

California Tahoe Conservancy
Agenda Item 2
December 12, 2013

**BOARD MEETING MINUTES
September 19, 2013**

The Board convened at Granlibakken Conference Center in Tahoe City, California. Chairman Larry Sevison called the meeting to order at 9:32 a.m.

1. Roll Call

Diane Niland of the staff called the roll. Board Chairman Larry Sevison, Vice Chairman John Hooper and Board members Lynn Suter, Nancy Gibson, Norma Santiago, and Tom Davis were present. Todd Ferrara, designee for Natural Resources Agency, and Karen Finn, designee for Department of Finance were also present.

2. Approval of Minutes

The minutes of the California Tahoe Conservancy (Conservancy) June 20, 2013 Board meeting were approved on a voice vote.

3. Chairman's Report

Chairman Sevison thanked Staff for the informative field trip the day before the meeting. He presented a framed photograph to retiring staff member Debra Herrick, for her 17 years of service.

4. Deputy Attorney General's Report

Deputy Attorney General Marian Moe announced that the Board would meet in Closed Session as indicated in Item 15, pursuant to Government Code section 11126 (a)(1) to consider the Executive Director's performance.

Ms. Moe asked the Board if they would like a refresher-tutorial of the open meeting acts (Brown Act and Bagley-Keene Act) at the next Board meeting. Board members

responded affirmatively. Ms. Finn requested that specific differences between the acts be emphasized. Ms. Moe agreed.

Staff Counsel Ryan Davis reminded Board members of their obligation to complete ethics training every two years and submit conflict of interest statements in early 2014.

Chairman Sevison reversed the order of Items 5 and 6. Public Comment was heard prior to the Executive Director's Report.

5. Executive Director's Report and Major Projects Update

Patrick Wright spoke on environmental improvement, bi-state and interagency efforts in the Lake Tahoe Basin (Basin), and the recent Tahoe Summit (Summit). The Summit came on the heels of Senator Dianne Feinstein's reintroduction of the Lake Tahoe Restoration Act (LTRA). Authors of the bill included language intended for authorization of the land exchange between the Conservancy and the U.S. Forest Service (USFS). The bill focuses on streamlining the process. Mr. Wright expressed appreciation for Todd Ferrara's efforts with the language for Senate Bill 630 (SB 630). Mr. Wright expressed his optimism that Governor Brown will sign SB 630. Collaborative efforts are also underway with the California State Lands Commission for additional funding within the Basin. Finally, water bond negotiations are beginning to pick up. Two bills, one in the Assembly and one in the Senate, have significant amounts of funding for watersheds, stormwater, and other categories from which Basin agencies may benefit. These bills are in their preliminary phases and offer encouragement for future funding.

In December, Mr. Wright hopes to return to the Board with further recommendations for adjustments to the asset lands list. He believes the agency can do a better job of educating the public on Conservancy efforts. He also looks forward to presenting recommendations on Land Bank activities that will facilitate and promote the goals of the regional plan and compact development in the Basin while continuing to achieve our environmental goals.

Ms. Finn asked for clarification on State authority with regard to the federal exchange. Staff Counsel Ryan Davis stated the Conservancy has broad authority on the exchange.

In response to Ms. Santiago's request for an update on the State Parks (Parks) exchange, Mr. Wright stated that issues have been resolved. Paperwork will be finalized following due diligence. The Kings Beach portion of the exchange has an established

framework whereby the Conservancy will take over management of the Kings Beach State Recreation Area and Parks will continue to have a voice. A new Kings Beach pier is a high priority project currently being addressed by the Conservancy and Parks which recently absorbed Boating and Waterways.

Mr. Wright stated he is encouraged by the level of commitment of the involved agencies.

Ms. Santiago requested an update on the proposed Van Sickle Bi-State Park (Van Sickle) exchange. Mr. Wright shared that, as part of the exchange, Parks is submitting a budget proposal through Resources and the Administration to provide funding to assume responsibility for Van Sickle. He further clarified that the intent is to negotiate an agreement with Nevada State Parks for management of both the California and Nevada sides of the park.

6. Public Comment

Tahoe Vista resident Ellie Waller thanked the Board and Executive Director Patrick Wright for adding the Tahoe Vista lot with old-growth cedar to the tour yesterday. Ellie expressed hope that the Conservancy will reconsider the value of this lot and remove it from the asset land list. Chairman Sevison thanked Ms. Waller for her comments.

