



**MEMORANDUM
COUNTY EXECUTIVE OFFICE
ADMINISTRATION**
County of Placer

TO: Board of Supervisors DATE: June 8, 2021
FROM: Todd Leopold, County Executive Officer
By: Erin Casey, Principal Management Analyst
Paul Griffith, Principal Management Analyst
Nicholas Martin, Senior Management Analyst
SUBJECT: Approval of the TAU Transfer Agreement, and Operations Covenant and Declaration of Covenants and Restrictions for the Tahoe City Lodge project.

ACTION REQUESTED

1. Conduct a public hearing on the request from Kila Tahoe, LLC for the transfer of 60 Tourist Accommodation Units (“TAUs”) and payment of a Transient Occupancy Tax (“TOT”) Rebate for a 118-unit lodge in Tahoe City and approve both incentive components pursuant to the Incentive Program.
2. Adopt a Resolution authorizing the transfer of 60 Tourist Accommodation Units (TAUs) to Kila Tahoe, LLC pursuant to the terms of the North Lake Tahoe Economic Development Incentives Program and a Tourist Accommodation Units Transfer Agreement (“Transfer Agreement”) (on file with the Clerk of the Board).
3. Adopt a Resolution authorizing the payment of a TOT Rebate to Kila Tahoe, LLC pursuant to the terms of the North Lake Tahoe Economic Development Incentives Program and the Operations Covenant and Declaration of Covenants and Restrictions (“OCA”) (on file with the Clerk of the Board).

BACKGROUND

On May 17, 2016, your Board approved the North Lake Tahoe Economic Incentives Program (“Incentives Program”) to help spur investment in environmental and economic development and/or redevelopment projects in the Placer County portion of the Lake Tahoe Basin. The primary goals of the Incentives Program include:

- Help offset the extraordinarily high costs of developing lodging projects the Tahoe Basin where no new lodging projects of scale have been built since the early 1960’s.
- Bank development rights, including TAUs, to spur investment.
- Offset infrastructure costs such as parking facilities.
- Incentivize environmental and economic revitalization.
- Support implementation of the Tahoe Basin Area Plan, as approved in 2018, which supports and encourages this type of redevelopment.
- Support implementation of the Tourism Master Plan, as approved in 2015, which highlights the need to redevelop lodging in the Tahoe Basin.

In March 2020, the County commissioned a study with Bay Area Economics (BAE) to determine why new and renovated lodging projects were not progressing, even with the Incentives Program in place. The BAE study determined that additional incentives were needed to help spur development consistent with community and county environmental and economic development goals and to achieve prescribed environmental standards by redeveloping the dated built environment.

The BAE study was presented to your Board in April 2020 and recommended a TOT rebate be added to the existing Incentives Program. On July 27, 2020, your Board approved the addition of a TOT Rebate for new or renovated lodging projects to the Incentives Program. Your Board acted on February 14, 2021 to revise eligibility criteria for the TOT rebate component of the Incentives Program allowing all eligible applicants to receive up to an 80 percent TOT rebate for a 20-year period. Per these actions, the Incentives Program now includes multiple components to address different issues facing developers in the Tahoe Basin including the following:

1. **Development Rights Cost Offset:** This portion of the program has primarily focused on TAUs which are needed in the Tahoe Basin to develop or redevelop lodging. This component of the Incentives Program includes the acquisition of TAUs by the county to bank and “loan” to developers if the proposed project meets program criteria. The TAU Cost Offset targets larger projects but has provisions to include smaller projects on a limited basis. Currently, the county has 206 banked TAUs. Some were acquired at the purchase price of \$12,250 - \$12,500 per TAU. Other TAUs were tied to property already owned by the county and those allocated from previous area and community plans. The TAU loan is paid back with TOT generated by the project and memorialized in a TAU Transfer Agreement between a project applicant and the county and will include interest and staff costs.
2. **Transient Occupancy Tax (TOT) Rebate:** This component further assists in offsetting extraordinary costs of new or remodeled hotel and/or condotel projects and consists of a rebate on a portion of the new or incremental growth in TOT revenue generated by a participating lodging project. The percentage of annual TOT rebate and term depend on whether the project is new, or a remodel, as further detailed in the Incentives Program document. As with TAUs, this incentive component will be memorialized by way of an Operations Covenant and Declaration of Covenants and Restrictions.
3. **Infrastructure Cost Offset:** This 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.

