



**North Lake Tahoe Economic Development
Incentive Program
Overview, Guidelines and Procedures**
(Revised July 2020)

County Executive Office, North Lake Tahoe

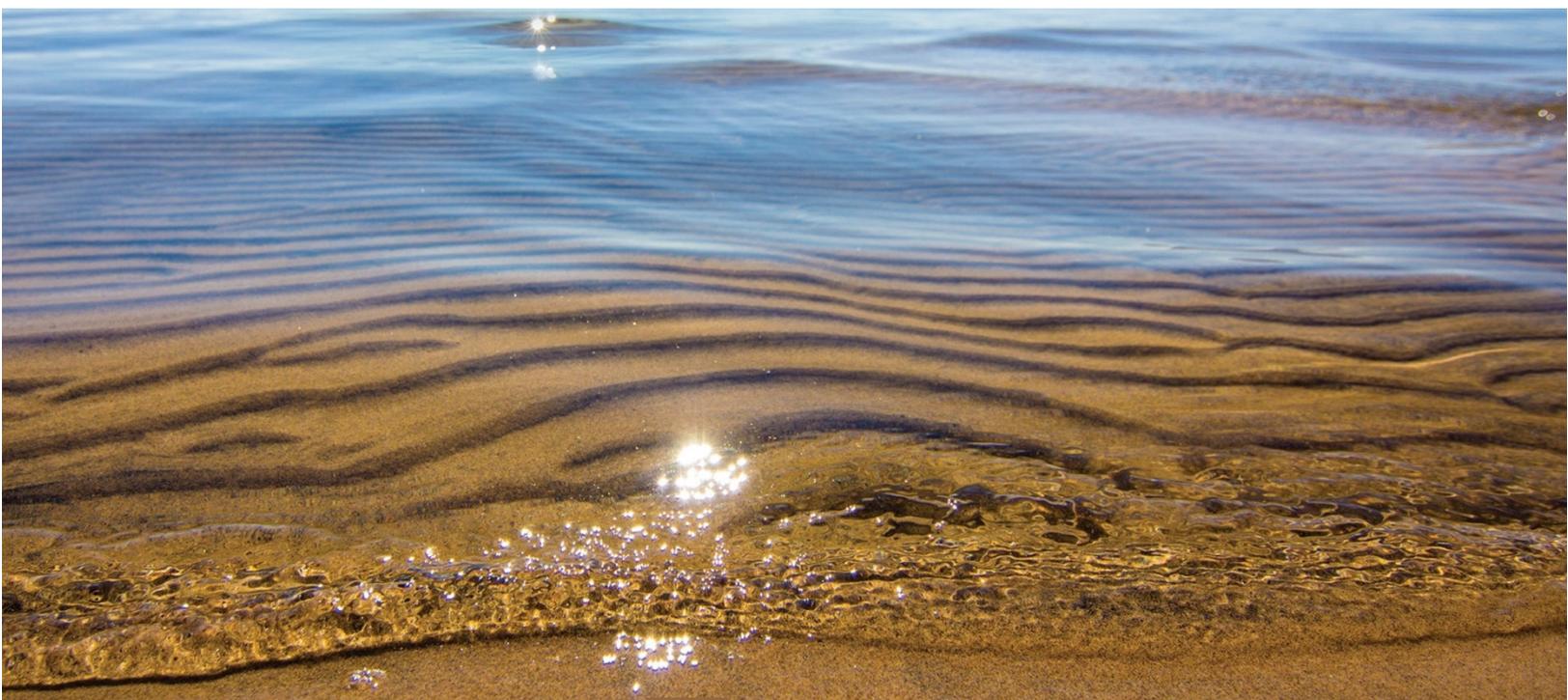


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EXHIBITS

The program offers a variety of cost offset components. Depending on project applicant needs and qualifications, the following exhibits encompass applicable component applications and procedures.

- A. North Lake Tahoe Economic Development Incentive Program Application Documents
 - i. Project Application Initial Consultation Information and Guide
 - ii. Application- Development Rights Cost Offset, Infrastructure Cost Offset, and Tahoe Basin Lodging Incentive Program (New Lodging Development and Hybrid Lodging Renovation Projects only)
 - iii. Questionnaire- Tahoe Basin Lodging Incentive Program- (Tier 1 and Tier 2 Lodging Renovation Projects only)
- B. Project Evaluation Tool- (Development Rights Cost Offset Program, Infrastructure Cost Offset, Tahoe Basin Lodging Incentive Program (New Lodging Development and Hybrid Lodging Renovation only))
- C. Placer County North Lake Tahoe Basin Town Center and Village Center Maps



SECTION 1.0 INTRODUCTION

Placer County established an Economic Incentive Program (Program) to encourage Town Center redevelopment/development that achieves environmental and economic goals outlined in the Placer County Tahoe Basin Area Plan. The Area Plan sets the framework by which goals and objectives for long term environmental and economic sustainability of the North Lake Tahoe basin area of Placer County are achieved. As stated in the November 2015 report by Economic and Planning Systems (EPS), "according to Tahoe Regional Planning Agency (TRPA), approximately 72 percent of the sediment polluting Lake Tahoe originates from developed areas. It is well documented by TRPA and numerous studies that environmentally beneficial redevelopment is the path to improve lake clarity, air quality, retain and create new jobs, increase full-time residency, encourage walkable and pedestrian friendly business downtowns, and beautify and strengthen the Town Centers and region." In March 2020, Bay Area Economics (BAE) authored and presented the Tahoe Basin Town Center Economic Needs Analysis to the County Board of Supervisors that not only reaffirmed the work of previous economic studies, but recommended the County take additional steps to further incentives that reduce financial hurdles for targeted projects that new and renovated hospitality and commercial projects can be achieved in order to realize County and community goals and objectives.