7. Asset Lands

7a. Authorization to Sell Asset Land at 2675 Sherman Way, South Lake Tahoe (Former Tallac Vista Conference Center)

Staff recommends authorizing the sale of an asset land for a total sales price of \$1,400,000 (El Dorado County Assessor Parcel Number 030-421-02).

Bruce Eisner of the staff presented this item. He confirmed that the sale is consistent with the adopted Asset Lands Program Guidelines. Mr. Eisner presented background on the original acquisition of this 15.46 acre property. The clubhouse structure was originally used as a home, and then converted to a conference center and operated as such for approximately 16 years. The property had not been used since 2006 and had come into disrepair. The Board authorized pre-sale activities in March 2012. In preparing for sale, the Conservancy established a conservation easement over 12.31

acres of the property. The bid for consideration was \$1,400,000; net revenue to the Conservancy would be \$1,316,000 upon Board approval of the sale. These funds would be deposited in the Tahoe Conservancy fund pursuant to Gov. Code section 66908.2. Future use of the property would be restricted to one residence with possible guest house and other appurtenant residential improvements. Improvements would be restricted to the existing, verified land coverage of 24,406 square feet within the 3.15-acre portion of the property. The Board, in order to approve the sale, needed to find that the sale was consistent with 1) the Conservancy's enabling legislation (Gov. Code section 66908), 2) the Asset Lands Program Guidelines and other Conservancy Program Guidelines and policies, and 3) the requirements of bond acts and other applicable funding sources specific to the property's acquisition. The proposed sale must also be consistent with at least one of five of the elective criteria as detailed in the Guidelines, in this case Criterion (b) (Item 7a, Attachment 3, Page 10, Parameters).

Mr. Eisner recommended that the Board authorize Resolution 13-09-01 for the sale of the aforementioned property.

Nancy Gibson asked whether the conservation easement included public access. Mr. Eisner responded that the easement affects the property in perpetuity but it is not exclusive to the property owner. It does not speak to public access but does prevent the future owner from developing the 12.31 acres of land in the conservation easement. Mr. Eisner also stated that maintenance of the entire parcel will reside with the future property owner. The Conservancy retains easement interest in case the future use of the 12.31 acres does not conform to terms and provisions of the easement. The Conservancy does not have a maintenance obligation after the sale.

Vice Chairman Hooper reemphasized the retirement of the 150 condominium lots by means of their consolidation within the 15.46 acre parcel.

Mr. Eisner noted that there have been some questions from the public but no specific complaints regarding this sale.

Ms. Suter requested specific clarification of public notification regarding asset land sales. Mr. Eisner explained that this particular property had realtor signage posted in two locations for about a year, agendas were mailed via United States Postal Service to property owners (approximately 40) within 300 feet of the property radius, and the property itself was posted with a public notice.

Ms. Suter expressed concern over potential liability on the Conservancy's part if the retaining wall deteriorates further. Staff Counsel Ryan Davis assured Ms. Suter and the

Board that the Conservancy has no liability obligation with regard to existing or future dangerous conditions. Deputy Attorney General Marian Moe concurred with Ryan and Bruce regarding liability. She added that the Board is authorized to approve the sale as represented. Mr. Eisner further stated that the property is being sold “as is” which serves to protect the State’s interest. Standard real estate disclosure requirements are included in the sale documentation according to Staff Counsel Davis.

Todd Ferrara asked whether the agency had considered restoration of the property back in 2006 and secondly, whether future improvements to the property are the sole responsibility of the new owner. Mr. Eisner recalled that the property was inspected by the State Architect’s Office in 2007. At that time it was determined that the structure was in disrepair but not in danger of collapsing, nor was it a major liability. Other options for restoration did not draw any interest nor did they make economic sense. In response to Mr. Ferrara’s question, Mr. Eisner confirmed that the conservation easement goes into effect at the time of the title transfer.

Ms. Santiago asked for clarification of funding, specifically with regard to bonds, for the original acquisition of this property. Mr. Eisner confirmed it was not purchased with bond funds. Ms. Santiago asked whether the process for purchasing asset lands would differ if bond monies were the funding source. Mr. Eisner stated the purchase process may not be different but the funding appropriation by the legislature may differ.

