

KNOX JOHNSON AND MOTEL 6 RESTORATION PROJECT PLANNING

Recommended Action: Adopt Resolution 24-06-07 (Attachment 1) authorizing staff to accept and expend up to \$900,000 and enter all necessary agreements to plan the Knox Johnson and Motel 6 Restoration Project (Project).

Executive Summary: California Tahoe Conservancy (Conservancy) staff requests authorization to accept and expend funding for planning activities on and in the vicinity of the Conservancy's Knox Johnson and Motel 6 property (Property) to restore land and provide access along the Upper Truckee River (River) and floodplain. As part of planning the Project, the Conservancy will conduct resource assessments, investigate potential restoration and public access and recreation opportunities, and complete environmental review. Members of the public, partners, and the Washoe Tribe of Nevada and California (Washoe Tribe) have indicated significant interest in the Project, so staff will perform comprehensive engagement during the planning process. The Project will increase climate resilience, enhance wildlife habitat and biodiversity, improve water quality, and provide equitable public access. The Project is a critical part of a larger effort to restore the River and watershed, which is the largest and most significant watershed in the Lake Tahoe Basin.

The recommended action advances the Conservancy's Strategic Plan Goals 2 and 4. The Project restores and builds the resilience of forests and watersheds, protects water quality, enhances recreation, and mitigates impacts of climate change. In addition, the Project supports the Lake Tahoe Environmental Improvement Program (EIP) and the State's Pathways to 30x30 Strategy, which calls for conserving at least 30 percent of California's land by 2030.

Upon Board authorization, Conservancy staff will enter agreements and conduct planning activities. Staff anticipates returning to the Board for approval prior to Project implementation.

Location: The planning area is in the City of South Lake Tahoe, in El Dorado County, adjacent to U.S. Highway 50 and the River, on and in the vicinity of the Property.

Fiscal Summary: Staff requests authority to expend up to \$900,000 of federal, state, or other funding to support Project planning.

Overview

History

The River is Lake Tahoe's largest inflowing stream and is a major source of sediment and nutrients to Lake Tahoe. Logging, grazing, roads, stream channelization, urban development, recreation, and an airport have extensively modified the lower portion of the watershed, resulting in impairments that reduce habitat value, water quality, and climate resilience. Lake Tahoe lost nearly 30 feet of its famed water clarity following the development boom of the 1950s and 60s and damage to the Lake's natural water filters.

The Conservancy, USDA Forest Service, Lake Tahoe Basin Management Unit, Tahoe Resource Conservation District (Tahoe RCD), California Department of Parks and Recreation, City of South Lake Tahoe, and other partners are comprehensively restoring the River to achieve environmental and public access goals. Conservancy staff leads the Upper Truckee River Watershed Advisory Group, which coordinates restoration work on the lower nine miles of the River. In 2022, the Conservancy, with partners, completed a synthesis of the accomplishments and opportunities for Greater Upper Truckee watershed restoration. The synthesis identifies landscape-level planning and funding needed for future projects.

The Property provides restoration opportunities that complement upstream and downstream restoration efforts. The Property is located on the River upstream of the Conservancy's 560-acre Upper Truckee Marsh (Marsh) and downstream of Tahoe RCD's 206-acre Johnson Meadow property. The Conservancy has been restoring the Marsh for over 20 years. The Conservancy completed the Lower West Side Project in 2001 and the most recent Marsh restoration project in 2022. These past projects complement other restoration projects along the River and contribute to state, federal, and regional goals. In addition, several efforts are underway to restore the River upstream from the Property, including Tahoe RCD's Johnson Meadow Restoration Project, the Conservancy's Upper Truckee River Reach 6 Project, and the California Department of Parks and Recreation's Upper Truckee River Restoration and Golf Course Reconfiguration Project.

The Conservancy acquired the Property in March 2024. This acquisition includes 25 acres of mountain meadow and wetlands, a two-acre single-family homesite, and four acres of former floodplain. The four acres of former floodplain is now occupied by vacant motel and restaurant buildings, a paved parking area, and a section of the South Tahoe Bikeway. These developments rest on at least eight feet of fill materials over the former floodplain.

With the Property acquisition now complete, the Conservancy will remove the existing structures and stabilize the site. Conservancy staff is advancing this demolition work as quickly as possible and anticipates completing it in 2025.

Staff also desires to expeditiously advance the full site restoration and public access and recreation opportunities by proceeding with Project planning, as described in this staff recommendation.

Detailed Description of Recommended Action

1. Major Elements and/or Steps of the Recommended Action

Staff requests authorization to accept and expend funds to plan the Project. The Conservancy will investigate restoration and public access and recreation concepts to improve the Property and the adjacent floodplain. Staff will explore opportunities to remove fill, restore floodplains, maintain the bike trail connection, and enhance public access.

