

ENVIRONMENTALLY SENSITIVE LAND AND COVERAGE ACQUISITION

Recommended Actions: Adopt Resolution 25-03-03 (Attachment 1) authorizing up to \$1,730,000 for the California Tahoe Conservancy (Conservancy) to:

- 1) Acquire an environmentally sensitive parcel located at 3828 Montreal Road (El Dorado County Assessment Number (AN) 029-441-003) (Parcel) in the City of South Lake Tahoe (City), and
- 2) Acquire 10,000 square feet of Class 1b hard land coverage on 3794 Montreal Road (El Dorado County AN 029-720-007).

Executive Summary: Staff recommends the Conservancy acquire the Parcel and purchase and retire 10,000 square feet of Class 1b hard land coverage on 3794 Montreal Road, an adjacent parcel to the southwest owned by the same owner, for a total cost of up to \$1,730,000. The Parcel is 2.61 acres, comprising 1.1 acres of environmentally sensitive land and 1.5 acres of developable land. The developable land includes a portion of the entrance road and unpaved shared-use trail to Van Sickle Bi-State Park (Park). The environmentally sensitive portion contains mountain meadow and Stream Environment Zone (SEZ) habitat. Through this acquisition, the Conservancy gains fee title ownership of the sole vehicular access point to the Park, which is currently managed under a non-exclusive access easement with the private Parcel owner. The acquisition also protects wildlife habitat, scenic resources, and water quality at the Park's entrance from potential private development. Additionally, the retirement of 10,000 square feet of Class 1b hard land coverage will reduce future development on environmentally sensitive lands, helping to achieve environmental thresholds and the Lake Tahoe Regional Plan.

The acquisition aligns with the Conservancy's 2024-2029 Strategic Plan goals to Provide Recreational Opportunities and Access for All; Safeguard the Lake Tahoe Basin's (Basin) Environmental, Tribal, Cultural, and Recreational Attributes for Future Generations; and Care for the Basin's Natural, Tribal, and Cultural Resources. It also supports Executive Order N-82-20, which aims to conserve 30 percent of California's natural lands by 2030, and California's Outdoors for All initiative. Acquiring the coverage aligns with the Conservancy's Strategic Plan Goal: Restore the Basin's Social and Ecological Resilience. Upon Board authorization, Conservancy staff will perform the necessary due diligence activities to acquire the Parcel and coverage, including pursuing required land acquisition approvals at the State Public Works Board (PWB).

Location: The Parcel is located at 3828 Montreal Road and the coverage is on the adjacent parcel to the southwest at 3794 Montreal Road in the City (ANs 029-441-003 and 029-720-007) (Attachment 2).

Fiscal Summary: Staff seeks to expend up to \$1,730,000, which includes up to \$1,500,000 for the Parcel, which is the fair market value as approved by the Department of General Services; up to \$170,000 for the coverage; and \$60,000 for the administrative, due diligence, and closing costs. The costs will be covered by a combination of several funding sources, that may include Proposition 68, Proposition 4, General Fund, and Tahoe Regional Planning Agency (TRPA) Excess Coverage Mitigation (ECM).

Overview

History

Since its inception, the Conservancy has acquired environmentally sensitive parcels in priority watersheds throughout the California side of the Basin to facilitate floodplain, SEZ, and mountain meadow protection, and to improve public access and recreational opportunities. Additionally, the Conservancy acquires and restores environmentally sensitive land coverage, either permanently retiring it to eliminate development potential or transferring coverage to support sustainability goals.

With respect to the Park, the State of Nevada acquired the land on the Nevada side of the Park through a donation in 1988, and the Conservancy added land on the California side in 2001 through a fee title acquisition. The Conservancy currently manages the Park entrance via a non-exclusive access easement, and has sought to acquire the Parcel from private ownership and add it to the Park since the late 1980s. The Conservancy's access easement was recorded by a previous owner in 2009.

The Park represents a long-held vision and partnership between the states of California and Nevada for a regionally significant recreational opportunity at Lake Tahoe. Through a memorandum of understanding, Nevada Division of State Parks (NDSP) and the Conservancy partnered to design and construct Park amenities between 2002 and 2010, with the official opening in summer 2011. Both entities cooperate to manage the Park.

The parcel at 3794 Montreal Road (AN 029-720-007) was previously the site of the Colony Inn hotel, which was demolished in 2009. Following the demolition, the prior owner verified the environmentally sensitive land coverage with the TRPA. The current owner owns both the Parcel and 3794 Montreal Road.

In fall 2024, the owner listed the Parcel for sale. The Conservancy conducted an appraisal to determine the fair market value of both the Parcel and coverage. The

appraised values are \$1,500,000 for the Parcel and \$170,000 for the coverage. The owner is a willing seller at these values.

Detailed Description of Recommended Action

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

The Conservancy proposes to acquire the Parcel (Attachment 3). The Parcel contains 1.1 acres (48,209 square feet) of sensitive potential land coverage (Class 1b), 1.5 acres (65,809 square feet) of developable potential land coverage (Class 7) containing the Park entrance road, and a residential development right that the Conservancy will bank in its Land Bank. The Conservancy also proposes to purchase and retire 10,000 square feet of environmentally sensitive (Class 1b) hard land coverage on 3794 Montreal Road.

Upon Board approval, Conservancy staff will take the necessary steps to complete the transaction, including securing the PWB's approvals of the Parcel acquisition. If applicable, the seller must pay any encumbrances such as taxes, judgements, liens, or deeds of trust prior to escrow closure. The Conservancy will pay for escrow fees, title insurance, and other related closing costs. Staff has obtained and reviewed a title report and will update the report prior to closure of escrow. The Conservancy will complete a land survey prior to acquiring the Parcel.

