

California Tahoe Conservancy
Agenda Item 7a
September 19, 2013

**AUTHORIZATION TO SELL ASSET LAND
AT 2675 SHERMAN WAY, SOUTH LAKE TAHOE
(FORMER TALLAC VISTA CONFERENCE CENTER)**

Summary: Staff recommends authorizing the sale of an asset land for a total sales price of \$1,400,000.

Location: 2675 Sherman Way within the City of South Lake Tahoe, El Dorado County Assessor Parcel Number 030-421-02 (Attachment 1).

Fiscal Summary: Expected total revenue of \$1,316,000 after six percent (6%) sales commission.

Recommended Action: Adopt Resolution 13-09-01 (Attachment 2).

Background

The Conservancy adopted Asset Lands Program Guidelines in March 2012 (Attachment 3). Under the Program, the Conservancy established the criteria under which it would consider the sale, transfer, or exchange of “potential asset lands.” The Guidelines described the limited instances in which Conservancy-owned lands could be regarded as potential asset lands. The Guidelines also established the principles under which the sale of the initial four designated asset lands would be conducted.

The Board authorized pre-sale activities on up to four properties at the March 2012 meeting. Since then, staff has proceeded with pre-sale activities for three of the four properties. Pre-sale activities have progressed most quickly for two properties, the 15.46-acre property upon which the former Tallac Vista Conference Center (Tallac Vista) was situated, and the 8.43-acre former drive-in movie theater property acquired in a land exchange/transfer with the City of South Lake Tahoe. These properties are located at 2675 Sherman Way and 1340 Glenwood Way, respectively.

The Conservancy acquired the former Tallac Vista property in July 1988 under a litigation settlement funded with a special appropriation of 8(g) offshore oil lease revenues (non-bond funds). The purchase price was \$900,000, which reflected a litigation premium of 10% over the approved appraised value.

At the time of acquisition the property had an existing structure which the Conservancy and City have used as a small conference center. Rental revenues did not adequately provide funding for site maintenance. The structure has since fallen into disrepair. The structure is currently an attractive nuisance and poses a liability to the Conservancy.

As part of its pre-sale activities, staff contracted for a boundary survey of the property and retained the services of Sierra Sotheby's International Realty (Sotheby's) to market the property. In February 2013, staff also completed the consolidation of 151 legal lots into one legal parcel encompassing the Tallac Vista property.

The minimum bid price of \$1,250,000 was established for the public, sealed written bid process. No bids were received in March of this year. However, on August 1st, two bids were received for the property, \$1,355,000 and \$1,400,000 respectively. Staff reviewed the highest bidder's financials and concluded the offer of \$1,400,000 is bona fide, and the buyer has the ability to fund and close the transaction with existing liquid assets within the required 30-day time period after Board authorization.

Project Description

Staff recommends the Board authorize (Attachment 2- Resolution 13-09-01) the sale of the 15.46-acre former Tallac Vista Conference Center property located at 2675 Sherman Way, El Dorado County APN 030-420-02, as shown on Attachment 1, for the price of \$1,400,000 to Jack T. and Walsie Jennings, and direct staff to execute all required transaction documents to facilitate the sale. Net proceeds from this sale, after deduction for the six percent (6%) sales commission to Sotheby's, total \$1,316,000, and will be deposited in the Tahoe Conservancy Fund consistent with Government Code section 66908.2.

Staff recommends the property be sold in an "as-is" condition with the following covenants included on the State's Grant Deed:

- Future use of the property will be limited to the existing residential use recognized by Tahoe Regional Planning Agency (TRPA) or reconstruction of no more than one residence, plus guest house and appurtenant residential improvements.

- The owners will have the right to 24,406 square feet of existing, banked land coverage within a 3.15-acre portion of the property, which includes the long private access drive and area associated with and surrounding the existing improvements (Attachment 4). The remaining 12.31 acres become subject to a Conservation Easement and will forever be maintained as open space.

Project Evaluation

The proposed sale of the 15.46-acre former Tallac Vista Conference Center property is consistent with the three mandatory criteria and one of the six elective criteria outlined in the adopted Asset Lands Program Guidelines (Attachment 3), as more fully described below:

The first mandatory criterion requires the sale be consistent with the Conservancy's enabling legislation, specifically Government Code Section 66907.8, which allows for the sale of real property for management purposes pursuant to terms and conditions approved by the Conservancy. The proposed sale as outlined above serves several management purposes, including protecting sensitive lands through the consolidation and merger of 151 legal lots (150 condominium lots and one common area lot) into one legal parcel with an existing residential structure; the retirement of 150 residential development rights associated with the lot merger; the restriction of 12.31 acres under a new conservation easement; and the imposition of land coverage and residential restrictions on the remaining 3.15 acres that contain the current driveway and residential improvements.

