

**TAHOE KEYS PROPERTY OWNERS ASSOCIATION
CORPORATION YARD RELOCATION**

The purpose of this update is to provide the status of the Tahoe Keys Property Owners Association (TKPOA) corporation yard relocation with the California Tahoe Conservancy (Conservancy) and to elicit Board discussion. The Conservancy and TKPOA have worked for over 20 years on various options to move the corporation yard (trucks, dumpsters, and other equipment) out of the Upper Truckee Marsh (Marsh) on to less environmentally sensitive land. On November 18, 2017, the TKPOA approved moving the corporation yard out of the Marsh to a parcel currently owned by the Conservancy located next to the Tahoe Keys Marina on Venice Drive in South Lake Tahoe (Attachment 1). This relocation would allow the existing corporation yard site to be restored as a part of the Conservancy's Upper Truckee River and Marsh Restoration project (Marsh project). The relocation would also void a 99-year lease that TKPOA holds for the corporation yard through 2075.

Background

In the 1980s and 90s, the Dillingham Development Company (Dillingham) settled multiple lawsuits with the Tahoe Regional Planning Agency (TRPA), the State of California, and the Sierra Club involving its proposal to build a 26-unit subdivision in the Marsh. On behalf of the State, the Conservancy acquired several parcels in and adjacent to the Marsh through one of the settlement agreements, including a five-acre lot where TKPOA maintained its corporation yard under a 99-year lease with Dillingham.

TKPOA subsequently challenged Dillingham's settlement agreement with the State, which resulted in a new settlement agreement between TKPOA and the State where TKPOA agreed to recognize the Conservancy as the lessor of the corporation yard. Both TKPOA and the Conservancy, however, acknowledged that the current site was not suitable for a corporation yard and committed to moving the corporation yard out of the Marsh. Since then, TKPOA and the Conservancy have spent over 20 years looking for a viable alternative corporation yard site on less environmentally sensitive land.

A move of the corporation yard will provide benefits to both the Conservancy and TKPOA. TKPOA will own the new corporation yard parcel and the location is suitable

for the uses on the site. The Conservancy will have full control over the existing corporation yard site with the termination of the 99-year lease. Full control over the existing corporation yard will allow Conservancy staff to incorporate the site into the Conservancy's Marsh project. Inclusion of the existing corporation yard in this project will allow for better design, a larger restoration area, and removal of inconsistent private uses.

Status/Next Steps

The TKPOA Board voted in favor of the relocation in October 2017 and the TKPOA membership approved the relocation in November 2017.

Conservancy staff and TKPOA have proposed the following terms:

- Transfer the Venice Drive parcel (APN 022-210-41) to TKPOA to be used for a replacement corporation yard;
- Provide coverage from the Dillingham settlement agreement to TKPOA to construct the replacement corporation yard;
- Prepare the California Environmental Quality Act analysis of the relocation;
- Restore the existing corporation yard site to its natural wetland status as a part of the Marsh project;
- Enter into a new short-term lease with TKPOA on the existing corporation yard site until April 30, 2023 allowing TKPOA to use the site for three years while it completes construction of a new corporation yard on Venice Drive;
- Use the corporation yard for staging for the Marsh project; and
- Grant a license to the Conservancy to use an access point via TKPOA's Colorado Court property for maintenance of both the Upper Truckee River and the Marsh project.

Conservancy staff will begin environmental review of the relocation and then present a recommendation to the Board for consideration.

List of Attachments

Attachment 1 – TKPOA Corporation Yard Relocation Map

Conservancy Staff Contact

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