

**MEMORANDUM  
DEPARTMENT OF FACILITY SERVICES  
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **JULY 24, 2007**

From: *MD* **JAMES DURFEE / MARY DIETRICH**

Subject: **SITE SELECTIONS FOR TAHOE GOVERNMENT CENTER**

**ACTION REQUESTED / RECOMMENDATION:** Staff recommends that your Board:

- 1) Approve the selection of the Trading Post Center, the B.B. LLC properties, and Lot 1 of the Joerger Ranch subdivision in Martis Valley as final candidate sites for the future development of a Tahoe Government Center;
- 2) Authorize staff to proceed with more extensive evaluation of the finalist properties to ascertain development and acquisition costs; and,
- 3) Direct staff to return by the end of 2007 with recommendations related to the most feasible property for acquisition and material terms for the proposed purchase.

**BACKGROUND:** On April 4, 2006, your Board authorized Facility Services to proceed with a Site Solicitation for property in the Tahoe area. The purpose of this solicitation was to identify potential sites for consolidation of the general government functions currently located in a number of leased facilities in the Lake Tahoe area. A preliminary assessment identified potential building occupants as the departments comprising the Community Development Resource Agency, the Division of Environmental Health, the County Executive Office (including its Redevelopment, Public Information and Emergency Services Divisions), and the Tahoe Regional Planning Agency (TRPA). Depending on the size of the site acquired, the Center could also include additional agencies and departments such as Public Works and the Assessor.

On April 3, 2007, staff provided an update to your Board on the status of the Site Solicitation. At that meeting, your Board authorized staff to eliminate one of the candidate properties (the Kingswood site) from further consideration, directed staff to continue its due diligence on the remaining five properties, and added for consideration a site in Martis Valley scheduled for County-ownership. With this direction, staff has continued its evaluation of the six remaining properties (see attached Exhibit A) against the desired site attributes identified in the Solicitation (i.e., location, size, access, development capability, compatible land uses, and fiscal). In addition, staff has also given consideration to the sites that achieve other indirect community service and economic benefits (i.e., inside the Tahoe Basin so as to permit co-location with TRPA to facilitate land-use process improvements; eligibility for TRPA Demonstration Project; and, facilitation of redevelopment of blighted areas and serving as a catalyst to economic revitalization).

**PUBLIC OUTREACH AND DUE DILIGENCE:** Throughout this process, staff has made a concerted effort to inform and engage the Lake Tahoe community by giving a total of ten presentations at standing public meetings and neighborhood specific forums, and through individual and group internet communications. In addition to these communications, numerous articles informing the public of upcoming meetings and proposed next steps were published in the local newspaper.

Since your Board's April 3<sup>rd</sup> meeting, staff has made presentations at two other North Tahoe Regional Advisory Council (NTRAC) meetings gaining additional community insight on where the Center should be located. At the April 12<sup>th</sup> NTRAC Meeting, staff presented the results of its diligence performed to date, identified site constraints, listed those properties that possess indirect community benefits, and shared your Board's observations related to the candidate properties. Staff also shared your Board's direction to continue to examine other properties including the site slated for County ownership in Martis Valley. Following this presentation, staff heard from several community members opposed to

the Truckee North Tahoe Materials site in Tahoe Vista. These community members expressed strong concerns given pending or proposed developments in Tahoe Vista and their potential impacts (e.g., traffic congestion and community character) notwithstanding future impacts from the location of the Government Center at the proposed site. Consistent with prior input received, the NTRAC members and attendees expressed support for the location of the Center in the Tahoe Basin and commercial areas referring specifically to the Trading Post Center and the B.B. LLC properties.

At the June 14<sup>th</sup> NTRAC Meeting staff presented its intent to narrow the properties to three, sharing that the Trading Post Center in Tahoe City, B.B. LLC Properties in Kings Beach, and Lot 1 of the Joerger Ranch subdivision in Martis Valley would be recommended to your Board. In response to this information, the predominant message focused on opposition to the Martis Valley location for the following reasons:

- Shift in economic benefit away from the Tahoe Basin toward the Town of Truckee;
- Significant travel distance from the West Shore communities to Martis Valley; and
- Use of property contemplated for park and recreation purposes.