The second mandatory criterion requires that any transaction be consistent with the Asset Lands Program Guidelines and other Conservancy Program Guidelines and policies. In this instance staff conducted pre-sales activities consistent with the adopted Guidelines for a property designated by the Board for potential sale where the purposes of the original acquisition can continue to be met through appropriate sale conditions.

The third and final mandatory criterion requires the transaction be consistent with requirement of bond acts and other applicable funding sources specific to the property's acquisition. In this instance no bond act funds were used for acquisition. As noted in the Implementation Section below, staff will work with the Natural Resources Agency and the Department of Finance to request appropriation of these funds beginning in the 2014-15 fiscal year.

In addition to the above three required criteria, the proposed sale must meet at least one of five elective criteria as detailed in the Guidelines, in this case Criterion (b). This criterion states:

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.

As discussed more fully above, the Conservancy achieves its primary program objectives through the consolidation and merger of 151 legal lots into one legal parcel; the retirement of 150 residential development rights; the restriction of 12.31 acres under a new conservation easement; and the imposition of land coverage and residential restrictions on the remaining 3.15 acres.

Implementation

Upon Board authorization, staff will execute the Purchase and Sales Agreement (Agreement) and the Grant Deed, thereby initiating the 30-day escrow period. The Buyer previously deposited the 10% deposit with escrow; upon the Conservancy's signature to the Agreement, the deposit becomes non-refundable unless the State defaults upon its obligations. The Buyer will then have 29 days to complete any further due diligence work and to deposit the remaining purchase price balance with escrow.

The Buyer is responsible for all closing, title, escrow, and recording costs associated with the Conservancy's sale of the property.

The proceeds from the sale of the property will be deposited into the Tahoe Conservancy Fund. Staff will work with the Natural Resources Agency and the Department of Finance to request appropriation of these funds beginning in the 2014-15 fiscal year consistent with Government Code section 66908.2. For additional information on the 14-15 fiscal year budget, please see Agenda Item 8.

Consistency with the Conservancy's Enabling Legislation

Implementation of the proposed sale 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)

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 section 15303 (new construction of one single family residence in a residential zone) and section 15325 (transfer of land in order to preserve open space) (Attachment 5).

List of Attachments:

Attachment 1 – Project Location Map

Attachment 2 – Resolution 13-09-01

Attachment 3 – Asset Lands Program Guidelines - Adopted March 2012

Attachment 4 – Conservation Easement Map

Attachment 5 – Notice of Exemption

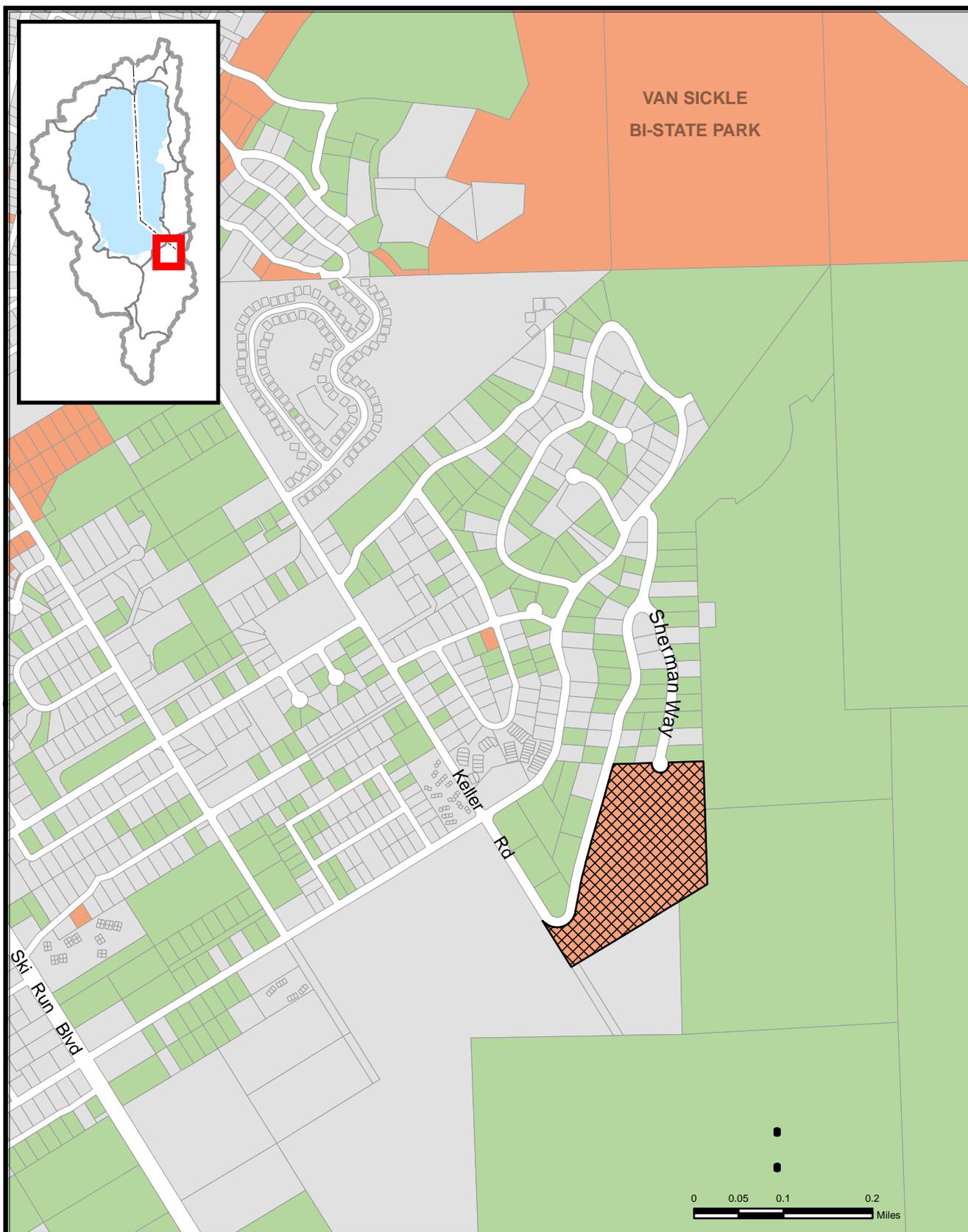
Conservancy Staff Contact:

