

California Tahoe Conservancy
Agenda Item 8b
May 9, 2014

SOUTH Y LODGE ACQUISITION PROJECT

Summary: Staff recommends authorization to expend \$320,000 for the purchase of one improved parcel, totaling approximately 0.86 acres for open space and water quality purposes in South Lake Tahoe; and to approve and expend up to \$100,000 towards relocation assistance and related closing costs.

Location: 1120 Emerald Bay Road near the South Y intersection of U.S. Highway 50 and State Route 89 in the City of South Lake Tahoe, El Dorado County (El Dorado County Assessor Parcel Number 032-141-03) (Attachment 1)

Fiscal Summary: \$320,000 in direct land acquisition costs (Lake Tahoe Conservancy Account), and up to \$100,000 in Relocation Assistance, Transaction Review, and Closing Costs.

Recommended Action: Adopt Resolution 14-05-03 (Attachment 2).

Background

The Conservancy has directly acquired and restored improved properties for water quality protection within and adjoining sensitive areas, including SEZs, under its SEZ and Watershed Restoration Program and its Land Coverage Program. The Conservancy has also assisted local government with the purchase and restoration of lands through the SEZ and Watershed Restoration Program and the Soil Erosion Control Program.

Property Description

The 0.84 acre South Y Lodge property is located at 1120 Emerald Bay Road in South Lake Tahoe (APN 032-141-03) within the Tahoe Valley Area Plan (Attachment 1) and Town Center. This 10-unit property, nine motel units and one manager residence, was constructed in 1958 and generally operated as a motel until the last decade, as shown in Attachment 3.

TRPA has confirmed the presence of 14,441 square feet of existing land coverage (38.5% of the property area) comprised of paving and two buildings. The motel building is approximately 3,861 square feet and a separate garage is 1,040 square feet in size. The property received its Best Management Practices (BMP) certificate in October 2012.

A Phase 1 Environmental Site Assessment (ESA) and an Asbestos and Lead Building Inspection Report (ALBI) were all performed as part of staff's pre-acquisition due diligence work.

The ESA reported two "recognized environmental conditions (REC)." Neither of these represent a hazardous or unacceptable condition. One REC identifies two groundwater monitoring wells that are well-marked with stakes and have locked metal caps. The other REC is a former extraction well that could not be accessed; this well was used to assist with cleaning up the MTBE-contaminated groundwater plume from the nearby gasoline station.

The ALBI found minor quantities (less than 100 square feet) of Asbestos Containing Construction Material (ACCM) that exceeded 10% Chrysotile. Several other ACCMs were identified but all of these demonstrated "trace" quantities of less than 1%. No lead-based paint was found but Lead Containing Material (LCM) in extremely low percentages was found. The majority of the cost to demolish the improvements will be related to the demolition activities, with minor percentage related to the "abatement" of specific ACCM and LCM materials.

Prior to the development of roads and drainage infrastructure this property was within a SEZ. The recent land capability verification by the Tahoe Regional Planning Agency (TRPA) determined the property does not meet the definition of SEZ. Other verifications by TRPA confirmed that SEZ adjoins the property on its northern border, where a man-made drainage ditch is situated on Conservancy land, and partially along its western border.

Project Description

Staff recommends:

1. Approval of the Relocation Impact Statement (Attachment 4);
2. Authorization to expend \$320,000 towards the purchase of the 0.86 acre South Y Lodge property in the "as is" condition for purposes of restoring open space and enhancing water quality within the Tahoe Valley Area Plan, and banking marketable rights for possible future use; and

3. Authorization to expend up to \$100,000 for relocation assistance related expenses, customary closing costs, and Department of General Services, Real Estate Services Division (RES D) acquisition and relocation assistance support.

The three tenants are on month-to-month rental agreements and will be afforded relocation benefits consistent with State law. As an initial step in the relocation assistance process consistent with Relocation Assistance Guidelines promulgated by the California Housing and Community Development Department, the firm Kathy Wood & Associates has prepared a Relocation Impact Statement (RIS, Attachment 4).

Project Budget

A total of \$420,000 is recommended for authorization at this time to cover the items outlined and explained in more detail below.