Among multiple findings and recommendations, the BAE Analysis recommended that because of the extraordinary cost of lodging and mixed use development in the Tahoe basin, the County's existing North Lake Tahoe Economic Development Incentive Program (NLTEDIP), with its components to help offset costs outlined in Section 1.1 below, be updated to include availability of all County-banked development rights, including not only Tourist Accommodation Units available in the original program, but also Commercial Floor Area, Residential Allocations, Coverage and Density (currently only available within the Tahoe City Town Center) and also develop a TOT Rebate Incentive to further incentivize desired investment. Consistent with the NLTEDIP, these components focus on attracting New Lodging Development in the Town Centers of Kings Beach and Tahoe City, with flexibility to also support new and Lodging Renovation Projects within Village Centers on existing lodging sites and where lodging uses are allowed, including Carnelian Bay, Dollar Hill, Homewood, Lake Forest, Tahoma, Tahoe Vista and Sunnyside, which currently contain 30 properties constructed in the 1950s and 1960s and suggests a need for broader environmentally beneficial redevelopment opportunities.

A fundamental principal of redevelopment/development is predictability; predictability in the process, the associated costs, and the time it takes to achieve a completed project. This program is intended to operate in concert with the other County initiatives put in place to help streamline the project approval process and provide certainty as to the availability of the cost offset components outlined in Section 1.1.

1.1 Three Incentive Program Components

- A. Development Rights Cost Offset** component funds and acquires commodities required to develop mixed use overnight visitor accommodations, as well as establishes a program to bank acquired Tourist Accommodation Units (TAUs) and issue them to projects that meet established criteria. The TAU Cost Offset targets a minimum of 40 accommodation units, but reserves 25 percent of TAU assets for smaller projects in any given year. These smaller projects may be scored using independent thresholds and/or criteria. As recommended in the BAE Analysis, this program component now also includes availability of other development rights defined by TRPA such as Commercial Floor Area (CFA), Land Coverage, Residential Allocations, and Density (currently available in the Tahoe City Town Center only). To check on the status Placer County's development rights inventory, contact staff listed on Pages 19 and 24 of this document. Pursuant to TRPA Code of Ordinances Section 51.4, development rights also may be converted to another type of development right(s) based on prescribed conversion exchange rates.

- B. Infrastructure Cost Offset** component includes mechanisms to fund extraordinary infrastructure costs for an individual project or for community-scale infrastructure improvements needed to encourage new development on a broader scale. The focus is on sidewalks and streetscape amenities, parking and parking districts, but could also incorporate sewer and water or other significant infrastructure costs on a case by case basis. Funding for this Cost Offset could include, but is not limited to, Transient Occupancy Tax (TOT), Certificates of Participation, Revenue Bonds, General Obligation Bonds, net proceeds from sales of Successor Agency properties, the future tax increment that would have otherwise accrued to the former Redevelopment Agency, and other general fund revenues. The Infrastructure Cost Offset component also includes utilizing existing County code allowances so eligible developers can defer fee payments until certificate of occupancy, with application and approval based on specific project need consistent with existing County Code Sections 15.70.030 and 15.70.050. Deferral of other fees may also be considered on a case by case basis.
- C. Tahoe Basin Lodging Incentive** component further assists in offsetting extraordinary costs of new lodging and lodging renovation projects and consists of a rebate on a portion of the new or incremental growth in TOT revenue generated by a participating lodging project. See Section 3 for a detailed outline of this program component.

1.2 How the Incentive Program Works:

Step 1: Initial Conversation between Project Team and County Staff to Review Project Concept and Program Process (may be done via phone or video conference)

Step 2: Project Consultation with County staff (See Exhibit A(i))

Step 3: Application (See Exhibit A(ii) or Questionnaire (See Exhibit A(iii) Submittal)

Step 4: Program Review Committee Evaluates Application or Questionnaire

Step 5: Board of Supervisors Consideration of Application and Draft Program Operating Covenant Agreement

Step 6: Program Agreement Finalized (if approved by Board in Step 5)

SECTION 2.0 PARTICIPATION CRITERIA

The NLTEDIP is structured upon the principle that redevelopment/development projects of a certain size and scale will produce meaningful environmental and economic "ripple" impacts/effects that catalyze additional investment, thereby leveraging environmental and economic sustainability.

Because of the need for such catalysts in the Tahoe Basin's Town Centers and Village Centers, where new projects of such benefit have been nearly nonexistent for decades, the program offers incentives to projects that create new or redeveloped lodging and mixed-use projects.

For mixed-use projects including both lodging and a commercial use, the size of the commercial component will largely depend on specific site characteristics and capacity. This program, therefore, does not include recommended minimum thresholds for commercial uses associated with lodging projects.

The Tahoe Basin Lodging Incentive is for both new development and existing hotel redevelopment/renovation and is further outlined in Section 2.1 below.

2.1 Achieves Incentive Program Goals

Participating project to align with Incentive Program guidelines including:

- Further enhances Tahoe Basin Area Plan goals and community vision
- Scale of economic and fiscal impacts
- Applicant experience and capacity
- Implementation of environmental improvements consistent with the Area Plan

2.2 Public Benefit Findings

A finding of public benefit is required for each project since TOT funds generated by the project are also the funding source for the program. Projects shall be required to achieve at least two of the following findings of public benefit. The Placer County Board of Supervisors reasonably believe that at least two of the following shall be achieved:

- A. The participating project if developed or improved will create a meaningful increase in the County's general revenues through the creation of new property tax, transient occupancy tax, and/or sales tax.
- B. The participating project will improve the quality of an existing hotel thereby increasing the quality of visitor serving facilities in the County.
- C. The participating project will create a quality new or improved lodging property, thereby increasing the capacity and quality of visitor serving facilities in the Tahoe basin.
- D. The participating projects economic value of the incentive provided is reasonable in relation to the anticipated economic benefits to the community.
- E. The participating project will result in the elimination of a distressed property in the County.
- F. The participating project will result in significant improvements to the existing community infrastructure or enhance public access to open space and other natural resources of the community.

