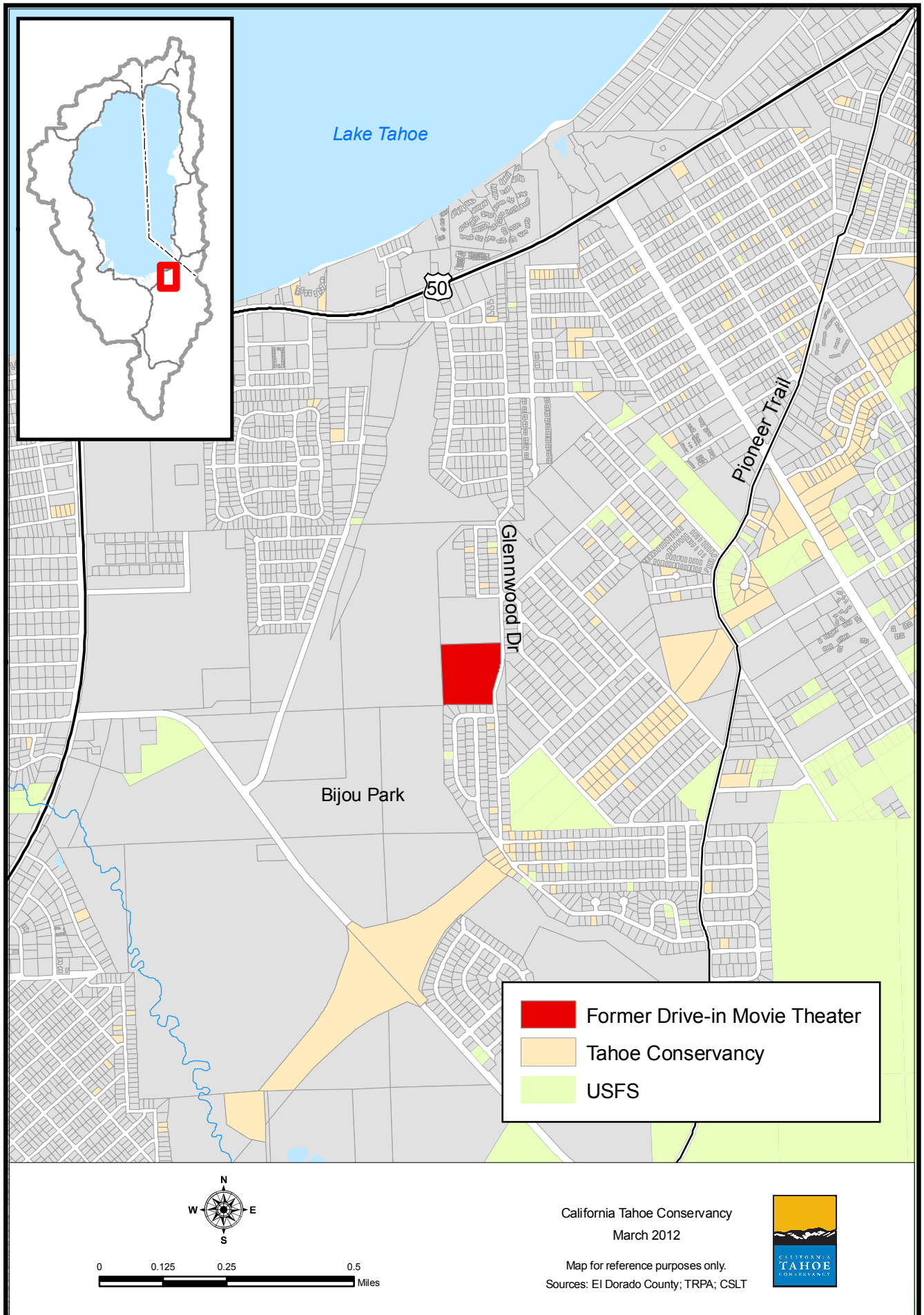
“The California Tahoe Conservancy hereby authorizes adoption of Asset Lands Program Guidelines for the sale of asset lands to support Conservancy programs, to recommend up to four properties for potential sale, and to authorize up to \$75,000 towards pre-sale activities.”

