



**MEMORANDUM  
FACILITIES MANAGEMENT  
REAL ESTATE SERVICES DIVISION**  
County of Placer

TO: Honorable Board of Supervisors DATE: March 9, 2021

FROM: Steve Newsom, Director of Facilities Management  
By: Eric Findlay, Property Manager

SUBJECT: Real Estate Services / Third Amendment to the Purchase and Sale Agreement  
for Kings Beach Center / Kings Beach Center LLC

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**ACTION REQUESTED**

Approve the Third Amendment to the Purchase and Sale Agreement for the sale of 3.5-acre Kings Beach Center (16 Improved Parcels) located on North Lake Boulevard and Salmon Avenue in Kings Beach, CA (Kings Beach Center) to Kings Beach Center, LLC., extending the Project Approvals Contingency Period to March 31, 2023, with two additional options to extend for six months each and authorize the Director of Facilities Management, or designee, to execute and administer the Third Amendment.

**BACKGROUND**

On February 6, 2018, your Board authorized the County to finalize and execute a Purchase and Sale Agreement (Agreement) for the Kings Beach Center and delegated authority to the Director to complete the sale in conformance with the Material Terms of the Agreement. The Director executed the Agreement with Kings Beach Center, LLC (Buyer) on May 15, 2018.

On May 23, 2018, the parties executed the First Amendment to the Agreement extending the Project Approvals Contingency Period by an additional year. A Second Amendment was executed on May 14, 2020, to extend the terms of the Agreement for an additional six months, until November 15, 2020. In a letter dated October 30, 2020, the County provided the Buyer an extension of the Agreement from November 15, 2020, until March 15, 2021.

The Buyer identified the Eastern Gateway Property, owned by the Placer County Successor Agency, as a site to provide mixed-use commercial space and workforce housing in conjunction with the proposed Kings Beach Center development. The Eastern Gateway Property is 1.3 acres of vacant land at the southwest corner of the intersection of North Lake Boulevard and Chipmunk Street in Kings Beach. On March 11, 2019, the Placer County Successor Agency entered into a two-year Purchase and Sale Agreement with the Buyer for the Eastern Gateway Property, contingent on the Buyer's purchase of the Kings Beach Center Property.

Since entering into purchase and sale agreements for both the Kings Beach Center and the Eastern Gateway Property, the Buyer has made progress and has informed the County that it has expended considerable time and expense in performing due diligence for the two

properties. The Buyer has also initiated the environmental review and project approvals application processes for each property's development. The Buyer has informed the County that uncertainties associated with reliance on the Vehicle Miles Travelled traffic model within the Tahoe Basin Area Plan and the COVID-19 pandemic and its immediate and potential long-term impacts on development hindered further progress on these processes.

The Buyer has informed staff that it remains committed to the proposed development projects for both properties and has requested consistency of Project Approvals schedules between the Agreement and the Eastern Gateway Purchase and Sale Agreement. Given the Buyer's investment to date, commitment, and capability to proceed with the required environmental review and project approvals processes, staff recommends your Board approve the proposed Third Amendment to the Agreement resulting in a Project Approvals Contingency Period extension to March 31, 2023, with two additional options to extend for six months each. The First Amendment to the Eastern Gateway Property Purchase and Sale Agreement requires a separate action by the Placer County Successor Agency Board and Consolidated Oversight Board.

To extend the Project Approvals Contingency Period, it is necessary that your Board approve the Third Amendment to the Agreement which is on file with the Clerk of the Board.

### **ENVIRONMENTAL IMPACT**

Your Board's action to approve the Third Amendment is exempt from California Environmental Quality Act (CEQA) review. Authorization of the Third Amendment is not a project as defined in California Public Sources Code Section 21065 and CEQA Guidelines Section 15378(a), and therefore is not subject to CEQA. CEQA applies only to the approval of a project, and the proposed action does not constitute approval of a project. The Agreement, as amended, will not cause any physical change to the environment, directly or indirectly, beyond those activities that are already authorized to occur at the site. All potential development at the property will be subject to environmental review pursuant to applicable environmental laws.

### **FISCAL IMPACT**

The purchase price will remain \$3,000,000 pursuant to the Agreement, and the Buyer has made all requisite deposits. The sale proceeds would be applied as required by the Long Range Property Management Plan (LRPMP) approved by the California Department of Finance. The County may have an additional financial obligation to relocate existing residential tenants. Consistent with the LRPMP, relocation costs are eligible to be funded from the proceeds. Cost to prepare and manage this amendment is included in the Real Estate Services Division FY 2020-21 Adopted Budget.

### **ATTACHMENTS**

Kings Beach Center Property Map

Honorable Board of Supervisors

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On file with the Clerk of the Board: Third Amendment to Purchase and Sale Agreement Kings Beach Center

Second Amendment to Purchase and Sale Agreement Kings Beach Center

First Amendment to Purchase and Sale Agreement Kings Beach Center

Purchase and Sale Agreement Kings Beach Center

### KINGS BEACH CENTER PROPERTY MAP



0 0.0275 0.055 0.11 Miles