Tom Davis mentioned the two asset land sales for consideration today will go back on the tax rolls for El Dorado County and the City of South Lake Tahoe (City).

Chairman Sevison called for public comment on the item. Ann Nichols, North Tahoe Preservation Alliance, stated she felt the public process for the sale of asset lands is inadequate. She prefers more specific guidelines and information on original purchase funding and the intended purpose of the post-sale proceeds. Finally, she asked that the agency improve public noticing practices as well as educate the public.

Ms. Santiago concurred with the importance of transparency with regard to funding and the purpose of the original purchase to dispel any misconceptions. Mr. Eisner responded that the funding came from Outer Continental Shelf Offshore Oil Lease revenue; Section 8G special appropriation by the legislature specifically for these types of litigation settlements. Kevin Prior stated the sale proceeds will go to the Tahoe Conservancy Fund; and through the Department of Natural Resources and the Department of Finance the monies will be appropriated into the agency’s support budget. The monies will then be used to help with land management activities within

the Basin as well as Environmental Improvement Program (EIP) activities and other support functions at the Conservancy.

Ms. Santiago asked what our charter is within the legislation; that this is an activity approved by the legislation. Ms. Moe clarified that the 1984 legislation that established the Conservancy included authorities for the Conservancy Board to acquire, transfer, and dispose of property for purposes of land management. This transaction is within that authority.

Ms. Santiago requested clarification on the Conservancy's role with regard to town centers and land transfers. Mr. Wright explained that the agency has operated a land bank for more than 20 years, largely to facilitate development consistent with the Regional Plan. Updates to the program in relation to the recent Regional Plan Update will be addressed this fall. Mr. Eisner also responded that land coverage is the primary commodity dealt with through the land bank. Other development rights were purchased incidentally to the acquisition.

Ms. Suter thanked Ms. Nichols for her comments and clarified that the asset lands list is strictly an inventory. She requested the Board reevaluate the public noticing practices. Mr. Wright concurred with the suggested reevaluation.

Chairman Severson recommended future Board tours of acquired sites such as Lake Forest Glen and Carnelian Woods as a reminder of the magnitude of the Conservancy's accomplishments.

Ms. Santiago moved the authorization of Resolution 13-09-01. The motion was seconded and passed on a voice vote.

7b. Authorization to Sell Asset Land at 1340 Glenwood Way, South Lake Tahoe (Former Drive-in Theater)

Staff recommends authorizing the sale of an asset land for a total sales price of \$355,000 (El Dorado County Assessor Parcel Number 025-360-18).

Kevin Prior of the staff presented this item. The bid for consideration was \$355,000; net revenue to the Conservancy would be \$333,700 upon Board approval of the sale. These funds would be deposited in the Tahoe Conservancy fund pursuant to Gov. Code section 66908.2. The new owner may develop one residence, a guest house, and appurtenant structures on no more than 25,000 sq. ft. of verified and banked land coverage within the Class 7 land capability area. As part of the conveyance the

Conservancy would retain a conservation easement over the sensitive stream environment zone lands and ownership to 79,294 sq. ft. of land coverage. In addition, the Conservancy would grant a public use easement to the City of South Lake Tahoe (City) to provide for pedestrian and non-motorized access between Glenwood Way and the adjoining Bijou Meadow property owned by the City.

To approve the sale, the Board must find that the sale is consistent with 1) the Conservancy's enabling legislation (Gov. Code section 66908), 2) the Asset Lands Program Guidelines and other Conservancy Program Guidelines and policies, and 3) the requirements of bond acts and other applicable funding sources specific to the property's acquisition. The proposed sale must also be consistent with at least one of five of the elective criteria as detailed in the Guidelines, in this case Criterion (b) (Item 7a, Attachment 3, Page 10, Parameters).

Mr. Prior recommended the authorization of Resolution 13-09-02.

Mr. Hooper requested further explanation of the easements on the property. Mr. Prior and Tom Davis pointed out the locations of the easements. Mr. Hooper thanked them. Mr. Lacey brought the Board's attention to the Errata sheet for Resolution 13-09-02. Ms. Finn asked for clarification of the grant of easement to the City. Staff Counsel Davis explained that the grant occurs prior to the transfer of the fee title interest to the land owner. The land owner's property is transferred subject to an interest maintained and held by the City. The City will be the entity responsible for the day to day operation, maintenance, and liability associated with that interest. The Conservancy will retain the right to inspect the easements but will have no liability obligation to the land owner or the City.

