

**STATUS OF CONSERVANCY ASSET LAND
AT 2070 LAKE TAHOE BOULEVARD**

History

The Board authorized pre-sale activities on the California Tahoe Conservancy (Conservancy) Asset Land located at 2070 Lake Tahoe Boulevard (El Dorado County Assessor's Parcel Numbers 023-231-03 and 023-381-01) (Attachment 1) in March 2012. In September 2015, staff updated the Board that the Conservancy planned to pursue negotiations with Sutter Capital Group (SCG), the adjacent landowners of The Crossing, in coordination with the City of South Lake Tahoe (City). Last September, the Board conducted a public tour of all five Tahoe Valley Area Plan Asset Lands, including 2070 Lake Tahoe Boulevard. In June 2017, the Executive Director's report updated the Board that exclusive negotiations were being pursued with SCG and that staff was exploring partnerships with the City, El Dorado County, and other potential parties to secure the development rights and coverage needed for the project.

The purpose of the ongoing exclusive negotiation with SCG is to develop a project that will provide a greater level of public benefit than other options through the achievement of the Conservancy and Statewide, regional, and area plan goals. This is consistent with Conservancy statutory authority, as recently amended, and the Conservancy's Land Transfer Guidelines (Guidelines), adopted by the Board in September 2016.

Update

Conservancy staff developed a draft exclusive negotiation agreement and discussed project requirements with SCG and communicated the requirements to the City (Attachment 2). The project requirements propose a development with "a uniquely qualified partner... (adjacent landowner) who may be able to provide public benefits not possible with an open market sale," as required in the Guidelines. The public benefits include:

- Establishment of bike, pedestrian, and transit inter-connections with SCG adjacent property, including:

- Expansion of The Crossing plaza along the Greenbelt (a shared-use paved trail) with a connected plaza along the west side of 2070 Lake Tahoe Boulevard
- Construction of a new plaza at the front of both properties along Lake Tahoe Boulevard, connecting The Crossing restaurants and other uses with a new commercial building and transit stop on 2070 Lake Tahoe Boulevard
- Removal of ingress/egress onto U.S. Highway 50 and part of the former parking lot on the adjacent property to accommodate the new public plaza area
- Establishment of a workforce housing partnership with SCG and local employers
- Reserved easements for open space with public access on 2070 Lake Tahoe Boulevard
- Restoration and permanent conservation of stream environment zone on 2070 Lake Tahoe Boulevard

Additionally, the development requirements obligate SCG to fund development and maintenance of a portion of the City's proposed Greenbelt crossing through 2070 Lake Tahoe Boulevard.

In consultation with SCG, Conservancy staff met with the City planning staff and received feedback from the City's Design Review Team, including input from Tahoe Regional Planning Agency (TRPA) staff. Conservancy staff also met with Hal Cole, the City Manager, community members, and local employers (including Vail, Barton Hospital, and Sierra at Tahoe) on the project requirements, workforce housing partnerships, site plan, and development rights and coverage necessary for the project.

City planning staff is anticipating a pre-application meeting with SCG.

Next steps for the Conservancy are:

1. Enter into a written and term specific exclusive negotiation agreement requiring both parties, for a defined term, to negotiate in good faith on a project consistent with the project requirements and authorizing SCG to perform further due diligence on the project and meet with the City for a pre-application meeting;
2. Reach tentative understanding with SCG on the terms of the land sale and development rights package, to be reflected within a draft land disposition and project development agreement;
3. Reach tentative agreement with SCG and local employers on a workforce housing partnership element for the project;

4. Authorize a project application by SCG to the City (required as a part of the City's standard application);
5. Review, as a responsible agency, the environmental analysis of the project prepared by the City, the lead agency, in accordance with the California Environmental Quality Act (CEQA) and TRPA Code; and
6. Bring the land disposition and project development agreement to the Conservancy Board for consideration and possible authorization, once CEQA review and all permits are complete.

List of Attachments

Attachment 1 – Tahoe Valley Area Plan Asset Lands Map

Attachment 2 – 2070 Lake Tahoe Boulevard Project Requirements

Conservancy Staff Contact

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