2.3 Participation Conditions

The Lodging incentive seeks to emphasize the development of hotel properties that accentuate North Lake Tahoe's status as a tourism destination with an abundance of outdoor and recreation opportunities as well as a vibrant community that supports diverse quality restaurants, shopping, art and entertainment. The program includes general conditions requiring that participants:

- A. Complete the entitlement process, construct and receive all final occupancy clearances within eight years (new hotel) or three years (renovation) from execution of the Operating Covenant Agreement to receive the full benefit of the program.
- B. Agree to maintain the property in a manner that does not negatively impact assessed property value.
- C. Operate the facility in keeping with Placer County codes and other requirements as deemed necessary by the Board of Supervisors at the time of approval of the Operating Covenant Agreement by the Board of Supervisors.

2.4 Operating Covenant Agreement

The owner/operator must execute an Operating Covenant Agreement which would then be approved by the County Board of Supervisors. The execution of this agreement allows for the crafting of project specific conditions that ensure the public benefit of the participating project and would also include other terms such as project scope, term of agreement and appropriate indemnification, among others. Subject to further review, examples of potential project specific conditions include, but are not limited to:

- A. Operator/owner of a new lodging project must demonstrate the financial capability to implement the project as entitled, and other terms and conditions as further set out pursuant to the Program guidelines.
- B. Operator must agree to maintain adequate records of construction and agree to allow for the County, or a third party, to audit such records upon completion of the project.

Operator must agree to demonstrate reasonable efforts to hire a certain portion of its construction workforce locally.

SECTION 3.0 LODGING INCENTIVE PROGRAM COMPONENT TYPES AND SAMPLES

3.1 New Lodging Development Projects:

- A. Basic Criteria
 - i. Project generally meets a three-star lodging property (or equivalent) or higher, to be constructed in the Tahoe basin portion of unincorporated Placer County after September 1, 2020. Does not include all, or any portion of, or addition to, an existing facility that was constructed within the last 10 years preceding the submission of an application to the County.
- B. Rebate Percentage and Term
 - i. This proposed incentive would rebate a share of New Lodging Development TOT collections on a sliding scale basis, to assist with an applicant's early investment exposure. The proposed TOT rebate percentage would be 90% for Years 1-4, 80% for Years 5-8, and 70% of the TOT remitted during the remaining incentive period. The maximum proposed duration of the incentive is up to 20 years or until the Certified Feasibility Gap is closed, whichever is sooner. The following table summarizes the proposed concept for a sample New Lodging Development project.

SAMPLE NEW LODGING PROJECT INCENTIVE – TABLE A

New Lodging Development Project Example	
<u>Assumptions¹⁾:</u>	100 rooms/keys
	ADR Year 1 - \$200/room
	60% occupancy
	10% TOT Rate
	ADR increase 2%/year
<u>Rebate Amount and Term:</u>	90%/4 years 80%/4 years 70%/12 years (Max 20 yrs. or Cap ²⁾)
<u>Estimated Total Incentive:</u>	\$8M (nominal dollars) (\$3.9M PV @ 8% discount rate ³⁾)
Notes: 1) Assumptions are based on data from previous studies 2) Estimated TOT Incentive for New Lodging Development Projects is Capped at Certified Project Costs Gap, or 20 years, whichever occurs first 3) Certified Project Costs Gap to consider present value dollars	

3.2 Lodging Renovation Project:

A. Basic Criteria

- i. Project involves property in the North Lake Tahoe Basin portion of unincorporated Placer County that was occupied and used as a hotel within the 10-year period preceding application submission and operating continuously for the three-year period preceding application submission, with a valid TOT certificate.
- ii. The property improvements improve the quality of the lodging and ability to achieve increased TOT revenue.

B. Rebate Percentage and Term

- i. Similar to the New Lodging Program, the Lodging Renovation Program incentive proposes a sliding scale, but also proposes two rebate percentage tiers tied to the project's stated Building Permit value. Also similar to the New Lodging program, each tier allocates 10% of the TOT generated for use in supporting County General Fund programs in the North Lake Tahoe region, and the balance of TOT generated by participating projects to the Lake Tahoe Tourism & Promotions Budget beginning as the rebate percentages are scaled down over time. It is important to note, however, that for Lodging Renovation Program projects, the amount rebated shall be calculated based on the new increment of TOT generated following completion of the renovation project. Net new TOT will be determined by subtracting the "Base Year" TOT from the total new annual TOT generated. An average of the prior three years TOT revenue will be used as the Base Year value.
- ii. Lodging Renovation Projects between \$100,000 and \$250,000 (Building Permit Value)- This proposed incentive would rebate an amount equal to 90% of the TOT remitted for Years 1-2, 80% for Years 3-4, and 70% for Years 5-7 of the incentive period, for a duration of up to seven years or until the value of the Building Permit is equaled, whichever is sooner.

- iii. Lodging Renovation Projects above \$250,000 and up to \$500,000 (Building Permit Value)- This proposed incentive would rebate an amount equal to 90% of the TOT remitted for Years 1-2, 80% for Years 3-4, and 70% Years 5-8 during the incentive period, for a duration of up to eight years or until the value of the Building Permit is equaled, whichever is sooner.
- iv. Lodging Renovation Projects above \$500,000 (Building Permit Value)- This category is reserved for larger renovation projects that require significant structural upgrades, including but not limited to consolidation of rooms, addition of rooms, sprinklers, electrical, ADA, new lobby facilities, landscaping and parking. Because of the potential wide range of projects in this category, they will be reviewed on a case by case basis as a "Hybrid Project" and follow the general guidelines and procedures of a New Lodging Development including third party financial review to determine Feasibility Gap.

The following table summarizes the proposed concept applied to a sample Lodging Renovation Development project.