Acquisition	\$320,000
Relocation Assistance Costs	90,000
RES D Transaction Review	8,000
Title/Escrow Fees	2,000
TOTAL	\$420,000

The RIS estimates a range of \$24,500 to \$49,500 in funding as necessary for the Conservancy to meet its relocation entitlement obligations. At the suggestion of the RES D staff, an additional \$25,500 in contingency funding for entitlements is also suggested. In addition to the estimated entitlement costs, there are relocation assistance implementation consultant and RES D fees related to Conservancy's implementation of the required relocation process. Staff estimates these costs at no more than \$15,000. Consequently, up to \$90,000 is estimated to cover all of the anticipated relocation assistance costs.

The proposed purchase requires review of the transaction documents by RES D. The estimated RES D cost to perform this function is up to \$8,000.

Project Implementation

Upon the close of escrow, the Conservancy will own the property and the improvements. Staff will manage the property and its three tenants until the tenants have been relocated. Upon restoration the Conservancy Land Bank will have one existing residential unit of use (ERUU), nine tourist accommodation units (TAUs) and

14,441 square feet of restored Class 7 hard coverage. These commodities will then be sold, transferred, or retired through the Conservancy's Land Bank consistent with Tahoe Regional Planning Agency and local jurisdiction policies.

Project Evaluation

This acquisition will meet Conservancy SEZ and Watershed Restoration Program objectives by providing the opportunity to improve water quality within the Tahoe Valley Area Plan and Land Coverage Program objectives through the purchase and restoration of land coverage and other marketable rights.

Consistency with the Conservancy's Enabling Legislation

The proposed acquisition is consistent with the Conservancy's enabling legislation. Specifically, Government Code section 66907 provides for the Conservancy to acquire interests in real property for the purposes, in part, of protecting the natural environment.

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 sections 15301 (demolition of an existing facility) and 15325 (transfer of land in order to preserve or restore open space and natural conditions) (Attachment 4).

List of Attachments:

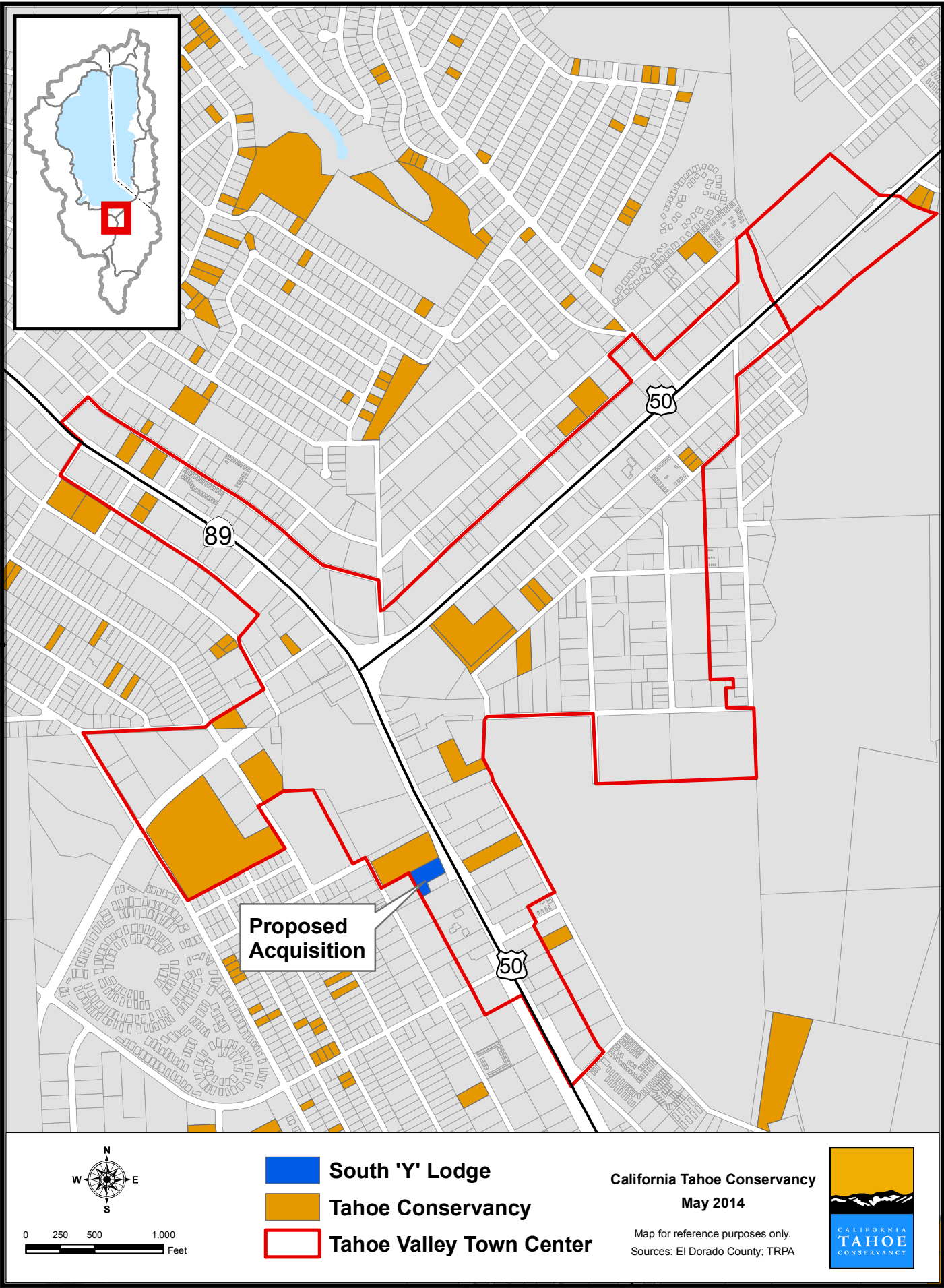
Attachment 1 – Location Map
Attachment 2 – Resolution 14-05-03
Attachment 3 – Property Photos
Attachment 4 – Relocation Impact Statement
Attachment 5 - Notice of Exemption