Ms. Suter asked which entity is responsible for Bijou Park and Bijou Meadow. Tom Davis and Mr. Prior explained that the park and the meadow belong to the City.

Chairman Sevison called for public comment. Ann Nichols asked for clarification regarding the funds used to purchase this land. Mr. Eisner answered that funding came from land coverage proceeds and excess coverage mitigation fees. He emphasized that these were non-bond funds. Chairman Sevison explained the excess coverage mitigation fee process. Ellie Waller, Tahoe Vista resident reiterated Ms. Nichols' request for greater transparency on funding sources and future usage. Ms. Suter voiced her support of the public comments.

Chairman Sevison asked the Board for their consideration. The item was moved and seconded. Resolution 13-09-02 was passed on a voice vote.

Patrick Wright elaborated on the Asset Lands Program Guidelines stating that a review of asset lands is expected to reduce the current inventory. Revisions are expected no later than March 2014. In the interim, no further sales are planned. He emphasized that the Conservancy plans to move very slowly and deliberately with the asset land program. Board member Tom Davis expressed his support of site tours for the Board prior to the sale of a Conservancy-owned property. He stated it is very helpful to see the property. Mr. Wright also discussed easements versus acquisitions. Easements allow the government to achieve its purpose and are less costly. In Tahoe this has not been the practice in part because the price of an easement would not differ significantly from the price of an acquisition. The Conservancy would also retain the enforcement obligation to make sure the easements are protected. Mr. Wright stated the overall goal is to more efficiently manage Conservancy lands.

Chairman Sevison called for a brief recess at 11:10 a.m. The meeting reconvened at 11:20 a.m.

8. Administration

Fiscal Year 2014-2015 Budget Requests

Staff recommends ratification of the California Tahoe Conservancy's budget proposals for the 2014-15 fiscal year which include \$3,576,000 for capital outlay and local assistance for funding the Conservancy's various programs in support of the Environmental Improvement Program (EIP) for the Lake Tahoe Basin.

Kevin Prior presented the 2014-15 fiscal year budget requests. Mr. Prior walked the Board through the requests and how these requests reflect the goals of the Strategic Plan adopted in 2012. The Conservancy is requesting \$5,400,000 for the support budget, and \$3,600,000 in capital funding for programs and projects in support of the EIP.

Vice Chair Hooper requested explanation of the net proceeds from the two approved asset land sales. Mr. Prior stated that the Conservancy will work with the Department of Finance to reappropriate the proceeds to the agency over a period of three years.

Chairman Sevison called for public comment. Tahoe Vista resident Ellie Waller asked for more information regarding proposed funding from SB 630, specifically what the

Tahoe Science Consortium (TSC) will do, and who will run it. Mr. Wright reminded the Board that SB 630 has not been signed yet. He reviewed the multi-purpose funding of SB 630 and elaborated on TSC's memorandum of understanding (MOU). Mr. Ferrara thanked Ms. Waller for her question and clarified that California and Nevada have established an MOU in the event they come to an agreement on a science advisory group. He assured there would be a public process to engage stakeholders and solicit input toward a consensus between stakeholders and the two states. Nancy Gibson, USFS, affirmed TSC as an invaluable resource with regard to the Basin's science-based natural resource efforts. She related that TSC allowed scientists to vet each other's ideas in support of projects that support many aspects of resource management.

Ms. Finn, Department of Finance, stated she will abstain from the vote based on her department's involvement with this item. She asked what the budget request increases would support. Mr. Prior noted that the increases are actually a return to previous funding levels. He then explained how the funds would be allocated.

Resolution 13-09-03 was moved and passed on a voice vote. Ms. Finn and Mr. Ferrara abstained.

9. Land Bank

Homewood Villas, Sale and Transfer of Residential Development Rights

Staff recommends authorization to sell and transfer six Residential Development Rights (RDR) to the Homewood Villas Project located between State Route 89 and Lake Tahoe in Homewood (Placer County Assessor Parcel Numbers 097-130-027, 028, 029).