SAMPLE LODGING RENOVATION PROJECT INCENTIVE – Table B

Lodging Renovation Project Examples				
Assumptions are for estimation purposes only; Project specifics will vary	Three Project Tiers Based on Amount Invested			
		Tier 1 \$100K-250K	Tier 2 \$251K-500K	Hybrid >\$500K
	Building Permit Value	\$250K Building Permit Value	\$500K Building Permit Value	>\$500K Building Permit Value
	Rooms/Keys	10	20	-
	Increased ADR	\$40	\$60	-
	Max Rebate Term	90%/2 yrs. 80%/2 yrs. 70%/3 yrs. 7 yrs. or Cap	90%/2 yrs. 80%/2 yrs. 70%/4 yrs. 8 yrs. or Cap	TBD on a case-by-case basis
Estimated TOT Project Incentive (Nominal/PV)	\$76K/\$57K	\$232K/\$168K		
% Return of Dollars Invested – Present Value (8% Disc. Rate)	23%	34%		

Notes:

- 1) All examples assume 60% occupancy, 10% TOT rate, 2% annual ADR increases
- 2) Estimated TOT Incentive for Renovation Projects is on Net New TOT, or incremental revenue above Base Year TOT
- 3) Estimated TOT Incentive for Renovation Projects is capped at Building Permit value, or Total Years Tiers 1-2, whichever occurs first
- 4) Assumptions are based on Stakeholder, County Finance, and BAE analysis

SECTION 4.0 APPLICATION SUBMITTAL - EVALUATION AND SCORING, AND QUESTIONNAIRE SUBMITTAL AND EVALUATION

This section outlines the application process for all program components. The minimum score required to participate in the program (except for Tier 1 or Tier 2 Lodging Renovation projects) is a target number of **130 out of a possible 180**. (Because scoring is a combination of qualitative and quantitative metrics, and the reservation of up to 25% of the TAU component of the program assets for smaller projects inside and outside the Town Centers, the County may consider adjustments to the minimum score target, or other requirements on a case by case basis for projects that meet a majority of the desired attributes, but might not otherwise qualify based solely on scoring.)

4.1 Application Process— Development Rights, Infrastructure Cost Offsets, New and Hybrid Lodging Incentives

- A.** Introductory meeting with staff (may be done via phone or video conference)
- B.** Review and self-assessment through Project Consultation Information Guide (Exhibit A(i))
- C.** Project consultation with County staff to assess readiness for application
- D.** Prepare and submit a program application.
- E.** Evaluation and scoring by Review Committee
- F.** Independent, third party review of project feasibility will be required in order to determine the maximum cost offset incentive package, or the feasibility gap, in this case the incentive needed to bring the project to acceptable project returns. The feasibility gap would then be certified and included in the Operating Covenant Agreement.
- G.** Upon determination that the applicant meets the predetermined criteria for program participation, the County Executive Office would then prepare an Operating Covenant Agreement between the County and applicant. The completed incentive package would then be presented to the Board of Supervisors for final approval prior to award of participation in the Incentive Program.
- H.** Hybrid Lodging Projects are defined as Lodging Renovation Projects with a Stated Building Value of more than \$500,000. Projects in this category will be assessed using the above process. The TOT Rebate percentage and Program term will be assessed on a case by case basis depending on project cost and Certified Feasibility Gap. It will likely resemble, but not exceed, thresholds and standards outlined in the New Lodging Development section.

The three evaluation criteria categories to be assessed for Development Rights, New Lodging, and Hybrid Lodging Renovation projects are as follows:

- 1.** Supports implementation of the Tahoe Basin Area Plan and builds upon community vision, goals, and targets. (See Exhibit A(i) for specific objectives and scoring detail)
- 2.** Scale of economic and fiscal impacts:
 - Job creation potential (direct—construction impacts and ongoing operations employment—and indirect).
 - Growth in public revenue sources such as property tax, sales tax and Transient Occupancy Tax (TOT).
 - Improvement of public infrastructure: including but not limited to, sewer, water, and drainage systems, recreation, public spaces, transportation and civic amenities.
 - Additional beneficial impacts to the community.

3. Applicant experience and capacity:

- To demonstrate the requisite experience and capacity to implement the proposed development project, the applicant will be required to document the following qualifications:
 - Experience with similar projects and understanding of the unique challenges of Tahoe Basin development (include project team experience).
 - Applicant's financial capacity, including historical and current banking references shared with an independent third party.
 - Previous project references and tenants.

4.2 Application Process— Lodging Renovation Project (Tier 1 and Tier 2)

A. Application Process

- i. Introductory meeting with staff (may be done via phone conference)
- ii. Review and self-assessment through Project Consultation Information Guide (Exhibit A(i))
- iii. Project consultation with County staff to assess readiness for Questionnaire
- iv. Demonstrate five requirements can be met:
 - 1. Two or more findings of public benefit (above) can be met
 - 2. Basic criteria can be met
 - 3. Approved Placer County building permit
 - 4. Contract with contractor licensed by the State of California
 - 5. Current TOT certificate holder in good standing, per Revenue Services
- v. Upon determination that the owner/operator has met the predetermined criteria for program participation, the County Executive Office would then draft an Operating Covenant Agreement between the County and the lodging owner/operator. The completed package would then be presented to the Board of Supervisors for final approval prior to award of participation in the rebate program. A Certified Gap Analysis is not required for Tier 1 or Tier 2 Lodging Project Renovation Incentive.

SECTION 5.0 PLACER COUNTY PROJECT REVIEW COMMITTEE

The Placer County Project Review Committee will meet to evaluate and score the Project Application upon submittal by the applicant. Questionnaires submitted for Tier 1 and 2 Lodging Renovation Projects will be evaluated, but not scored. The Committee is composed of the following representatives:

County Executive Office – Tahoe:	1 Representative
County Executive Office – Fiscal Unit:	1 Representative
Community Development Resources Agency:	1 Representative
Economic Development:	1 Representative
Department of Public Works and Facilities:	1 Representative

SECTION 6.0 BOARD OF SUPERVISORS REVIEW/ACTION

A detailed staff report, with explanation of the project and scoring if appropriate, will be prepared for the Placer County Board of Supervisors' consideration and will be posted on the Placer County website as an attachment to the agenda for purposes of public awareness and feedback.

Additionally, staff will make a formal recommendation to the Board for review and approval.

