



**M E M O R A N D U M**  
**SUCCESSOR AGENCY**  
County of Placer

TO: Honorable Members of Successor Agency Board      DATE: March 9, 2021  
FROM: Dave Defanti, Deputy CEO, Successor Agency Officer Designee  
By: Eric Findlay, Property Manager  
SUBJECT: Real Estate Services / First Amendment to the Purchase and Sale Agreement for the Eastern Gateway Property / Kings Beach Center LLC / North Lake Boulevard and Chipmunk Street, Kings Beach, CA.

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**ACTION REQUESTED**

Approve the First Amendment to the Purchase and Sale Agreement for the sale of 1.3-acre Eastern Gateway Property located at the southwest corner of the intersection of North Lake Boulevard and Chipmunk Street in Kings Beach, CA (Eastern Gateway Property) 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 Placer County Successor Agency Officer, or designee, to execute and administer the First Amendment. Execution of the First Amendment would be contingent upon approval by the Placer County Consolidated Oversight Board.

**BACKGROUND**

On January 29, 2019, your Board approved a two-year Purchase and Sale Agreement (Agreement) for the Eastern Gateway Property and delegated authority to the Successor Agency Officer, or designee, to complete the sale in conformance with the Material Terms of the Agreement. On February 6, 2019, the Placer County Consolidated Oversight Board approved the Agreement. The Successor Agency Officer executed the Agreement with Kings Beach Center, LLC (Buyer) on March 11, 2019.

The Buyer intends to purchase the Eastern Gateway Property and develop mixed-use commercial and workforce housing subject to receipt of all Project Approvals (environmental review and all governmental/agency approvals) needed to develop the Eastern Gateway Property. Pursuant to the Agreement, this Project Approvals Contingency Period ends March 11, 2021. The acquisition is also contingent on the Buyer's receipt of all Project Approvals needed to develop a mixed-use project at the 3.5-acre Kings Beach Center located on North Lake Boulevard and Salmon Avenue in Kings Beach, CA pursuant to a separate Purchase and Sale Agreement between Buyer and the County of Placer which ends on March 15, 2021.

Since entering into the purchase and sale agreements for both the Eastern Gateway Property and Kings Beach Center, the Buyer has made progress and informed the Successor Agency 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 potential development. The Buyer has informed the Successor Agency 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.

Honorable Successor Agency Board

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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 Kings Beach Center Purchase and Sale Agreement and the 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 First 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. Execution of the First Amendment would be contingent upon approval by the Placer County Consolidated Oversight Board. A Third Amendment to the Kings Beach Center Property Purchase and Sale Agreement extending the Project Approvals Contingency Period until March 31, 2023, with two 6-month extensions is being considered by the Placer County Board of Supervisors at its March 9, 2021, regular meeting.

To extend the Project Approvals Contingency Period, it is necessary that your Board approve the First Amendment to the Agreement for the Property which is on file with the Placer County Executive Office.

### **ENVIRONMENTAL IMPACT**

Your Board's action to approve the First Amendment is exempt from California Environmental Quality Act (CEQA) review. Authorization of the First 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 \$1,100,000 and pursuant to the Agreement, and the Buyer has made all requisite deposits. The net sale proceeds will be distributed to the affected taxing entities, in proportion to each entity's share of the tax base, as required by the Long Range Property Management Plan approved by the California Department of Finance. Cost to prepare and manage this amendment is included in the Real Estate Services Division FY 2020-21 Adopted Budget.

### **ATTACHMENTS**

Eastern Gateway Property Map

On file with Placer County Executive Office: First Amendment to Purchase and Sale Agreement  
Eastern Gateway Property

Purchase and Sale Agreement Eastern Gateway  
Property

### Property Map

### Eastern Gateway, Kings Beach California