Upon authorization, staff will execute the necessary agreements and start planning the Project. Conservancy staff will work with the Department of General Services (DGS) to hire a consultant, develop an interagency team, and move forward with Project development, preliminary engineering, and environmental review. Staff will also engage with the Washoe Tribe and partners and will conduct public outreach to gather input during the planning process.

2. Overall Context and Benefits

The Conservancy purchased the Property to protect and enhance wildlife and water quality, and to provide open space and public access opportunities. The Project will further these purposes. The Conservancy and partners have also invested in acquisitions, planning, and project implementation elsewhere along the River corridor. The Project will complement these other investments and is a key priority linking and contributing to the landscape-scale effort to restore the Upper Truckee River Watershed. This regionally significant partnership aims to cumulatively restore 1,000 acres of wetlands and nine miles of River.

The Conservancy will develop the Project to support regional, state, and federal goals and priorities. Staff will evaluate opportunities to remove fill, restore wetlands, decrease erosion, and remove encroaching conifers. These restoration activities will enhance biodiversity and ecosystems, improve water quality, and increase the natural system's resilience to climate change. Additionally, staff will maintain the bike trail connection and consider public access improvements such as signage, interpretive facilities, and parking.

3. Schedule for the Recommended Action

Staff anticipates completing all planning activities under this authorization by early 2026.

Financing

Staff anticipates a total budget of up to \$900,000 to plan the Project, and is pursuing all potential federal, state, and private funding sources. The Tahoe Regional Planning

Agency (TRPA), in its role of administering federal Lake Tahoe Restoration Act (LTRA) funding, has indicated that up to \$500,000 is available to plan the Project. There is the potential that additional LTRA funding will be available for the Project. The Conservancy also continues to engage with the U.S. Army Corps of Engineers on funding opportunities for the Project.

The final budget amounts may vary among individual items from those shown, but expenditures under this authorization will not exceed \$900,000.

Task	Amount
Project development and design	\$350,000
Environmental documentation	\$450,000
Project and contract management	\$100,000
Total	\$900,000

Authority

Consistency with the Conservancy’s Enabling Legislation

The recommended action is consistent with the Conservancy’s enabling legislation. Specifically, Government Code section 66906.8 authorizes the Conservancy to select and hire consultants or contractors to provide services necessary to achieve the purposes of the Conservancy, including protection of the natural environment at Lake Tahoe. Under Government Code section 66907.9, the Conservancy is authorized to initiate, negotiate, and participate in agreements for the management of land under its ownership and control with local public agencies, state agencies, federal agencies, nonprofit organizations, individuals, corporate entities, or partnerships. Government Code section 66908 authorizes the Conservancy to receive reimbursements and other funds from public agencies.

Consistency with the Conservancy’s Strategic Plan

The recommended action is consistent with Goal 2, Strategy B to advance multiple-benefit projects that creatively combine restoring and building the resilience of forests and watersheds with water quality protection, green infrastructure, recreation, and climate change mitigation and adaptation; and Goal 4, Strategy A to ensure that all Conservancy programs integrate climate change science, mitigation, and adaptation.

Consistency with the Conservancy’s Program Guidelines

The recommended action is consistent with the Conservancy’s Stream Environment Zone Program (SEZ) Objectives and the Recreation and Public Access Program Guidelines. The potential Project improvements restore habitat, improve water quality, enhance public access, and create an environment that is more resilient to climate change.

Consistency with External Authorities

The recommended action is consistent with the EIP because it advances implementation of EIP Project 01.02.01.0027. Further, the Project helps attain the Lake Tahoe Total Maximum Daily Load objectives set by the Lahontan Regional Water Quality Control Board and the SEZ restoration and wildlife habitat environmental thresholds identified by the TRPA. The recommended action also supports several important California state mandates and plans, such as the Pathways to 30x30 Strategy, State Wildlife Action Plan, Wildfire and Forest Resilience Action Plan, Climate Adaptation Strategy, and Outdoors for All Strategy.

Compliance with the California Environmental Quality Act

Pursuant to the 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 of the California Natural Resources Agency to have no significant effect on the environment. Staff has evaluated the recommended action and has found it to be exempt under CEQA. The recommended action qualifies for a statutory exemption under CEQA Guidelines section 15262, Feasibility and Planning Studies, because it involves only feasibility or planning studies for possible future actions related to the Project and has no legally binding effect on later activities. Staff has prepared a notice of exemption (NOE) (Attachment 2). If the Board approves the recommended action, staff will file the NOE with the State Clearinghouse pursuant to CEQA Guidelines, section 15062.

List of Attachments

Attachment 1 – Resolution 24-06-07
Attachment 2 – Notice of Exemption

Conservancy Staff Contact

Scott Carroll, Senior Environmental Planner

scott.carroll@tahoe.ca.gov