Each project approval will be memorialized through an Operating Covenant Agreement to be recorded with the Placer County Recorder's Office. If a Development Agreement is prepared, the Operating Covenant Agreement will be a required component. The timing of program approval will be determined by the readiness of the applicant to submit a completed application that can be reviewed by the Placer County Project Review Committee and presented to the Board.

SECTION 7.0 PUBLIC RECORD

The County is a public entity subject to the Ralph M. Brown Act and the Public Records Act (Cal Govt. Code Sec. 54950 et seq and Cal Govt. Code Sec. 6250 et seq, respectively; (the "Acts")). Materials submitted as part of this Program may be subject to public disclosure under the Acts. Applicants may identify portions of submittals that the Applicant requests be withheld from public disclosure and the exemptions from disclosure under the Acts that the Applicant requests be applied. The County will review any such requests pursuant to the Acts.

SECTION 8.0 OTHER PROGRAM TERMS AND CONDITIONS

8.1 Eastern Placer County Communities Eligible for Program Participation

Both the 2014 EPS study and the March 2020 BAE Analysis cite the extraordinary cost of development as the core reason for the lack of investment in the Tahoe basin.

- The New Lodging Development and Lodging Renovation projects greater than \$500,000 Stated Building Value TOT Incentive components are applicable in Tahoe basin Town Centers and Village Centers. This maintains consistency with the Tahoe Basin Area Plan by pushing development to the Town Centers, creating pockets of more dense, walkable, vibrant downtowns that bookend the North Shore and supports larger scale environmentally-beneficial redevelopment of sites with existing dated lodging stock in Village Centers, where lodging uses are allowed.
- The Lodging Renovation incentive component is applicable in all Tahoe basin Districts, including Town Centers, Village Centers and commercially zoned locations where lodging uses are allowed.

8.2 TOT Incentive Revenue Allocation

Remaining TOT revenue collected but not allocated back to a project participant through the TOT Incentive rebate shall be allocated as follows:

- A.** Ten percent County General Fund Retention- This allows the County to participate in the taxes generated by the project immediately, thus furthering the economic benefit of the program to the County. Should TOT be increased to a collection rate higher than the current 10% level, 100 percent of the new amount will inure to the county General Fund.
- B.** Remaining Set-aside for Visitor-serving Capital Projects- This amount varies based on New or Renovation program component and associated term and/or Tiers. (See Section 3.0, Tables A and B, above) The funds set aside for this purpose will be held in the Lake Tahoe Tourism Promotions Fund and allocated following recommendation by the CAP committee, convened by the County Executive Office and North Lake Tahoe Resort Association and approved by the Board of Supervisors. Allocation of funds for this purpose would max out at 2% of 10% collection rate, or equal to the percentage that is currently allocated to implementing this purpose as outlined in the Tourism Master Plan, last approved by the Board of Supervisors in 2015.

8.3 Prevailing Wages

The program includes language notifying program participants that participation may trigger application of prevailing wage to the construction portion of the project and other project components that may be covered by State law.

8.4 Sunset Provision

New applications for the New or Renovation Lodging incentive program will not be accepted after July 27, 2026, unless the Board Supervisors renews the hotel incentive program through an amendment or acts to terminate the program earlier. The sunset provision has the effect of preventing new applications, thus previously approved implementation agreements would continue to be in force for the duration of the agreement. Because the program will be reviewed every two years to assess current economic climate and extend or amend the program as warranted, conditions could change that cause termination or extension of the program.

8.5 Failure to Construct

The Board of Supervisors is authorized to act to make the Operating Covenant Agreement null and void in the event the subject lodging facilities are not placed into operation within eight (8) years of the execution of the implementation agreement for New Lodging projects and three (3) years of the final permit issuance for Lodging Renovation projects.

8.6 Transfer of Project

Because the Operating Covenant Agreement will be recorded and "run with the land," an Agreement that has been approved by the Placer County Board of Supervisors, and that is in compliance with the terms and conditions of all project agreements with County, will automatically transfer to a new owner.

EXHIBIT A(i)

Project Consultation Information Guide

Project Consultation

Items I-III below are provided to assist applicants in preparing for the introductory meeting with County staff. The introductory meeting is intended to give the applicant early feedback regarding how a proposed project may or may not meet evaluation criteria for the Program. This first step is meant to inform applicants as to the general attributes the incentive program is designed to promote in a timely and inexpensive manner prior to completing the formal North Lake Tahoe Economic Development Incentive Program Project Application or Questionnaire.

As is common with economic incentive programs, the evaluation process includes subjective and objective criteria. County staff is committed to being as thorough as possible, based on the information provided by the applicant.

I. Supports Tahoe Basin Area Plan Implementation:

Objectives

New and upgraded recreation
Improve access to recreation
Improve public services and facilities
Upgrade Lodging and built environment
Improve views and protect scenic resources
Expand transit service and infrastructure
Improve bike and pedestrian access
District parking implementation
Improve community socioeconomics
Catalyze positive economic ripple impacts
Reduce GhG emissions and vehicle trips
Address other conservations goals: water quality, noise, SEZs, vegetation, wildlife

II. Economic Impacts:

Proposed Project

Estimated completed project valuation
Estimated project construction jobs
Estimated completed project jobs
Estimated TOT revenues
Estimated Sales Tax revenues
Ripple effects to community

III. Developer/Applicant:

Experience

Tahoe Basin development experience
What/Where/When
Project Team experience
Financial Capacity/Banking References
Experience with project uses and tenants
Timing of project

EXHIBIT A(ii)

Placer County North Lake Tahoe Economic Development Incentive Program Project Application

(Required for Development Rights Cost Offset, Tahoe Basin New Lodging Incentive, and Hybrid Lodging Renovation Projects)

This application contains three sections. Please fill out all sections as completely as possible and expand upon them, using additional sheets if necessary. Responses will be evaluated and scored.