After your Board acted in February 2021 to amend the Incentives Program, staff identified program components that required additional direction including how the TAU Cost Offset and TOT Rebate portions of the Incentives Program would interrelate. As previously mentioned, the TAU loan is paid back with TOT generated by the project. In accordance with the approved Incentive Program, there are two project specific items regarding TOT rebate repayment and rental property management of the condo-hotel units for your consideration and discussed below. If the majority of TOT is also rebated to the developer, the timeline for TAU repayment may be impacted. On May 11, 2021, your Board acted and directed staff on how the TAU and TOT rebate should be managed for applicants seeking both incentives. The proposed agreements, on file with the Clerk of the Board, are consistent with that direction.

Staff is recommending the TOT rebate be made to Developer on a monthly basis. And, for further clarification regarding program management, the Developer will use best efforts to be the single source for collection and remittance of TOT to the County. Developer agrees to maintain professional management for the Hotel, and will request from individual condo-hotel unit owners to also manage their units, subject to the unit owners’ ownership rights and Homeowners Association agreements.

ISSUES

On September 15, 2016, Kila Tahoe, LLC applied for 61 TAUs through the Incentives Program to allow for the construction of a 118-unit boutique lodge in downtown Tahoe City. On January 9, 2018, your Board approved a TAU Transfer Agreement for 60 TAUs, however that agreement was never fully executed with no other action to date. On November 17, 2020, the county also received its first application for the newly added TOT rebate from the same applicant. Processing the TOT rebate application was delayed so staff could seek direction from your Board on the Incentives Program as outlined above. In addition, staff needed time to revisit the TAU agreement with the applicant and ensure the associated agreements were consistent with your Board's recent direction to staff. Based on direction given by your Board on May 11, 2021, a project applying for the two Incentives Program components including the TAU Cost Offset and TOT rebate will follow the defined process order of first applying the TOT rebate, then paying back the TAU loan with remaining TOT revenues.

For further clarification, this means the county will rebate 80 percent of the total TOT generated back to the Developer, then of the remaining 20 percent, half will pay back the TAU loan and the remaining half will be allocated to the county's General Fund, until the TAU loan is paid back in full. This staff report outlines the request for two Incentives Program components including TAU Cost Offset and a TOT Rebate, Tahoe City Lodge Project details, and findings related to economic development subsidies as required by California Government Code Section 53083.

The Tahoe City Lodge

Kila Tahoe, LLC purchased the former Henrikson property in Tahoe City on June 13, 2014, to undertake a redevelopment project that would revitalize the Tahoe City commercial core and provide desired new lodging stock. Approved by your board on Dec. 6, 2016, the Tahoe City Lodge proposes to redevelop the former commercial complex into a 118-unit lodge with three buildings consisting of a mix of hotel units, 1-, 2-, and 3-bedroom condo hotel suites, hotel amenities, restaurant, roof-top bar and parking, with building heights ranging from two to four stories. The project also proposed to relocate and reconstruct the existing Tahoe City Golf Course clubhouse building by constructing a new clubhouse using the same footprint with an added second story that will contain new conference and meeting space and create new shared-use parking, and stream environment zone (SEZ) restoration at the Tahoe City Golf Course. The project site, excluding the SEZ restoration area, is about 3.9 acres. The restoration components include restoration of 1.7 acres of impaired SEZ lands.

The Tahoe City Lodge will operate as a "condo-hotel," with a combination of hotel units, and condo hotel units. The condo hotel units operate as a condominium owned by the unit's buyer yet allow for the unit to be rented for short-term stays of less than 30 days. For the proposed project, 78 condo hotel units will be sold, and 40 hotel units will be retained by the lodge. The number of nights an owner can occupy the privately owned units is limited to 90 days in a calendar year, and no longer than 30 days within a single quarter, pursuant to the Tahoe Basin Area Plan. Lodging unit sizes range from 390 to 1,000 square feet, with hotel units not having kitchens.

