MEMORANDUM
PUBLIC WORKS AND FACILITIES
PROPERTY MANAGEMENT DIVISION
County of Placer

TO: Board of Supervisors
DATE: December 6, 2016

FROM: Ken Grehm, Director of Public Works and Facilities
By: Laurie Morse, Property Manager

SUBJECT: Property Management / Tourist Accommodation Units Purchase / Peak10 Limited Partnership

ACTION REQUESTED
Adopt a Resolution authorizing the Director of Public Works and Facilities, or designee, to finalize and execute an Agreement for Purchase of Tourist Accommodation Units with Peak10 Limited Partnership, and take all actions necessary to acquire, bank and transfer fifteen (15) Tourist Accommodation Units at a price of $12,000 each, for a total purchase price of $180,000.

BACKGROUND
Placer County has been actively pursuing the acquisition of Tourist Accommodation Units (TAUs) to promote economic development in the Tahoe City and Kings Beach Town Centers. This strategy seeks to acquire TAUs at a favorable price, and in a manner that mitigates the inherent risks associated with acquiring and transferring TAUs. The overarching purposes for purchasing TAUs are two-fold, 1) to implement the Tahoe Regional Planning Agency (TRPA) Regional Plan; and, 2) to provide necessary investment incentives in these Town Centers.

Development rights are typically acquired with real property as part of an overall acquisition; however, there are other ways to acquire such rights. The California Tahoe Conservancy has approved a number of banking entities to bank and sell TAUs, and TRPA has developed a web-based Transfer of Development Rights marketplace that lets individual property owners list a variety of development rights for sale. To avoid the costs and uncertainties associated with a real property acquisition, staff has been exploring the purchase of banked TAUs.

In November 2016, staff sent a non-binding letter of intent (LOI) to Peak10 Limited Partnership (Seller), offering to purchase TAUs that were not needed for Peak10 Multi-Family Residential Development, a planned unit development in Kings Beach (See Location Map – “Peak10 Multi-Family Residential Development”). Following completion of that project, fifteen (15) TAUs (TAU Property) are now banked on the parcel owned by Peak10 Limited Partnership, APN 090-072-026 (Sending Parcel). Since these TAUs are banked on property within Placer County there will be no transfer approvals or fees imposed by other local jurisdictions, and the County will not be responsible for costs associated with ownership of real property.

County staff confirmed TRPA has discretionary authority to transfer TAUs from a sending parcel to a receiving parcel, pursuant to TRPA Code of Ordinance, Chapter 501.5. This would permit the TAU Property to remain banked on the Sending Parcel until these development rights are transferred to the receiving parcel(s). To facilitate future transfers, staff drafted the recommended Agreement for Purchase of Tourist Accommodation Units (Agreement) to require a Memorandum of Agreement and Power of Attorney (MOA) be recorded at close of escrow. Through this MOA, Seller will grant a limited authorization to the County to execute all documents necessary to transfer the TAU Property from the Sending Parcel to a receiving parcel(s) designated by the County (Receiving Parcels).
Agreement Terms
Staff has prepared the Agreement based on the LOI, and recommends that your Board delegate authority to the Director of Public Works and Facilities, or designee, to finalize and execute this Agreement including the following key terms:

- **Purchase Price**: $12,000 for each TAU, totaling $180,000 for fifteen (15) TAUs. A $500 refundable deposit to escrow is required within ten (10) days of Agreement execution.
- The TAU Property is held in the Peak10 Planned Unit Development, described as APN 090-072-026, the "Sending Parcel". Seller previously received confirmation from TRPA that the TAU Property currently resides on the Sending Parcel. Seller agrees to transfer TAU Property to Receiving Parcels, which will be designated at a future date by the County, subject to TRPA approval. Until such time of transfer, the TAU Property will remain banked on the Sending Parcel.
- County has a 20-day contingency period in which to investigate and approve or disapprove certain items including:
  - TRPA concurrence with the number of TAUs comprising the TAU Property, and approval of the plan for banking and subsequent transfer of the TAU Property.
  - County determination of overall financial feasibility, including acquisition costs.
- Escrow with Placer Title Company will provide for closing within fifteen (15) days of approval of all contingencies. Close of Escrow is anticipated to occur on or prior to December 30, 2016, upon the condition that all contingencies have first been satisfied by County.
- An MOA is included in the Agreement, and will be recorded at Close of Escrow. Through this MOA, Seller will grant limited authorization to County to execute all documents necessary to transfer the TAU Property from the Sending Parcel to Receiving Parcels designated by the County.

Purchase of the TAU Property will secure development rights that can provide important investment incentives for revitalization of the town centers in Tahoe City and Kings Beach. To proceed with this acquisition, your Board’s approval of the Resolution is necessary to delegate authority to the Director of Public Works and Facilities, or designee, to finalize and execute this Agreement and carry out all actions necessary to acquire, bank and transfer the TAU Property.

ENVIRONMENTAL IMPACT
The action to approve the Agreement for Purchase of Tourist Accommodation Units is not a Project as defined in the California Environmental Quality Act (CEQA) Guidelines Section 15378 (a) and therefore is not subject to CEQA. The proposed action is Categorically Exempt from CEQA pursuant to Section 15306 - Information Collection which exempts basic data collection, research, and resource evaluation activities leading to an action which a public agency has not yet approved. Any future projects on Receiving Parcels are subject to independent environmental review pursuant to CEQA.

FISCAL IMPACT
Total acquisition costs for this project are estimated at $192,000 which includes the $180,000 purchase price for 15 TAUs at $12,000/TAU, title and escrow costs, and staff costs. Funding for this acquisition will come from the Capital Project No. 4947.

ATTACHMENTS
Location Map
Resolution
Before the Board of Supervisors
County of Placer, State of California

In the matter of: A Resolution authorizing the Director of Public Works and Facilities, or designee, to finalize and execute an Agreement for Purchase of Tourist Accommodation Units and take all actions necessary to acquire, bank and transfer fifteen (15) Tourist Accommodation Units from Peak10 Limited Partnership.

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

______________________________
Chair, Board of Supervisors

Attest:

______________________________
Chair, Board of Supervisors

WHEREAS, The County of Placer (County) has been actively seeking to acquire Tourist Accommodation Units to support economic development opportunities in the Town Centers of Tahoe City and Kings Beach; and

WHEREAS, Peak10 Limited Partnership, a planned unit development project located at 8308 North Lake Blvd. in Kings Beach, CA, (Seller) has an excess of Tourist Accommodation Units and desires to sell them; and

WHEREAS, the County has been investigating options for acquiring, banking and transferring Tourist Accommodation Units in accordance with Tahoe Regional Planning Agency's (TRPA) Code of Ordinances; and

WHEREAS, County and Seller have negotiated an Agreement for Purchase of Tourist Accommodation Units which includes a Memorandum of Agreement and Power of Attorney allowing for the County to act as agent for the Seller solely for the purpose of transferring the Tourist Accommodation Units from the sending parcel to a receiving parcel(s) designated in the future by the County following receipt of necessary TRPA approvals;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors, County of Placer, State of California, the Director of Public Works and Facilities, or designee, is hereby authorized to finalize and execute the Agreement for Purchase of Tourist Accommodation Units, subject to County Counsel approval, and take all actions necessary to acquire, bank and transfer the fifteen (15) Tourist Accommodation Units.