1. Supports Tahoe Basin Area Plan Implementation
2. Economic impacts
3. Developer/Applicant information

DATE: _____

PROJECT NAME: _____

PROJECT ADDRESS: _____

ASSESSOR PARCEL NUMBER(S): _____

PROJECT APPLICANT(S): _____

PHONE: _____

EMAIL ADDRESS: _____

MAILING ADDRESS: _____

North Lake Tahoe Basin Economic Development Incentives Program Component(s) Requested		
	Check all that apply below (X)	# of units/square feet
Infrastructure Cost Offset		
New or Renovation Lodging - TOT Rebate		
Development Rights		
Commercial Floor Area		
Coverage		
Residential Allocations		
Density (Tahoe City Town Center only)		

SECTION I: SUPPORTS TAHOE BASIN AREA PLAN IMPLEMENTATION (Up to 60 of 180 Total Points)

A) PROJECT DESCRIPTION AND HOW IT ALIGNS WITH THE FOLLOWING:

- New or upgraded recreation:

- Improves access to Lake Tahoe and other recreation:

- Improves public services and facilities:

- Upgrades lodging and the built environment:

- Improves views, aesthetics, community character and protects scenic resources:

- Expands transit service and infrastructure:

- Improves bike and pedestrian access:

- Addresses district parking implementation:

- Improves community socioeconomics:

- Catalyzes positive economic ripple impacts/effects:

- Reduces GhG emissions and vehicle trips:

- Addresses other conservation goals (water quality, noise, SEZs, vegetation, wildlife):

B) DETAIL THE USE TYPES FOR YOUR PROJECT: (PLEASE INCLUDE BY USE TYPE, SIZE/SQ. FT., NUMBER OF UNITS, ETC.)

Hotel: _____ Number of Rooms: _____

Condo-Hotel: _____ Number of Units: _____

Condo: _____ Number of Units: _____

Timeshare: _____ Number of Units: _____

Other: _____ Number of Units: _____

Retail: _____ Sq. Ft: _____

Office: _____ Sq. Ft: _____

Public Service/Other: _____ Sq. Ft: _____

SECTION II: ECONOMIC IMPACTS (Up to 60 of 180 Total Points)

A) ANTICIPATED NUMBER OF JOBS CREATED:

PROJECT CONSTRUCTION JOBS: _____

COMPLETED PROJECT FULL-TIME JOBS: _____

BRIEF DESCRIPTION OF JOB CATEGORIES:

B) WHAT DO YOU ESTIMATE THE VALUE OF THE PROJECT WILL BE UPON COMPLETION?

PLEASE COMPLETE THE FOLLOWING THAT PERTAIN:

ESTIMATED RENTS OF HOTEL ROOMS: _____

ESTIMATED ANNUALIZED OCCUPANCY: _____

ESTIMATED TOT: _____

ESTIMATED VALUE OF CONDOS: _____

ESTIMATED RENT/SQ. FT. FOR:

RETAIL: _____

OFFICE: _____

OTHER: _____

ESTIMATED ANNUAL SALES TAX: _____

SECTION III: DEVELOPER INFORMATION (Up to 60 of 180 Total Points) LIST

SIMILAR PROJECTS DEVELOPED:

Project Location	Size of the Project	Project Description - Use/Mix

A) PROVIDE SPECIFICS OF APPLICANT AND APPLICANT'S TEAM IN REGARD TO TAHOE BASIN DEVELOPMENT EXPERIENCE:

LIST SPECIFIC PROJECTS IF NOT INCLUDED IN THE ABOVE CHART:

B) AS PART OF A FUTURE DEVELOPMENT AGREEMENT, SUCCESSFUL APPLICANTS WILL BE REQUIRED TO SHARE WITH AN INDEPENDENT THIRD PARTY, DETAILED FINANCIAL INFORMATION, WHICH MAY INCLUDE INCOME TAX RETURNS FOR THE DEVELOPER, ENTITY, AND/OR PRINCIPALS DEPENDING ON THE STRUCTURE OF THE DEVELOPER ENTITY, MORE DETAIL WILL BE PROVIDED AS APPROPRIATE. CERTAIN FINANCIAL INFORMATION WILL REMAIN WITH THE INDEPENDENT THIRD PARTY AND WILL NOT BE SEEN BY COUNTY STAFF.

C) EXPLAIN IN DETAIL, APPLICANT'S EXPERIENCE WORKING WITH AND DEVELOPING THE PROJECT USES AND SPECIFIC TENANTS ENVISIONED AND WORKED WITH IN THE PAST:

D) ESTIMATED PROJECT COMPLETION DATE: _____

E) SUPPLEMENTAL INFORMATION APPLICANT WOULD LIKE TO PROVIDE:

CERTIFICATIONS AND SIGNATURES:

I/we certify that there are no current code enforcement actions pending against the applicant in the Tahoe Basin, Placer County, or surrounding region.

I/we have completed the North Lake Tahoe Economic Incentive Program Project Application completely and truthfully.

I/we have reviewed the program guidelines and procedures, have familiarity with the responsibilities of each party and understand that:

- The Economic Incentive Program is designed as a cost offset program and an applicant who partakes in the program may be bound by a development agreement with Placer County
- The County shall not assume any liability for such agreements, except as specifically authorized by the subsequent agreement
- This application in no way constitutes any type of offer, and creates no contractual obligation and/or other liability to Placer County
- The County, at its sole discretion, reserves the right to consider developer/applicant's participation in the program

I/we have read and understand the program guidelines, accept the qualifications and conditions and by signature below, certify that I/we are qualified and will abide by such conditions set forth in this application and all reasonable conditions imposed by Placer County in the implementation of the program.