TAU Project Requirements and Request

Kila Tahoe requires a total of 118 TAUs to commence construction of the Tahoe City Lodge. The project will take advantage of a pilot program established in the Tahoe Basin Area Plan that allows for limited conversion of Commercial Floor Area (CFA) to TAUs. The conversion rate is: 1 TAU = 450 square feet of CFA. This results in a total of 58 available TAUs to the developer, leaving a deficit of 60 TAUs to move the project forward. County staff is recommending that your Board approve the transfer of 60 TAUs, as proposed and approved by your Board in January of

2018, and pursuant to the amended North Lake Tahoe Economic Development Incentives Program, to Kila Tahoe, LLC, to close the gap.

Stream Environmental Zone TAUs

Placer County worked with other public partners in 2012 to finance the Tahoe City Public Utility District's purchase of the Tahoe City Golf Course. The County's interest in the purchase was to develop a "visitor amenity" on-site, improve parking and circulation, air quality and water quality in Tahoe City. For the project to move forward, the Tahoe City Lodge will bring 1.7 acres of the Tahoe City Golf Course into its project area and as a result will be required to restore 1.7 acres of sensitive, low-capability Stream Environment Zone (SEZ) land to meet TRPA's restoration requirements. Because some of the hotel units are located on SEZ lands, 14 of the 60 needed TAUs must be "low land capability" TAUs, meaning former lodging units that originated from land classified by TRPA's Bailey Land Scoring System as "the most environmentally fragile and sensitive to development." The County's TAU bank does have sufficient TAUs associated with sensitive land transfers from a previous purchase of 14 such TAUs, in addition to the other 46 TAUs purchased from the California Tahoe Conservancy (CTC) at a cost of \$12,250 per TAU.

AB 562 Findings

Pursuant to Section 53083 of the California Government Code (AB 562), the County of Placer shall provide public notice and a hearing prior to granting of a proposed economic development subsidy of One Hundred Thousand Dollars (\$100,000) or more. Today's hearing was noticed on the county website and published in the Sierra Sun and the Sacramento Bee. The attached Resolutions incorporate the findings from the public notice in support of granting the economic development subsidy. A copy of the public notice is attached as Attachment C, and some details are as follows.

- Kila Tahoe, LLC will be the beneficiary of the economic development subsidy.
- The subsidy will commence on or around June 8, 2021 for a period for 15 years for the TAU loan, and upon occupancy of the project for a period of 20 years for the TOT rebate.
- The transfer of 60 TAUs will be secured by a forgivable loan with a principal amount of \$879,000, to be repaid over a period of 15 years.
- The TOT rebate is estimated to be between \$10,711,200 - \$15,447,360 total over the 20-year rebate period, and total amounts may be higher or lower depending on total TOT amounts received.
- The public purposes of this economic development subsidy are to expedite renovation of dated existing lodging stock, complete entitled projects, and generate investment in new lodging development that will stimulate the local economy and provide an overall net positive impact on county property tax roll, increase sales tax revenues, and over time increase county TOT revenues.
- Projected tax revenue from the subsidy is estimated to be between \$669,450 and \$965,460 per year in TOT revenue collected, 80% of which will be rebated back to Kila for the first 20 years. The project is also expected to generate sales tax and property tax revenues.
- Estimated number of jobs created by the subsidy is expected to be approximately 76 full time and part time jobs once operational, and 317 temporary positions during construction and entitlement.

ENVIRONMENTAL IMPACT

The actions requested of your Board, including approval of the Transfer Agreement and OCA, each do not require CEQA review for multiple independent reasons. The actions are each not a

project as defined in California Public Resources Code Section 21065 and/or California Environmental Quality Act (CEQA) Guidelines Section 15378(a) and therefore are not subject to CEQA. CEQA applies only to the approval of a project, and the Transfer Agreement and OCA each do not constitute approval of a project. The authorization, execution and implementation of the Transfer Agreement and OCA each will not cause any physical change to the environment, directly or indirectly, beyond those activities that are already authorized to occur at the Project site.