**PROPERTY RECOMMENDATIONS:** Staff has worked diligently over the last year to evaluate all of the candidate properties with the goal of either selecting or short-listing properties for more in depth evaluation. Based on this evaluation, three properties are recommended for further consideration. Staff is also recommending that three properties (Squaw Valley Lot 4, West River Road, and TNT) be eliminated from further review. This recommendation is based on the following issues:

Squaw Valley, Lot 4: Unknowns associated with soil/fill material composition and future water supply, close proximity to existing residential development, delays and safety concerns associated with ski season traffic, perceived inconsistency between the County's proposed government office use as compared to uses that would further development of Squaw Valley's destination resort economy, and opposition with the location of the Center outside the Basin and commercial core.

West River Road: Environmental and soil stability concerns associated with existing uses, slope and topography, ingress and egress concerns (e.g., limited site visibility, lack of turn lane, and potential future access issues resulting from the Highway 89 realignment), complexities related to the connection to existing infrastructure, and concerns regarding pedestrian connectivity.

Truckee North Tahoe (TNT) Materials: Potential environmental concerns, land coverage and development restrictions associated with the Stream Environment Zone (SEZ) running across and along the site's eastern boundary, limited development options due to site configuration, and the Department of Public Work's opportunity to acquire this site for SEZ restoration utilizing potential grant funding.

The representatives of these properties were informed of staff's recommendations prior to the June 14<sup>th</sup> NTRAC Meeting and were invited to attend that meeting and your Board's July 24<sup>th</sup> meeting to provide comment. With the exception of input from the West River Road property representative, as of July 17, 2007, no opposing comments were received related to the elimination of these sites.

Through the process of evaluating each property against the site attributes and giving added consideration to sites that provide indirect community service/economic benefits, the Trading Post Center, the B.B. LLC properties, and Lot 1 of the Joerger Ranch subdivision have surfaced as top candidates. The following provides a brief description of these properties and the key factors for related to our recommendation.

Trading Post Center: This Tahoe City location is a 30+ year old complex comprised of four separate buildings, occupied by retail/office tenants and a restaurant operator. All structures combined would provide approximately 25,000 square feet of space which exceeds the County's currently identified space requirements. The campus nature of this complex would allow for the departments slated for occupancy in the Center to be dispersed throughout the established, wooded setting.

B.B. LLC Properties: This Kings Beach location is in the planning stages for a proposed mixed use village development where office/retail space and housing will be constructed. The owner has performed preliminary planning in which he has sited a 24,000 square foot two-story office building on the eastern portion of his properties as a proposal to accommodate the Center. West of this building is a planned parking structure. Should the County select this location, a development model similar to the Justice Center Courthouse building in South Placer would be utilized. Based on this model, the owner would construct the office building per the County's development specifications and would enter into a Lease Purchase Agreement that establishes the County's and the owner's obligations and rights.

The Trading Post and B.B. LLC Properties are recommended as a finalist properties based on the following attributes:

- Meets the County's building space needs (currently identified as 24,000± square feet) which allows accommodation of the CDRA departments, Environmental Health, CEO occupancies, TRPA, Assessor, and the Public Work's division currently located in Truckee.
- Located within the Tahoe Basin, and in existing commercial core areas providing convenience and synergy between the future Center users and existing services.
- Compatible with adjacent and nearby land uses.
- Allows Government Center occupants and users to walk to amenities such as banks, restaurants, post office, and the bus stop, avoiding vehicle trips.
- While more so for the B.B. LLC property, the Center's location at either site is expected to facilitate redevelopment and serve as a catalyst to economic revitalization.
- Location involves re-use/redevelopment resulting in minimal reduction and/or disruption of vacant/natural land or resources.
- Has no known environmental contamination.