PROJECT APPLICANT(s):

By: _____ Date: _____

Print Name and Title: _____

By: _____ Date: _____

Print Name and Title: _____

Attach all sheets to this application form and return to:
Placer County Executive Office
PO Box 1909
775 North Lake Blvd.
Tahoe City, CA 96145

For additional information, please contact Erin Casey at (530) 546-1944,
email ecasey@placer.ca.gov

Exhibit A(iii)

Placer County North Lake Tahoe Economic Development Incentive Program

Questionnaire

(Required for Tier 1 and Tier 2 Lodging Renovation Projects only)

DATE: _____

PROJECT NAME: _____

ADDRESS: _____

ASSESSOR PARCEL NUMBER(S): _____

PROJECT NUMBER OF ROOMS: _____

PROJECT APPLICANT(S): _____

PHONE: _____

EMAIL ADDRESS: _____

MAILING ADDRESS: _____

Basic Criteria

- A. Project involves property in the North Lake Tahoe Basin portion of unincorporated Placer County that was occupied and used as a hotel/motel within the 10-year period preceding application submission and operating continuously for the three-year period preceding application submission, with a valid TOT certificate.
- B. The proposed project improves the quality of the lodging property and its ability to achieve increased TOT revenue.
- C. Applicant has reviewed, understands and agrees with all requirements detailed in Section 2 of the North Lake Economic Development Incentive Program, and proposed project meets the standards of Tier 1 or Tier 2.

Please complete sections I-III below. It is not required to complete each question but applicants are encouraged to clearly demonstrate how the project addresses the Tahoe Basin Area Plan and Economic goals.

I. Supports Tahoe Basin Area Plan Implementation:

PROJECT DESCRIPTION AND HOW IT ALIGNS WITH THE FOLLOWING:

- New or upgraded recreation:

- Improves access to Lake Tahoe and other recreation:

- Improves public services and facilities:

- Upgrades lodging and the built environment:

- Improves views, aesthetics, community character and protects scenic resources:

- Expands transit service and infrastructure:

- Improves bike and pedestrian access:

- Addresses district parking implementation:

- Improves community socioeconomics:

- Catalyzes positive economic ripple impacts/effects:

- Reduces GhG emissions and vehicle trips:

- Addresses other conservation goals (water quality, noise, SEZs, vegetation, wildlife):

II. Economic Impacts:

Proposed Project		Values
1.	Estimated Building Permit Value <ul style="list-style-type: none"> • Tier 1 - \$100K - \$250K • Tier 2 - \$251K – 500K 	
2.	Current annual TOT revenues (avg. of last 3 years) <ul style="list-style-type: none"> • ADR • Annual average occupancy rate 	
3.	Estimated annual TOT revenues after project completion <ul style="list-style-type: none"> • New ADR • Change annual average occupancy rate anticipated? 	
4.	Estimated Net New TOT Revenues (line 3 minus line 2)	
	Additional project details:	

III. Developer/Applicant:

Experience		Briefly Explain
1.	Tahoe Basin Experience	
2.	Owned property since	
3.	Tahoe Basin project team experience (land use experts, etc.)	
4.	Are you getting a loan for this project, if so, please provide Bank information	
5.	Project development experience of similar scale	
6.	Estimated Project timing	

CERTIFICATIONS AND SIGNATURES

I/we certify that there are no current code enforcement actions pending against the applicant in the Tahoe Basin, Placer County, or surrounding region.

I/we certify that the property/project is currently compliant with, and in good standing, with Placer County Revenue Services, and is up to date with all payments of TOT tax.

I/we have completed this Questionnaire completely and truthfully.

I/we have reviewed the program guidelines and procedures, have familiarity with the responsibilities of each party and understand that:

- The Economic Incentive Program is designed as a cost offset program and an applicant who partakes in the program may be bound by agreements with Placer County, including but not limited to an Operating Covenant recorded with the property
- The County shall not assume any liability for such agreements, except as specifically authorized by the subsequent agreement
- This Questionnaire in no way constitutes any type of offer, and creates no contractual obligation and/or other liability to Placer County
- The County, at its sole discretion, reserves the right to consider developer/applicant's participation in the program
- Have provide County with copies of:
 1. Approved permit and Building Permit
 2. Contract with CA licensed contractor
 3. Copy of contractor license
 4. Letter of Good Standing from Revenue Services, and all TOT remittance is current

I/we have read and understand the program guidelines, accept the qualifications and conditions and by signature below, certify that I/we are qualified and will abide by such conditions set forth in the program and all reasonable conditions imposed by Placer County in the implementation of the program.

PROJECT APPLICANT(s):

By: _____ Date: _____

Print Name and Title: _____

By: _____ Date: _____

Print Name and Title: _____

Please deliver this Questionnaire to:

Placer County Executive Office
775 North Lake Blvd.
PO Box 1909
Attn: Erin Casey
Tahoe City, CA 96145

For additional information, please call Erin Casey at (530) 546-1944, ecasey@placer.ca.gov

EXHIBIT B

Project Criteria Evaluation and Scoresheet

The Scoresheet below will be utilized by the Project Review Committee to assess whether a Project has achieved a minimum score of 130 points out of the maximum 180 points available. Approval for participation in the Program is at the sole discretion of the Placer County Board of Supervisors.

Placer County Project Review Committee Scoring Form

I. Supports Tahoe Basin Area Plan Implementation:		
	Objective	Achieves (Maximum 5 points per objective)
1.	New or upgraded recreation	
2.	Improve access to Lake Tahoe and other recreation	
3.	Improves public services and facilities	
4.	Upgrades lodging and the built environment	
5.	Improves views, aesthetics, community character and protects scenic resources	
6.	Expands transit service and infrastructure	
7.	Improves bike and pedestrian access	
8.	Addresses District parking implementation	
9.	Improves community socioeconomics	
10.	Catalyzes positive economic ripple impacts	
11.	Reduces GhG emissions and vehicle trips	
12.	Addresses other conservation goals (water quality, noise, SEZs, vegetation, wildlife)	
	TOTAL	