The Tahoe City Lodge Project was approved by the Placer County Board of Supervisors on December 6, 2016 and the Tahoe Regional Planning Agency Governing Board on January 25, 2017. All development and/or improvements referred to in both the Transfer Agreement and OCA have already been the subject of full environmental review pursuant to applicable federal and state environmental laws and implementing regulations.

On a separate and independent basis, if the actions approving the Transfer Agreement and OCA are determined to be a project, those actions are each exempt from CEQA as it can be seen with certainty that there is no possibility that the activities in question may have a significant effect on the environment. (CEQA Guidelines Section 15061 (b)(3).) For the reasons stated above, authorization to enter into the Transfer Agreement and OCA will not result in any adverse change to the environment, and thus no significant impacts will occur by virtue of the Transfer Agreement and OCA. The actions provided for in the Transfer Agreement and OCA are consistent with the previous actions authorized by your Board. The Transfer Agreement and OCA each do not create any new entitlements or project approvals.

On a further separate and independent basis, the actions to approve the Transfer Agreement and OCA are each categorically exempt from further environmental review under CEQA Guidelines Section 15301. The Transfer Agreement and OCA each address fiscal matters of an existing, already-approved project and do not commit the County to any definitive course of action that may result in an increased environmental impact at the project site.

On a further separate and independent basis, the actions to approve the Transfer Agreement and OCA are each categorically exempt from further environmental review under CEQA Guidelines Section 15378(b) (4), which exempts the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment.

FISCAL IMPACT

The proposed TAU Transfer Agreement provides for the transfer of 60 TAUs to Kila Tahoe, LLC, subject to receipt by Kila of any other approvals necessary for the transfer. The TAU transfer will be secured by a Fifteen (15) year forgivable loan (“Loan”) in the total amount of Eight Hundred Seventy-Nine Thousand Dollars (\$879,000), with an interest rate of 0.60%, based on the Placer County Treasurer’s Investment Pool Gross Rate. Principal and interest on the Loan will be paid down on an annual basis by Ten percent (10%) of newly generated TOT revenue produced by the Project. The Loan is proposed to be secured by a financing statement and a letter of credit. The economic development subsidy includes the value of the TAU’s and related County staff costs and other expenses, as well as the TOT rebate as described in the Incentives Program document. The county estimates newly generated TOT revenue of at least Six Hundred Sixty-Nine Thousand Four Hundred Fifty Dollars (\$669,450) and up to Nine Hundred Sixty-Five Thousand Four Hundred Sixty Dollars (\$965,460) per year, Eighty percent (80%) of which will be rebated back to Kila for the first Twenty (20) years. The anticipated value of the TOT Rebate incentive will be 80% of the total TOT revenue generated from the project for

a Twenty (20) year period, which could be in the range of Ten Million Seven Hundred Eleven Thousand Two Hundred Dollars (\$10,711,200) up to Fifteen Million Four Hundred Forty-Seven Thousand Three Hundred Sixty Dollars (\$15,447,360). Total amounts may be higher or lower and will depend on total TOT amounts received. The County expects the Project will also generate sales tax and property tax revenue, each subject to established subventions.

ATTACHMENTS:

- A. Resolution for TAU Transfer Agreement
- B. Resolution for OCA Agreement
- C. Notice of Public Hearing

On file with the Clerk of the Board

- 1. TAU Transfer Agreement
- 2. OCA Agreement



MEMORANDUM
COUNTY EXECUTIVE OFFICE
ADMINISTRATION
County of Placer

Before the Board of Supervisors
County of Placer, State of California

In the matter of: A Resolution authorizing the County Executive Officer, or designee, to execute a Tourist Accommodation Unit Transfer Agreement and take all actions necessary to transfer Sixty (60) Tourist Accommodation Units to Kila Tahoe, LLC for construction of the Tahoe City Lodge, in Tahoe City, CA.