Conservancy Staff Contact:

Bruce Eisner

(530) 543-6043
beisner@tahoe.ca.gov

ATTACHMENT 1
Location Map



ATTACHMENT 2

California Tahoe Conservancy

Resolution

14-05-03

Adopted: May 9, 2014

SOUTH Y LODGE ACQUISITION PROJECT

Staff recommends that the Conservancy adopt the following resolution pursuant to Government Code section 66907:

"In substantial compliance with the staff recommendation of this same date, the California Tahoe Conservancy hereby:

- 1) Adopts the Relocation Impact Statement, and allocates up to \$90,000 for relocation assistance entitlements, relocation assistance consultants, and Department of General Services relocation assistance review;
- 2) Authorizes staff to expend up to \$320,000 and to take all other actions necessary to acquire fee interest in the property located at 1120 Emerald Bay Road in South Lake Tahoe (El Dorado County Assessor Parcel Number 032-141-03); and
- 3) Authorizes up to \$10,000 for Department of General Services transaction review and customary title/escrow closing costs."

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 9th day of May 2014.

In WITNESS THEREOF, I have hereunto set my hand this 9th day of May 2014.

Patrick Wright
Executive Director

ATTACHMENT 3
SOUTH Y LODGE ACQUISITION PROJECT

Property Photos



ATTACHMENT 4

SOUTH Y LODGE ACQUISITION PROJECT

Relocation Impact Statement

On attached CD

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: South Y Lodge Acquisition

Project Location: - Specific – El Dorado County Assessor Parcel Number 032-141-03.

Project Location - City
South Lake Tahoe

Project Location - County
El Dorado

Description of Nature, Purpose, and Beneficiaries of Project:

Purchase of fee interest in one improved parcel to protect the natural environment as part of the California Tahoe Conservancy's SEZ/Watershed Restoration and Land Coverage programs.

Name of Public Agency Approving Project:

California Tahoe Conservancy (Conservancy Meeting of May 9, 2014) (Agenda Item 8b)

Name of Person or Agency Carrying Out Project: California Tahoe Conservancy

Exempt Status:

- ☐ Ministerial (Sec. 15073)
 - ☐ Declared Emergency (Sec. 15071 (a))
 - ☐ Emergency Project (Sec. 15071 (b) and (c))
 - ☒ Categorical Exemption. Class 1, Section 15301; Class 25, Section 15325
(See also Title 14, Division 5.3, Section 12102.25)
-

Reasons Why Project is Exempt:

Action involves the acquisition of land to the Conservancy in order to preserve or restore open space and natural conditions in the Lake Tahoe Basin and the demolition of an existing facility.

Contact Person
Bruce Eisner

Area Code **Telephone**
(530) 543-6043

Date Received for Filing:

Patrick Wright, Executive Officer