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ATTACHMENT 1
Asset Land Sale - Sherman Way



-  2675 Sherman Way, Former Tallac Vista Conference Center
-  Conservancy-owned Parcels
-  USFS-owned Parcels

California Tahoe Conservancy
September 2013
Map for reference purposes only.
Sources: El Dorado County; TRPA



ATTACHMENT 2

California Tahoe Conservancy
Resolution
13-09-01

AUTHORIZATION TO SELL ASSET LAND AT 2675 SHERMAN WAY, SOUTH LAKE TAHOE (FORMER TALLAC VISTA CONFERENCE CENTER)

Staff recommends the California Tahoe Conservancy adopt the following resolution pursuant to Government Code section 66907.8:

“The California Tahoe Conservancy Board hereby authorizes the sale of El Dorado County Assessor Parcel Number 030-421-02 at 2675 Sherman Way, in the City of South Lake Tahoe for the sale price of \$1,400,000, and further authorizes staff to execute all sale transaction documents and to deduct from the gross sales prices the six percent (6%) commission to Sierra Sotheby’s International Realty consistent with the staff recommendation of this same date.”

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 19th day of September 2013.

In WITNESS THEREOF, I have hereunto set my hand this 19th day of September 2013.

Patrick Wright
Executive Director

CALIFORNIA TAHOE CONSERVANCY

ASSET LANDS PROGRAM GUIDELINES

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



March 15, 2012

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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.