Resolution No.: _____

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:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, the County of Placer ("County") has been actively seeking and acquiring Tourist Accommodation Units ("TAUs") to support economic development opportunities in the Town Centers of Tahoe City and Kings Beach, and County Lake Tahoe Basin communities; and

WHEREAS, the County established the North Lake Tahoe Economic Development Incentives Program ("Program") to identify and help facilitate achievement of economic and environmental targets; and

WHEREAS, the County has determined that the Kila Tahoe, LLC ("Developer") planned project to build 118 Condo-Hotel units located at 255 & 265 North Lake Blvd., Tahoe City, CA ("Project"), meets the threshold criteria to participate in the Program to offset development costs by way of transfer of County owned TAUs and County staff support costs; and

WHEREAS, County and Developer have negotiated a Tourist Accommodation Units Transfer Agreement ("Transfer Agreement"), on file with the Clerk of the Board of Supervisors, to facilitate the transfer of Sixty (60) TAUs from the County to Developer pursuant to the terms and conditions contained in the Transfer Agreement; and

WHEREAS, in accordance with California Government Code Section 53083, the Placer County Board of Supervisors held a public hearing ("Public Hearing") on June 8, 2021 to consider the Transfer Agreement and the economic development subsidy contained therein; and

WHEREAS, the County provided notice of the Public Hearing ("Public Notice"), a copy of which notice is attached to this Resolution; and

WHEREAS, the Board of Supervisors hereby adopts the findings and factual determinations contained in the Public Notice and further determines that granting the economic development subsidy contained in the Transfer Agreement is in the public interest.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors, County of Placer, State of California, the County Executive Officer, or designee, is hereby authorized to finalize and execute the Tourist Accommodation Units Transfer Agreement, subject to County Counsel approval, and take all actions necessary to transfer the sixty (60) Tourist Accommodation Units.



**MEMORANDUM
COUNTY EXECUTIVE OFFICE
ADMINISTRATION
County of Placer**

Attachment B

**Before the Board of Supervisors
County of Placer, State of California**

In the matter of: A Resolution authorizing the County Executive Officer, or designee, to execute an Operations Covenant and Declaration of Covenants and Restrictions and take all actions necessary to provide a transient occupancy tax rebate to Kila Tahoe, LLC for construction of the Tahoe City Lodge, in Tahoe City, CA.

Resolution No.: _____

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:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, the County established the North Lake Tahoe Economic Development Incentives Program ("Program") to identify and help facilitate achievement of economic and environmental targets; and

WHEREAS, the County has determined that the Kila Tahoe, LLC ("Developer") planned project to build 118 Condo-Hotel units located at 255 & 265 North Lake Blvd., Tahoe City, CA ("Project"), meets the threshold criteria to participate in the Program to offset development costs by way of providing a rebate of Transient Occupancy Tax ("TOT") collected on the project; and

WHEREAS, County and Developer have negotiated an Operations Covenant and Declaration of Covenants and Restrictions ("OCA"), on file with the Clerk of the Board of Supervisors, to facilitate a rebate of TOT revenues generated by the project pursuant to the terms and conditions contained in the OCA; and

WHEREAS, in accordance with California Government Code Section 53083, the Placer County Board of Supervisors held a public hearing ("Public Hearing") on June 8, 2021 to consider the OCA and the economic development subsidy contained therein; and

WHEREAS, the County provided notice of the Public Hearing ("Public Notice"), a copy of which notice is attached to this Resolution; and

WHEREAS, the Board of Supervisors hereby adopts the findings and factual determinations contained in the Public Notice and further determines that granting the economic development subsidy contained in the OCA is in the public interest.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors, County of Placer, State of California, the County Executive Officer, or designee, is hereby authorized to finalize and execute the Operations Covenant and Declaration of Covenants and Restrictions, subject to County Counsel approval, and take all actions necessary to provide a TOT rebate.



**MEMORANDUM
COUNTY EXECUTIVE OFFICE
ADMINISTRATION
County of Placer**

Attachment C

**NOTICE OF PUBLIC HEARING
PLACER COUNTY BOARD OF SUPERVISORS**

WHERE: Board of Supervisors' Chambers, 175 Fulweiler Avenue, Auburn, CA 95603

WHEN: Tuesday, June 8, 2021, at 9 AM or as soon thereafter as may be heard.