Amy Cecchettini presented the item. Ms. Cecchettini gave background information on the property and explained that the new use will require RDRs rather than the existing Tourist Accommodation Units (TAU).

Ms. Cecchettini recommended adoption of Resolution 13-09-04. Mr. Lacey stated that, unlike most Land Bank transactions, this item requires Board approval because it has an environmental document.

Tom Davis asked how the value of RDRs is established. Ms. Cecchettini explained the process and the categories. Value may be based on original purchase price along with

the current market rate. These RDRs may also be purchased on the private market. Once a price is set, it can not be adjusted based on the receiving parcel.

Wyatt Ogilvy, representative of Selective Capital and the LLC for Homewood Shores addressed questions on the project. Chair Sevison asked about the disposition of the property's former TAUs. Mr. Ogilvy stated that the TAUs will be returned and made available for use within the County of Placer once the RDRs are secured. Mr. Lacey briefly explained the history of the project, alerting the Board of potential confusion over the many name changes.

Mr. Ferrara moved approval of Resolution 13-09-04. The motion was seconded and approved on a voice vote.

10. Project Authorizations

10a. Homewood Bike Trail

Staff recommends authorization of a site improvement grant of up to \$500,000 to Tahoe City Public Utility District (TCPUD) to construct the Homewood Bike Trail Project located primarily within the State Route 89 right-of-way in Homewood between Fawn and Cherry Streets, with a segment in the County right-of-way, along Silver Street, Sans Souci Terrace, and Trout Street in Placer County.

Sue Rae Irelan presented this item. She explained there is about a mile long stretch starting at Cherry Street and ending at the existing connection just south of Homewood. Most of this is a Class 1 bike trail. A short section along Sans Souci Terrace is Class 3. The total project budget is approximately \$1,500,000. The grant request is \$500,000. TCPUD has identified about 75 percent of the total project cost, including the recommendation for consideration today. The funding strategy is organized to allow construction of the project in summer of 2014. TCPUD has committed to maintain the project for 20 years. The project is regionally significant, thus meeting Conservancy goals. Ms. Irelan recommended adoption of Resolution 13-09-05.

Chair Sevison asked what role Homewood Development would play in absorbing some of the project cost. TCPUD District Engineer Matt Homolka stated the \$1,500,000 includes striping the edge of the existing Homewood parking lot as a Class 1 facility. When Homewood develops the mountain resort they will be required to build a Class 1 facility along the frontage.

Tahoe City Public Utility District General Manager Cindy Gustafson expressed her gratitude for the support of the Conservancy on this trail and other multi-use projects.

There was no public comment on this item.

Ms. Suter moved approval of Resolution 13-09-05. The Board seconded. The item was passed on a voice vote.

10b. Dollar Creek Shared-Use Trail Acquisition

Staff recommends authorization of a grant of up to \$500,000 to Placer County for acquisition of a 19.5 acre parcel in support of the Dollar Creek Shared-Use Trail Project. The parcel is located at the westerly end of Old County Road and Fulton Crescent Drive (Placer County Assessor Parcel Number 092-010-231).

Lisa O'Daly presented this item. Ms. O'Daly recommended the Board adopt Resolution 13-09-06. She introduced visitors Placer County Public Works staff John Mitchell and Ron Treabess from the North Lake Tahoe Resort Association.

Mr. Ferrara asked about the vision for the next section of the bike trail. Ms. O'Daly emphasized that this trail has independent utility and is not a phased project. Chair Severson added that the trail does have potential to go on to the north and continue around to Tahoe Vista. Also, Northstar is interested in bringing a leg to the trail through Sawmill Flat.

Staff Counsel Ryan Davis clarified the authorization for the right-of-way through the Dollar property was approved by the Board previously as a transfer of right-of-way to Placer County. The Dollar property will be transferred to State Parks subject to the Placer County right-of-way.

Chair Severson called for public comment. Ron Treabess addressed the Board on the high priority of this trail system. He expressed his appreciation for this very important effort. He also shared that the American League of Bicyclists recently awarded a bicycle-friendly community award to the North Lake Tahoe area.

Ellie Waller, Tahoe Vista resident, asked what the status is for the parcel to be acquired from NV Energy. Ms. O'Daly stated this grant is for that specific purpose. John Mitchell confirmed Placer County has been in touch with NV Energy and they are a willing seller. An appraisal will be submitted to them after this Board action.