I hereby certify that the foregoing is a true and correct copy of the resolution duly and regularly adopted by the California Tahoe Conservancy at a meeting thereof held on the 15th day of March 2012.

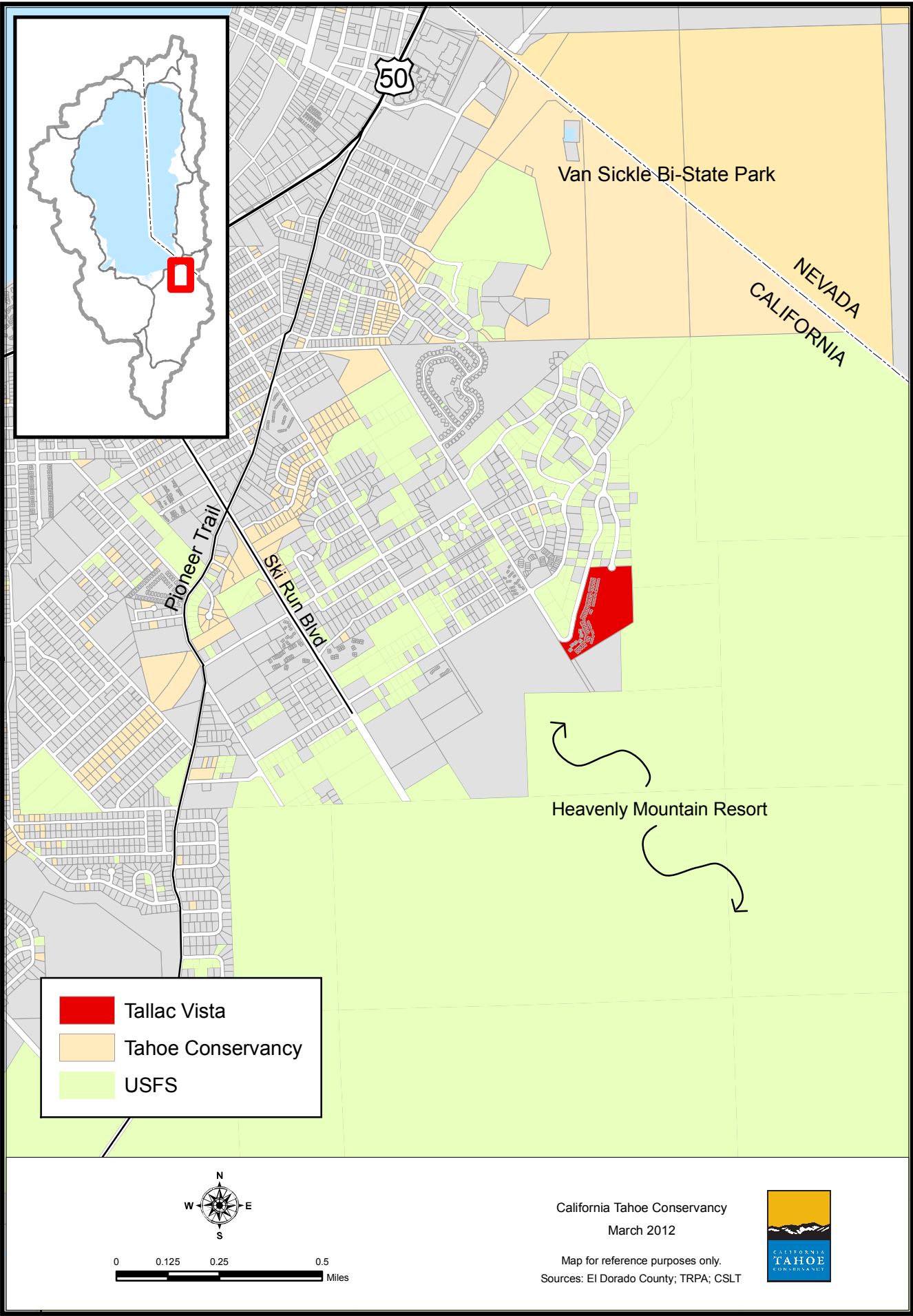
In WITNESS THEREOF, I have hereunto set my hand this 15th day of March 2012.