SUBJECT: TOURIST ACCOMMODATION UNIT TRANSFER AGREEMENT AND OPERATIONS COVENANT AND DECLARATION OF COVENANTS AND RESTRICTIONS CATEGORICAL EXEMPTION

Notice is hereby given that, pursuant to Section 53083(a)(6)(b) of the California Government Code, the Placer County Board of Supervisors will conduct a public hearing, on the date and time noted above, to consider a Tourist Accommodation Unit Transfer Agreement ("Transfer Agreement") and Operations Covenant and Declaration of Covenants and Restrictions ("OCA") between the County of Placer ("County") and Kila Tahoe, LLC ("Kila"). The proposed Transfer Agreement and OCA would transfer Sixty (60) Tourist Accommodation Units ("TAU's") to Kila for the purposes of implementing a 118-unit hotel and condominium project located at 255 and 265 North Lake Blvd., Tahoe City, CA 96145, known as Tahoe City Lodge (the "Project"), and apply a Transient Occupancy Tax ("TOT") Rebate incentive to the project. The Project was approved by the Placer County Board of Supervisors on December 6, 2016 and the Tahoe Regional Planning Agency Governing Board on January 25, 2017.

The County has adopted its North Lake Tahoe Economic Development Incentive Program ("Program") to support job creation and economic development in the North Lake Tahoe region of the County and was most recently updated at the May 11, 2021 Board of Supervisors meeting to establish a defined incentive structure for combined incentives, which is discussed in more detail in the Program document. Kila has applied to the County under the Program for assistance in obtaining TAUs for use in the Project, as well as the TOT Rebate incentive which would rebate Eighty percent (80%) of the TOT generated from the project back to the applicant for a period of Twenty (20) years. The County and Kila are proposing to enter into agreements that would provide for the transfer of Forty-Six (46) standard TAU's and Fourteen (14) Stream Environmental Zone TAU's to Kila pursuant to the Transfer Agreement and provide a TOT rebate pursuant to the OCA. The County is proposing to provide financial assistance in the form of an economic development subsidy to Kila as described in the agreements. Pursuant to Section 53083 of the California Government Code (AB 562) the following information is provided and will be posted on the County's web site, www.placer.ca.gov.

- 1) The name and address of all corporations, or any other business entities, except for sole proprietorships, that are the beneficiary of the economic development subsidy, if applicable: Kila Tahoe, LLC, a Delaware limited liability company, 220 South California Ave., #220, Palo Alto, CA 94306.
- 2) The start and end dates and schedule, if applicable, for the economic development subsidy: Commencing approximately on or around June 8, 2021 for up to Fifteen (15) years for the TAU loan and a period of Twenty (20) years for the TOT Rebate

beginning upon occupancy of the project, unless sooner terminated as provided for in the proposed agreements.

