

Response to Questions on the Request for Proposals: Exclusive Negotiations for Property Purchase and Development -- 833 Emerald Bay Road (CTA/RFP #18-015)

The California Tahoe Conservancy (Conservancy) has prepared answers to questions received regarding the Request for Proposals (RFP) involving 833 Emerald Bay Road, South Lake Tahoe (Parcel). The Conservancy hosted a tour of the Parcel on December 3, 2018.

Question and Answers:

1. Will prevailing wage be required on the project?

The California Labor Code requires the payment of prevailing wage to all workers employed on public works. (Labor Code, § 1771.) "Public works" are defined as "[c]onstruction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds." (Id., § 1720.)

At this time, the Conservancy does not anticipate that any eventual land disposition agreement that may result from the exclusive negotiation process will reasonably be considered a "public works" because the Conservancy does not anticipate the project will be paid for in whole or in part out of public funds. The Conservancy does not intend to transfer the Parcel, or any additional development rights beyond those considered in the appraisal, for less than the appraised fair market value. Accordingly, the Conservancy does not expect prevailing wage requirements to apply to the project as currently proposed for negotiation. The Conservancy will notify prospective bidders or its exclusive negotiating partner immediately in the event of a contrary determination due to changed project circumstances or other reason.

2. What development rights and coverage are available for the project?

The base land coverage allowed under the Tahoe Regional Planning Agency (TRPA) Ordinances is based upon the Bailey Classification System. Under the Bailey System, Class 7 soils – such as the Parcel – are allowed 30% land coverage. The Parcel's total land area is approximately 22,010 square feet, so approximately 6,603 square feet of base land coverage would be allowed. The Parcel has no existing development, and the Conservancy will sell the Parcel with the allowable 6,603 square feet of potential high capability land coverage. Due to the location of the Parcel within the Tahoe Valley Area Plan, TRPA may allow up to 70% of land coverage. Any land coverage above the allowable base coverage of 30% that is provided by the Conservancy, however, would need to be purchased at fair market value and transferred to the Parcel.

The appraisal did not consider any other development rights, such as Potential Residential Units of Use (PRUU), in the fair market valuation of the Parcel. Any additional development rights provided by the Conservancy beyond those considered in the appraisal would need to be purchased at fair market value and transferred to the Parcel.

3. Is the Parcel in an Opportunity Zone?

The current Opportunity Zones identified in the City of South Lake Tahoe (City) are located in other neighborhoods (Ski Run and Al Tahoe), but the locations should be verified with the City. The map at the below link shows approximate opportunity zone boundaries in green.

<https://cafinance.maps.arcgis.com/apps/webappviewer/index.html?id=d068b90cb97f4b429f3b180593036b7e>

4. How are the Project Requirements dealt with in the appraisal?

The appraisal provided with the RFP considers the Project Requirements – specifically, the requirement for public access and open space, and the requirement for affordable and/or workforce housing – to be “encumbrances” that reduce the fair market value of the Parcel. Specifically, the appraisal finds that the Parcel would be valued at \$200,000 if not encumbered by these Project Requirements. According to the appraisal, the public access and open space easement results in a value reduction of \$12,017 (a 30% reduction to the value of the square footage reserved for publicly accessible open space), while the affordable and/or workforce housing requirement results in a value reduction of \$70,000. In sum, the Parcel as encumbered by the Project Requirements, is appraised at a fair market value of \$118,000.

5. Has a survey or land capability verification been completed on the Parcel?

No survey has been completed. The Conservancy has provided El Dorado County Assessor’s parcel maps for reference in the RFP to help determine lot size and boundaries. The exclusive negotiating partner will be required to obtain a survey and any other studies needed to develop the project. The only land capability verification information available is posted on the RFP site, and this information will need to be confirmed with TRPA.

6. What are the set-back requirements on the water quality improvements?

The drainage basin on the Highway 89 side of the Parcel is almost 40 feet from where the property meets the edge of Highway 89, and is almost 31 feet wide. The Conservancy owns the entire Parcel. The Conservancy has issued a license agreement to the City of South Lake Tahoe for the drainage basin. A final, as-built design diagram and the license agreement is posted on the RFP site for interested parties to review. The as-built design diagram shows that there is Stream Environment Zone (SEZ) class 1b land on the boundary with Assessor’s Parcel Number 023-171-14. TRPA code 53.9 deals with the establishment of SEZ boundaries and setbacks. Planning set-backs for buildings and structures are in City Code Chapter 6 (Land Use Development Standards), and are mostly related to property boundaries. To the Conservancy’s current knowledge, there are no specific set-back requirements for storm water basins, but the Proposer will need to verify applicable requirements with the City and TRPA.

7. Can the project put stilted structures in the set-back area?

Construction footings in close proximity to the drainage basin would be subject to City Building Code requirements related to safety and stability of the structure near saturated soils within the basin and on the side slopes of the basin. Other City and/or TRPA requirements and limitations may apply.

8. If the project proposal includes buildings that can be converted from residential to commercial in order to meet the mixed use development requirements, what type of development rights would be required?

If the project contains buildings that may be converted from residential to commercial in the future, these buildings would require residential development rights. These can later be converted to commercial floor area at the time that the use will change via an application to TRPA. Approved conversion rates that will take effect January 1, 2019 are as follows:

Table 1: Recommended Conversion Exchange Rates

Existing Development Right	Equivalent Development Rights			
	CFA	TAU	SF	MF
300 sq. ft. Commercial Floor Area (CFA)	300 sq. ft.	1	1	1.5
1 Tourist Accommodation Unit (TAU)	300 sq. ft.	1	1	1.5
1 Single Family Detached Dwelling Unit (SF)	300 sq. ft.	1	1	1.5
1 Multi-Family Attached Dwelling Unit (MF)	200 sq. ft.	0.75	0.75	1

9. If the project has both a residential and commercial component, can you still build up to the maximum zoning allowed for each separate type of use?

Yes, as long as the uses comply with other applicable regulations, such as height and coverage, as approved by the City and TRPA.

10. How important is a LEED Certification in the project scoring?

The Conservancy does not require a LEED Certification in the Project Requirements. However, any LEED elements and other green building standards as defined in the RFP that are incorporated into project proposals will make the proposal more competitive.

11. Is the Parcel located within ½ mile of a transit stop?

The Parcel is located within a half-mile of the Transit Center at the Y based on Google Maps, however this information will need to be verified with TRPA.

12. Where is the closest fire hydrant to the parcel?

There are fire hydrants at 8th Street and Rogers and on Eloise, just south of 7th Street.

13. What is the set-back from Highway 89 on the water detention basin on the Parcel?

Subject to verification in a survey, the setback appears to be just over 40 feet. See attached design diagram.

14. Are there any community plan improvements required on the Parcel?

Yes, sidewalks on James Avenue and Highway 89. It is important to note sidewalks are already located on the Highway 89 side of the Parcel.

15. What is the square footage of allowed base coverage (30%) on the Parcel?

In the event the Conservancy enters into a land disposition agreement, it will sell the Parcel with the allowed base coverage, which is 6,603 square feet (30% of the Parcel's total land area of approximately 22,010 square feet.) (See also response to Question 2, above.)

16. What is the square footage above base coverage up to maximum coverage (70%) the Conservancy would consider providing to a project applicant?

An additional 8,804 square feet of coverage could be provided, however, any coverage or other development rights would need to be purchased at fair market value. (See also response to Question 2, above.)