2. Overall Context and Benefits

The Park is uniquely situated just a few minutes' walk from nearby disadvantaged communities. It is also adjacent to the largest tourist accommodation area in the Basin. This strategic location immediately transitions from the dense urban context to a forest setting and provides opportunities for short day use outings, longer hikes, extraordinary views of Lake Tahoe, and enjoyment of a historic barn that reflects the region's cultural heritage. Currently, the Park hosts over 61,000 visitors annually, with projections indicating a rise to 136,000 visitors by 2048. Securing fee title ownership and direct management control of the Park entrance, including the portion of the entrance road and the unpaved shared-use trail that are on the Parcel, is increasingly critical as the Conservancy and NDSP manage rising visitation levels.

By acquiring the Parcel, the Conservancy would ensure that no future private development occurs on the Parcel, thereby enhancing scenic views, water quality, wildlife habitat, and climate resilience. Public ownership will also provide opportunities to restore sensitive meadows and an ephemeral stream.

The acquisition aligns with the Conservancy's Strategic Plan Goals to Provide Recreational Opportunities and Access for All; Safeguard the Basin's Environmental, Tribal, Cultural, and Recreational Attributes for Future Generations; and Care for the Basin's Natural, Tribal, and Cultural Resources. It also supports California's Pathways to 30x30 strategy to increase the amount of land conserved in public ownership and to protect biodiversity. Additionally, it advances California's Outdoors for All initiative, which focuses on expanding equitable access to parks, open spaces, and natural areas.

The purchase and retirement of 10,000 square feet of Class 1b hard land coverage will reduce future development on environmentally sensitive lands and contribute directly to achieving Basin environmental goals. Hard coverage, which includes structures such as parking lots, roads, and roofs, prevents water infiltration. Reducing coverage helps improve water quality and clarity by increasing the amount of land that can infiltrate water. Plants and soil on undeveloped land filter nutrients and minimize surface water runoff, reducing fine sediment delivery and soil erosion, and increasing groundwater recharge.

3. Schedule for the Recommended Action

Pending Board and PWB authorizations, Conservancy staff will complete the necessary due diligence activities and will close escrow on the Parcel and purchase the Class 1b hard land coverage during 2025.

Financing

Staff seeks authorization for up to \$1,730,000 to acquire the Parcel and the coverage, including administrative and closing costs. The purchase price of the Parcel and coverage will not exceed fair market value. The Conservancy will use a combination of several funding sources, which may include Proposition 68, Proposition 4, General Fund, and TRPA ECM for the purchase.

Authority

Consistency with the Conservancy's Enabling Legislation

This acquisition is consistent with the Conservancy's enabling legislation. Specifically, Government Code section 66907 authorizes the Conservancy to select and acquire real property for the purposes of protecting the natural environment, providing public access or public recreational facilities, preserving wildlife habitat areas, or providing access to or management of acquired lands. Government Code Section 66907.1 authorizes the Conservancy to enter into all alternatives to the acquisition of fee interests in land, including, but not limited to, development rights.

Consistency with the Conservancy's Strategic Plan

This acquisition is consistent with the Conservancy's Strategic Plan goals: Provide Recreational Opportunities and Access for All; Safeguard the Basin's Environmental, Tribal, Cultural, and Recreational Attributes for Future Generations; Restore the Basin's Social and Ecological Resilience; and Care for the Basin's Natural, Tribal, and Cultural Resources.

Consistency with the Conservancy's Program Guidelines

The recommended action is consistent with the Conservancy's Land Acquisition and Land Bank Program Guidelines.

Consistency with External Authorities

The recommended action is consistent with the EIP because it implements EIP project #01.02.02.0001 – Environmentally Sensitive Lands Acquisition Program.

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. Pursuant to Public Resources Code sections 21001(f) and 21082, the Conservancy has also adopted regulations to implement, interpret, and make specific the provisions of CEQA. (Cal. Code Regs., tit. 14, § 12100 et seq.) Staff has evaluated the recommended action and has found it to be exempt from CEQA. The acquisition of the Parcel is categorically exempt under CEQA Guidelines section 15325, Transfer of Ownership in Land to Preserve Existing Natural Conditions and Historical Resources, as well as section 12102.25 of the Conservancy's CEQA regulations, because it involves the acquisition of land to preserve and restore existing natural conditions on the Parcel, including plant and animal habitats, and to preserve the Parcel's open space for park purposes. The acquisition is also exempt under CEQA Guidelines section 15301, Existing Facilities, and section 12102.01 of the Conservancy's CEQA regulations, as it will involve the ongoing operation and management of the portion of the Park's entrance road and shared-use trail located on the Parcel. Finally, the purchase of land coverage is exempt under the common sense exemption in CEQA Guidelines section 15061(b)(3), as it can be seen with certainty that the purchase will not have an effect on the environment. The Conservancy will retire the coverage, which will reduce future development on environmentally sensitive lands. Staff prepared a notice of exemption (NOE) (Attachment 4). If the Board approves the acquisition, staff will file the NOE with the State Clearinghouse pursuant to CEQA Guidelines, section 15062.

List of Attachments

Attachment 1 – Resolution 25-03-03

Attachment 2 – Environmentally Sensitive Land Acquisition and Coverage Location Map

Attachment 3 – Environmentally Sensitive Land Acquisition and Coverage Project Map

Attachment 4 – Notice of Exemption

- Exhibit A – Location Map

Conservancy Staff Contact

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