Patrick Wright
Executive Director

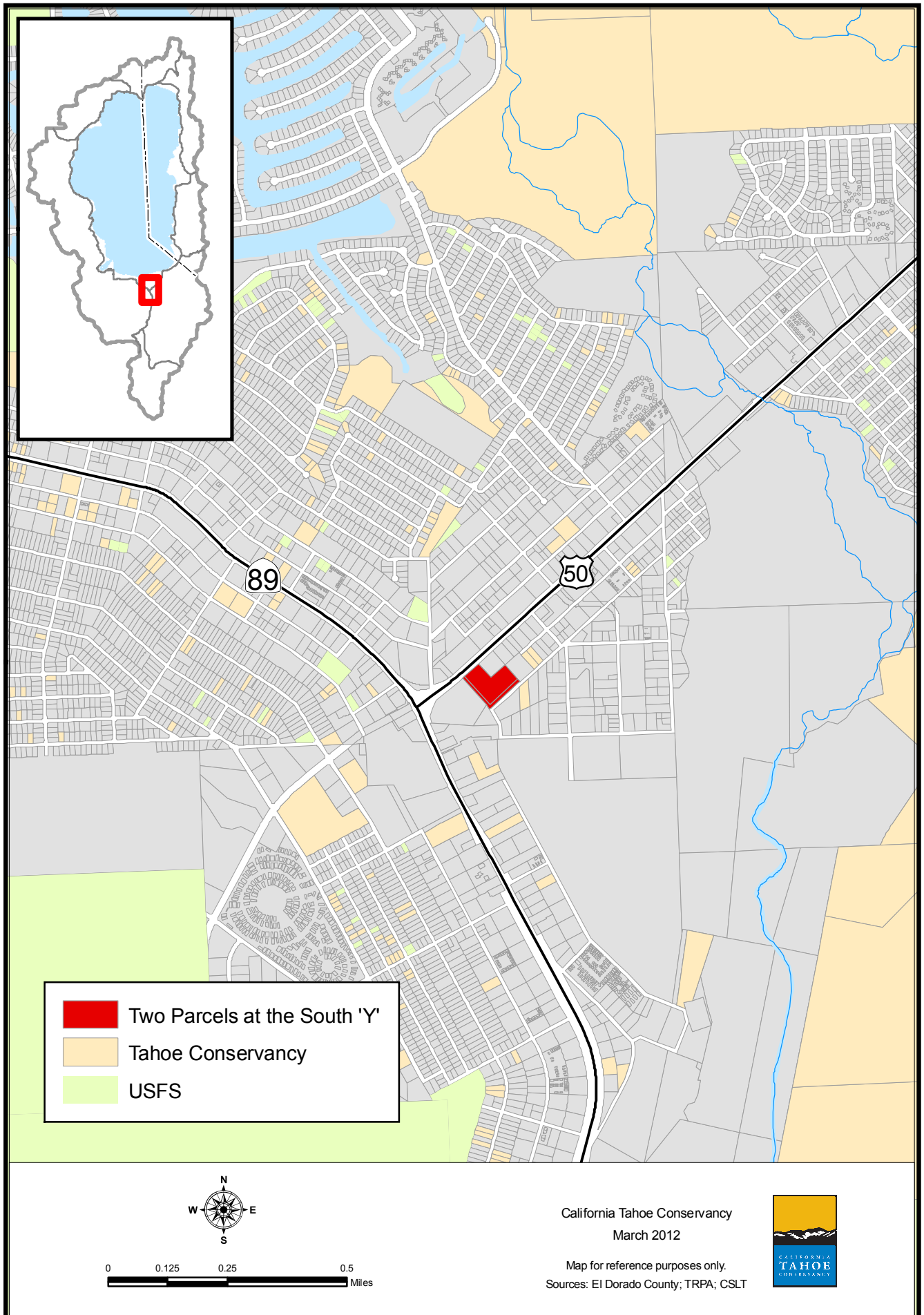
ATTACHMENT 4
Former Drive-in Movie Theater



ATTACHMENT 5
Tallac Vista



ATTACHMENT 6
Two Parcels at the South 'Y'



ATTACHMENT 7
Lyons Ranch East