- 3) A description of the economic development subsidy, including the estimated total amount of expenditure of public funds, or of revenue lost to, the local agency, as a result of the economic development subsidy: The proposed Transfer Agreement provides for transfer of Sixty (60) TAU's to Kila, subject to receipt by Kila of any other approvals necessary for the transfer. The TAU transfer will be secured by a Fifteen (15) year forgivable loan ("Loan") in the total principal amount of Eight Hundred and Seventy-Nine Thousand Dollars (\$879,000.00), with an interest rate of Sixty-One Hundredths Percent (0.60%), based on the Placer County Treasurer's Investment Pool Gross Rate. Principal and interest on the Loan will be paid down on a yearly basis by Ten percent (10%) of the newly generated TOT revenue produced by the Project. The Loan is proposed to be secured by a financing statement and a letter of credit. The economic development subsidy includes the value of the TAU's and related County staff costs and other expenses, as well as the TOT rebate as described in the Program document. The County estimates newly generated TOT revenue of at least Six Hundred Sixty-Nine Thousand Four Hundred Fifty Dollars (\$669,450) and up to Nine Hundred Sixty-Five Thousand Four Hundred Sixty Dollars (\$965,460) per year. The anticipated value of the TOT Rebate incentive will be Eighty percent (80%) of the total TOT revenue generated from the project for a Twenty (20) year period, which could be in the following range of Ten Million Seven Hundred Eleven Thousand Two Hundred Dollars (\$10,711,200) to Fifteen Million Four Hundred Forty-Seven Thousand Three Hundred Sixty Dollars (\$15,447,360) for the Twenty (20) year period, total amounts may be higher and will depend on total TOT amounts received.
- 4) A statement of the public purposes for the economic development subsidy: In February 2015, the Board of Supervisors accepted a report on Economic Development Incentives for North Lake Tahoe Town Centers. The report contained recommendations regarding policies, financing, and utilization of land use commodities. As a result, the County developed the Program to help offset the cost of developing TOT-generating lodging projects by acquiring, banking, and ultimately, transferring TAU's to projects needing TAU's. In addition, as a recommendation from a 2020 BAE Urban Economics study, which determined that additional incentives were needed to help spur development consistent with community and County environmental and economic development goals and to achieve prescribed environmental standards by redeveloping the dated built environment, the Board of Supervisors approved an added TOT Rebate component which will rebate Eighty percent (80%) of TOT generated back to the applicant for a period of Twenty (20) years. The Program is designed to expedite renovation of dated existing lodging stock in the Tahoe basin, completion of entitled projects and generate interest in investment in new lodging development that will stimulate the local economy and provide an overall net positive impact on County revenues by working to increase the assessed value of properties on the County property tax roll, increased sales tax revenues, and over time also increase County revenues from Transient Occupancy Tax. These actions provide a necessary cost offset that allows for more predictability and a reduced timetable for commencement of a project being developed under the Program. The Project will continue the County's efforts to expand economic development opportunities for lodging properties and the generation of TOT revenue in the North Lake Tahoe region. The Project is expected to increase the County's employment base and continue to generate tax and other revenue that the County can utilize to fund general governmental services.
- 5) Projected tax revenue to the local agency as a result of the economic development subsidy: The County expects the Project will generate at least Six Hundred Sixty Nine Thousand Four Hundred Fifty Dollars (\$669,450) and up to Nine Hundred Sixty Five Thousand Four Hundred Sixty Dollars (\$965,460) per year in TOT revenue collected by the

County, Eighty percent (80%) of which will be rebated back to Kila for the first Twenty (20) years. The County expects the Project will also generate sales tax and property tax revenue, each subject to established subventions.

- 6) Estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time and temporary positions: When fully operational, the County has estimated that the Project, as supported by the economic development subsidy, will create approximately Seventy-Six (76) full time and part time jobs. Construction and entitlement of the Project is anticipated to create approximately Three Hundred and Seventeen (317) temporary positions.

Accommodations for disabled or non-English speaking residents will be made available upon advance request; please contact the Clerk of the Board at (530) 889-4020.

You may direct written comments to the Clerk of the Board of Supervisors, 175 Fulweiler Avenue, Auburn, CA 95603, or you may telephone the Clerk of the Board at (530) 889-4020. In addition, information is available for review by calling the Clerk of the Board between the hours of 8:00 a.m. and 5:00 p.m. on Monday through Friday.

Interested persons are invited to attend the hearing through the means provided on the meeting agenda, found at <https://www.placer.ca.gov/7055/2021>. All letters, written materials, studies or reports, in excess of one (1) page should be delivered to the Clerk of the Board, 175 Fulweiler Avenue, Auburn, CA 95603, at least 24 hours or (1) business working day prior to the beginning of the meeting.

A copy of the County's analysis of TOT revenue generated by the Project and a copy of the proposed Transfer Agreement and OCA, including backup documentation are available for public review at the Clerk of the Board of Supervisors, 175 Fulweiler Avenue, Auburn, CA 95603. Further information on the proposed action can be obtained by calling the County Executive Office at 530-889-4030 during normal business hours.

BOARD OF SUPERVISORS
Clerk of the Board, Megan Wood
County Executive Officer, Todd Leopold