Chair Sevison commented that the cross-country ski area nearby will benefit from this acquisition and trail. John Mitchell concurred and stated that talks are currently in progress with the ski area. Patrick Wright added that the adjacent Conservancy land will be transferred to State Parks.

Ms. Santiago moved the adoption of Resolution 13-09-06. Tom Davis seconded the motion. The item was passed on a voice vote.

11. Information Items

Tahoe Pines Campground Update

The Tahoe Pines Campground Restoration and Access Project proposes resource restoration activities along with passive recreation amenities for site and river access. This item was for information only, no action was taken.

Peter Eichar of the staff presented information on this item. The campground has been in existence since the 1930's and was acquired in 2007 by the Conservancy through the Sierra Cascade Proposition 50 grant program. The project proposes resource restoration activities along with passive recreation amenities. A pedestrian bridge, walking trails, and an improved parking area are also proposed. Anticipated future action by the Board includes 1) certification of the environmental document, 2) authorization of project funding, and 3) acceptance of approximately 0.46 acres of U.S. Highway 50 right-of-way via a Transfer of Jurisdiction. Mr. Eichar reviewed the project schedule and suggested returning to the Board for further consideration in March or June next year. It is anticipated that construction will begin in the fall of 2014.

Ms. Santiago asked what type of use is anticipated for this property. Mr. Eichar described it as "dispersed use" that includes a modest parking lot (12 spaces), nice signage, and a few trails. One of the trails will connect the parking lot to the river for access. There may also be picnic tables or benches.

Tom Davis disclosed that his business partners manage a property nearby.

Vice Chair Hooper asked about possible plans for river access for small boats such as kayaks. Mr. Eichar responded that this stretch of the river is not necessarily suited for this purpose but that the idea has not been ruled out.

Ms. Gibson asked whether the vision is for predominantly day use. Mr. Eichar responded affirmatively. He also said that a gate will be put in place and closed

seasonally. The property will be open for the summer months and with no bathroom facilities available on site, the property is limited to day use.

12. Public Comment

Chair Sevison called for public comment on the item. Ellie Waller asked if any of the 59 campsites have been relocated in kind to a different location in support of the Regional Plan goals. She expressed concern over the loss of diversity for camping opportunities in the Basin. Mr. Eichar stated that the campsites were no longer part of the property when the Conservancy acquired it in 2007. He indicated that those campsites were no longer needed.

13. Board Member Comment

Ms. Santiago announced that the administrative draft of the Meyers Area Plan (Plan) is out for public comment on the El Dorado County website. Follow the link to the Plan and its components. Public comment is open until October 11th. She clarified that access to recreational areas is part of the Plan. Environmental review begins around the same time. An additional community meeting is in the planning stages for Wednesday, December 4th with the final plan and environmental document.

Vice Chair Hooper commented that as we develop the Forestry Guidelines we need to integrate our thinking about climate change and carbon sequestration as well as the re-creation of older, later seral stage and multi-age forests.

14. Recess

Chair Sevison recessed the meeting for lunch at 12:35 p.m.

15. Closed Session

Closed Session convened at 1:15 p.m. pursuant to Government Code section 11126 (a) (1) to consider the Performance Review and Evaluation of the Conservancy Executive Director.

16. Adjournment

The public session of the Conservancy Board meeting reconvened at 2:00 p.m.

A brief discussion regarding the upcoming December Board meeting (Thursday, December 12, 2013) and the schedule for 2014 Board meetings took place. It was determined that the 2014 meetings will continue to occur quarterly on the third Thursday of the month (March 20, June 19, and September 18). The December 2014 meeting will likely occur on the second Thursday of the month and will be confirmed at a later date.

Chair Sevison adjourned the meeting at 2:10 p.m.

California Tahoe Conservancy
Minutes
September 19, 2013
Adopted: December 12, 2013

APPROVAL OF MINUTES

I hereby certify that the foregoing is a true and correct copy of the minutes of the July 18, 2008 meeting of the California Tahoe Conservancy adopted on December 12, 2013.

IN WITNESS THEREOF, I have hereunto set my hand this 12th day of December, 2013.

Patrick Wright
Executive Director