Total Possible = 60

II. Economic Impacts:		
	Proposed Project	Score
1.	Estimated completed project valuation <ul style="list-style-type: none"> • Less than \$2M = 1 point • \$2M - \$5M = 3 points • \$5.1M - \$10M = 6 points • \$10.1M – \$15M = 8 points • More than \$15M = 10 points 	
2.	Estimated project construction jobs created <ul style="list-style-type: none"> • 1 – 9 jobs = 1 point • 10 – 20 jobs = 3 points • 21 – 30 jobs = 6 points • 31 – 50 jobs = 8 points • More than 50 jobs = 10 points 	
3.	Estimated completed project jobs created <ul style="list-style-type: none"> • 1 – 9 = 1 point • 10 – 15 = 3 points • 16 – 20 = 6 points • 21 – 40 = 8 points • More than 40 jobs = 10 points 	
4.	Estimated annual TOT revenues <ul style="list-style-type: none"> • Less than \$50K = 1 point • \$50K - \$99.9K = 3 points • \$100K - \$199.9K = 6 points • \$200K – \$300K = 8 points • More than \$300K = 10 points 	
5.	Estimated annual Sales Tax revenues <ul style="list-style-type: none"> • Less than \$5K = 1 point • \$5K - \$9.9K = 3 points • \$10K - \$19.9K = 6 points • \$20K - \$30K = 8 points • More than \$30K = 10 points 	
6.	Ripple impacts to community due to size and scale (10 points) <ul style="list-style-type: none"> • Destination project, encouraging customers to stay in community longer and frequent local businesses 	
	TOTAL	

Total Possible = 60

III. Developer/Applicant:		
	Experience	Achieves - Yes/No (Score: Yes = 15 points, No = 0)
1.	Tahoe Basin development or team experience (land use, experts, etc.)	
2.	Built project of similar size/type/use/tenants within last 10 years	
3.	Financial Capacity/Banking References	
4.	Project application and begin processing within 12 months	
	TOTAL	

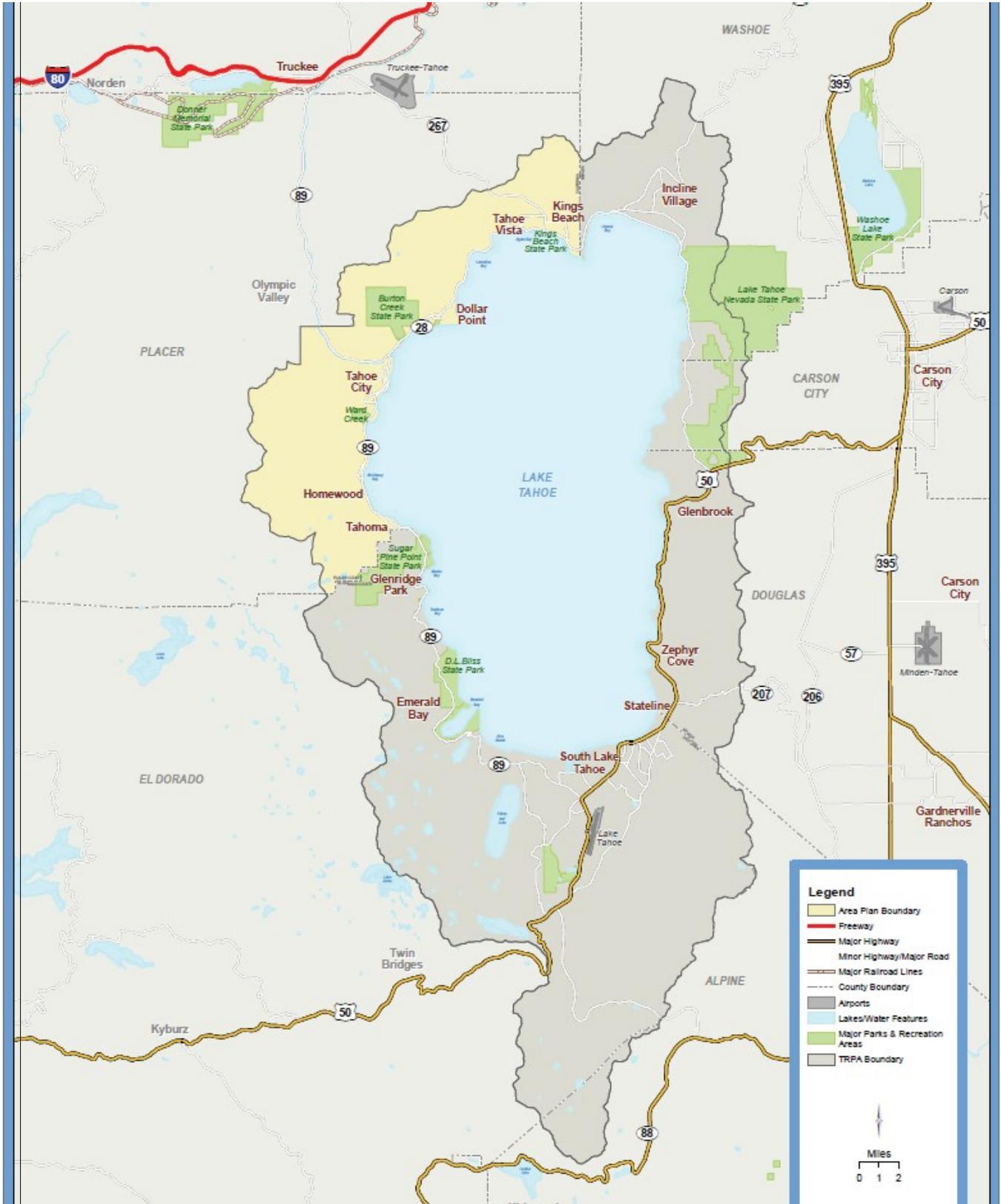
Total Possible = 60

Total Possible Points = 180

Minimum Score for Qualification = 130

The minimum score required to participate in the Program is a target number of **130 out of a possible 180 (72%)**. Due to scoring criteria being a combination of qualitative and quantitative metrics, and the reservation of up to 25% of the program assets for smaller projects inside and outside the Town Centers, the County will consider adjustments to the minimum score target requirement on a case by case basis for projects that meet a majority of the desired attributes, but might not otherwise qualify based solely on scoring.

Exhibit C Placer County North Lake Tahoe Basin Area Plan Map



Placer County North Lake Tahoe Basin Town Center and Village Center Maps