Lot 1, Joerger Ranch subdivision: This property is an undeveloped 15.4 acre site located on Shaffer Mill Road in Martis Valley. Pending completion of infrastructure improvements, this property will be transferred to County ownership. This property was acquired in satisfaction of park and recreation requirements associated with the adjacent Timilick Subdivision (formerly Eaglewood). A 1.4 acre site within this property was previously dedicated to PCWA for a service office and utility yard. At this time, contemplated recreation uses of the property are trail staging and picnic areas, and could potentially include indoor recreation and/or open turf areas subject to demand and funding availability. This parcel is in excess of the park dedication requirements contained in the County General Plan and based upon preliminary evaluation, could accomplish both the planned and anticipated recreation needs as well as the requirements of the Government Center project. Lot 1 is also recommended as a finalist property based on its attributes:

- Existing County asset.
- Exceeds the minimum site size.
- Region has less stringent development regulations than in the Basin.
- Requires minimal grading and soil preparation.
- Limited environmental concerns.
- Nearest to new Tahoe developments.
- Most convenient to I-80 and Hwy 267 making this site most convenient to staff employed by the County who reside outside the Tahoe Basin (approximately 57%).

**CANDIDATE SITES - DILIGENCE AND ACTION PLAN:** With your Board's direction, staff will commence detailed investigations on the recommended properties relative to purchase terms and acquisition and construction costs. The following provides the key actions to be taken on each property:

1. Trading Post Center

- a. Retain an architectural firm to evaluate the condition of the buildings (e.g., shell, roof, exterior walls, decks, electrical and mechanical systems) and provide estimated costs for any needed renovations.
- b. Prepare County re-use and occupancy scenarios in light of existing tenant occupancies and existing lease terms.
- c. Await confirmation from the owners of the Trading Post that the California Resources Agency will remove a deed restriction on the rear portion of the property and receive confirmation from TRPA that with removal of this restriction, additional development of the property can occur for the construction of additional required parking.
- d. If removal of the deed restriction cannot be achieved on the rear parcel, develop an estimate for additional costs for construction of a parking structure in order to bring current parking capacity from 80 spaces to 121.
- e. Obtain an appraisal to determine fair market value.
- f. Determine necessary purchase documents and terms (e.g., option, purchase and sale).

2. B.B. LLC Properties

- a. Prepare an estimated cost for the development and construction of the Center. These costs will include a pro-rata share for the parking structure that is being planned north of the proposed Center.
- b. Confirm fair market value for the property underlying the proposed Center development.
- c. Outline the reimbursable items and methodology for determining the County's share of the development costs (e.g., project management, contractor fees, development, entitlement, permit fees; amortization schedule and established rate of return for deriving rents to be paid) and, construction specifications and milestones.
- d. Outline material terms for the Lease Purchase Agreement (e.g., common area charges, utilities, maintenance, operating expenses, option terms)
- e. Identify other accompanying documents.