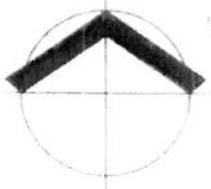
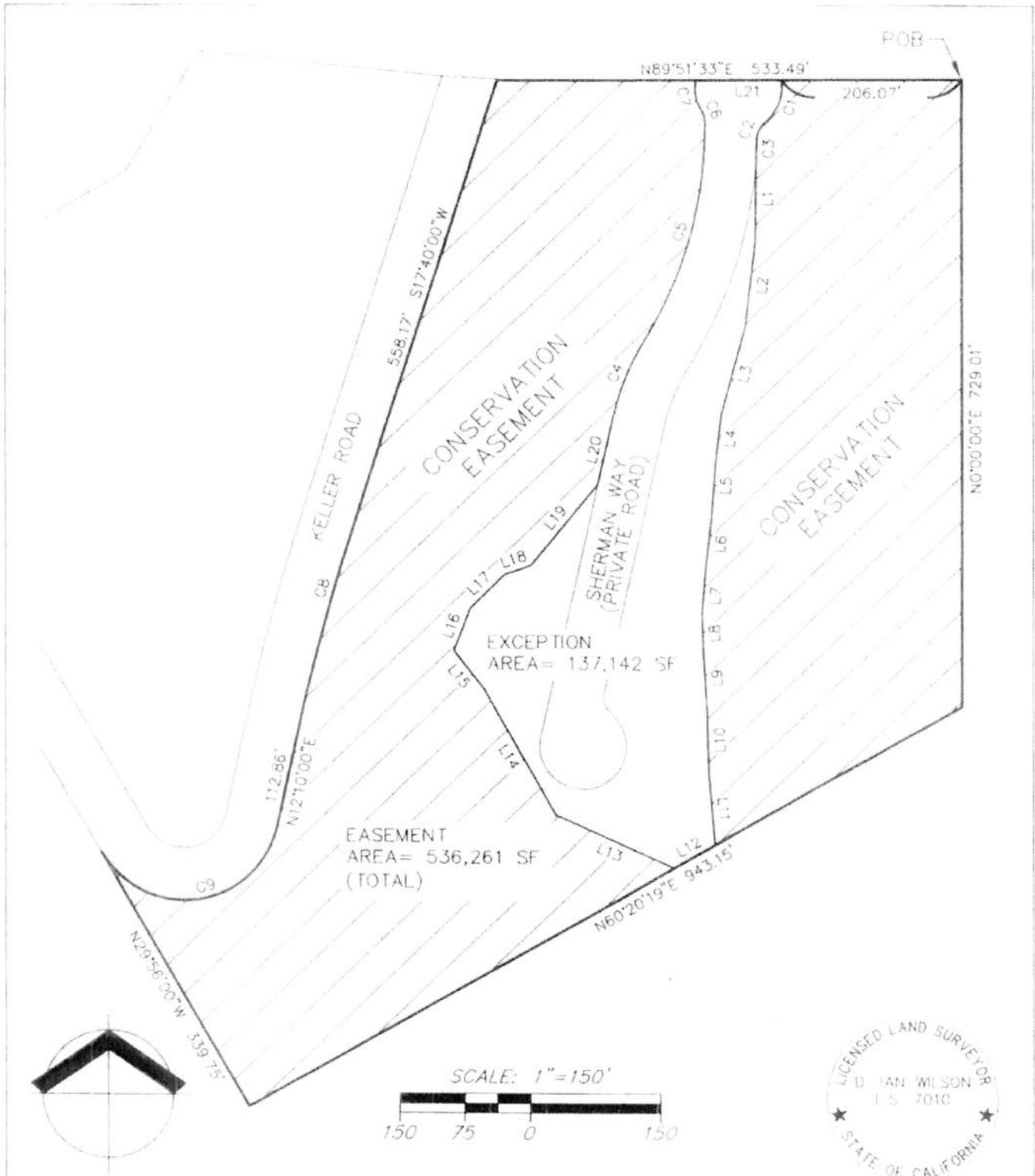
Sale of a vacant commercial property located strategically along U.S. Highway 50, just east of the South Y intersection, within the preliminary Tahoe Valley Community Plan Area. Sale of this land is consistent with criteria 4(a) because the land is no longer needed to achieve Land Bank program purposes 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 4

Conservation Easement Area -Tallac Vista



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CONSERVATION EASEMENT
TALLAC VISTA
TAHOE CONSERVANCY
SOUTH LAKE TAHOE, CALIFORNIA

PROJECT NO 5120058000
DATE 9/6/2012
BY JFJR
SCALE 1"=150'
SHEET NO EXB-1

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:

Sale of Asset Lands – 2675 Sherman Way

Project Location – Specific:

El Dorado County Assessor Parcel Number 030-421-02

Project Location – City:

South Lake Tahoe

Project Location – County:

El Dorado

Description of Nature, Purpose, and Beneficiaries of Project:

Sale of fee interest in one 15.46-acre parcel subject to covenants and restrictions that protect 12.35 acres through the creation of a new conservation easement and restrict the use of the remaining 3.15 acres to single family residential use and 24,406 square feet of existing land coverage, consistent with the California Tahoe Conservancy’s Asset Lands Program Guidelines adopted in March 2012.

Name of Public Agency Approving Project:

California Tahoe Conservancy (Conservancy meeting of 09/19/2013) (Agenda Item 7a)

Name of Person or Agency Carrying Out Project:

California Tahoe Conservancy

Exempt Status:

- Ministerial (§ 21080 (b)(1); § 15268)
- Declared Emergency (§ 21080 (b)(3); § 15269 (a))
- Emergency Project (§ 21080 (b)(4); § 15269 (b)(c))
- Categorical Exemption. §§ 15303 (Class 3), 15325 (Class 25).

Reasons Why Project is Exempt:

Project involves the sale of fee title interest in one real property restricting use to the existing residential use or the reconstruction of a single family residence within a defined limit of land coverage subject to specific covenants, restrictions, and reservations by the Conservancy to protect sensitive lands through a new conservation easement.

Contact Person:
Bruce Eisner

Telephone Number:
(530) 543-6043

Date Received for Filing:

Patrick Wright
Executive Director