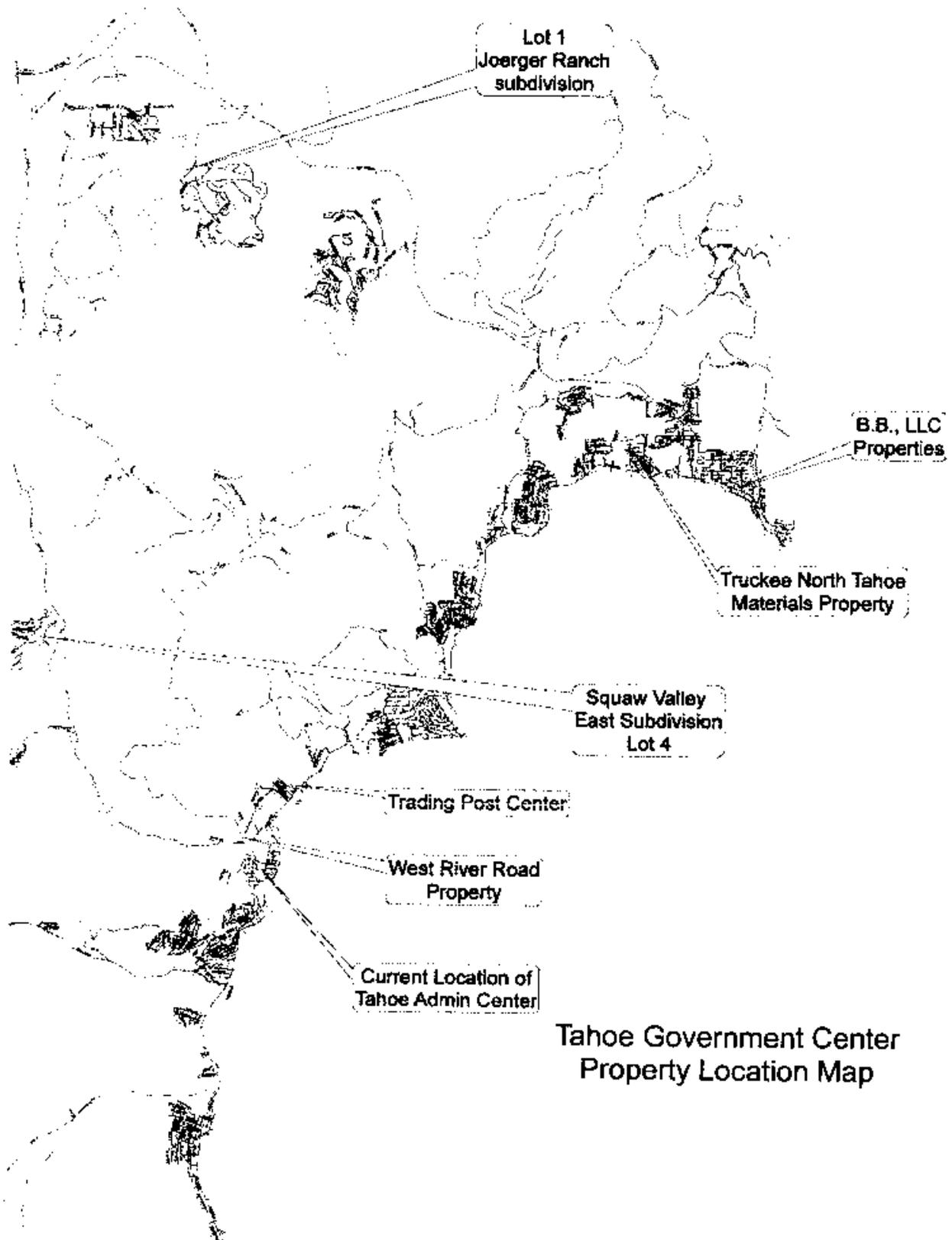
3. Lot 1, Joerger Ranch subdivision

- a. Evaluate neighborhood compatibility and entitlement processes.
- b. Prepare preliminary planning documents to assure compatibility with PCWA improvements and anticipated recreation uses.
- c. Confirm market value of the property for reimbursement to the Recreation Area.
- d. Develop construction cost estimates.

**CONCLUSION:** In summary, staff recommends that your Board approve the selection of the Trading Post Center, the B.B. LLC Properties, and Lot 1 as final candidate sites for the future development of a Tahoe Government Center. Staff will return by the end of 2007 with a recommendation related to the most feasible property.

Staff wishes to express its appreciation to the public and the property owners who remained engaged and cooperative throughout this process. Through this solicitation/selection process staff has benefited greatly from the public engagement/insight and the property owners' openness and cooperation. With the assistance of the public, private property owners, County departments and other public agencies, our understanding regarding the development and economic complexities inherent in the Tahoe region has grown immensely. As a result, staff is confident that its recommendations are consistent with the Tahoe community's desires and will result in a development that not only helps to improve the delivery of government services but also provides greater public benefit.

**TAHOE GOVERNMENT CENTER  
PROPERTY LOCATION MAP**



**Tahoe Government Center  
Property Location Map**

