

**PLACER COUNTY**  
**REDEVELOPMENT AGENCY**

**MEMORANDUM**

**TO:** Honorable Members of the Redevelopment Agency Board  
**FROM:** Richard Colwell, Chief Assistant CEO-Redevelopment Director  
James LoBue, Deputy Director  
**DATE:** June 10, 2008  
**SUBJECT:** Adopt a Resolution Authorizing a Pre-Development Loan Agreement in an Amount Not to Exceed \$500,000 with BB, LLC for a Mixed-Use Development Project in Kings Beach and Authorize the Chief Assistant CEO-Redevelopment Director to Execute all Pertinent Related Documents.

---

**ACTION REQUESTED**

Adopt a resolution authorizing a Pre-Development Loan Agreement (Agreement) in an amount not to exceed \$500,000 with BB, LLC for a Mixed-Use Development Project in Kings Beach (Project) and authorize the Chief Assistant CEO-Redevelopment Director to execute all pertinent related documents.

**BACKGROUND**

Since early 2007, the Redevelopment Agency (Agency) has been working closely with BB, LLC, a Lincoln-based development company which has acquired and seeks to develop a more than four-acre site in the center of the Kings Beach commercial core area. BB, LLC is proposing to develop a mixed-use project that would include new offices (including a proposed North Tahoe Government Center), restaurants, retail shops, public plazas, a parking structure, residential condominiums, and significant upgrades to the public infrastructure and environmental protection facilities serving the central Kings Beach area. See attached Project renderings.

On July 23, 2007, the Agency approved an Exclusive Right to Negotiate Agreement with BB, LLC to support and advance the proposed Project. BB, LLC has since acquired additional properties, remediated existing site contamination, and conducted environmental, design, and infrastructure studies. To date, the developer has spent an estimated \$12 million to assemble and improve the site and prepare the numerous studies and plans. The Project was submitted for consideration as a Community Enhancement Program (CEP) designated project and, on February 27, 2007, the Tahoe Regional Planning Agency (TRPA) Governing Board approved the BB, LLC pre-application for designation as a CEP project.

In order to proceed with full environmental review and the formal development entitlements process with both the County and TRPA, BB, LLC has requested an Agency pre-development loan. The Agency proposes a loan in an amount not to exceed \$500,000 to provide financing to cover a portion of the anticipated cost for the Project's extensive work needed to complete design, environmental review, and permits processing.

Highlights of the terms in the proposed Agreement are as follows:

**Agreement Terms**

- Developer to pursue County and TRPA approval of the Project
- Agency to provide a pre-development loan in an amount not to exceed \$500,000 for such costs as Project application fees, environmental assessments, and related studies, appraisals, architectural, and engineering work
- Developer to secure Agency's pre-development loan with real property owned by Developer on site, as well as by assignment of agreements, plans, and specifications related to the Project
- The loan would mature on the earlier of (i) the closing date for the first round of construction financing for the Project, or (ii) three years from the effective date of the Agreement at which time the entire balance outstanding, together with interest accrued, will become due and payable in one lump sum.

It is anticipated that the Agency funds will be disbursed over the next 1-2 years, as design and environmental review work is completed. If the Project successfully advances to construction, the Agency loan would be paid off at the time of closing of a Project construction loan.

**FISCAL IMPACT**

The Agency has adequate available North Lake Tahoe Tax Increment funds in its FY 2007/2008 Budget for the proposed \$500,000 loan. There is no impact on the County General Fund.

**ENVIRONMENTAL STATUS**

The proposed action is a loan of Agency funds and does not commit the Agency to a definite course of action with respect to a "project" as defined by the California Environmental Quality Act (CEQA). Therefore, this action is exempt from environmental review under CEQA per Guidelines Section 15262. National Environmental Policy Act (NEPA) does not apply to the proposed action as federal funds are not anticipated. The Project itself will undergo separate environmental review in compliance with CEQA and NEPA as part of the formal application process with TRPA and the County.

**RECOMMENDATION**

Adopt a resolution authorizing an Agreement in an amount not to exceed \$500,000 with BB, LLC for a Project and authorize the Chief Assistant CEO-Redevelopment Director to execute all pertinent related documents.

- Attachments: Project Renderings  
Resolution  
Pre-development Loan Agreement  
Pre-development Promissory Note  
Assignment of Agreements, Plans, and Specifications  
Deed of Trust

cc: Karin Schwab, Agency Counsel

CONTRACT/AGREEMENT  
FOR REVIEW ONLY AT  
THE CLERK OF THE BOARD

160

**Before the Placer County  
Redevelopment Agency Board of Directors  
County of Placer, State of California**

**In the matter of:**

**Authorizing a pre-development loan agreement in an amount not to exceed \$500,000 with BB, LLC for a mixed-use development project in Kings Beach and authorize the Chief Assistant CEO-Redevelopment Director to execute all pertinent related documents.**

**Resol. No:.....**

**Ord. No:.....**

**First Reading: .....**

**The following Resolution was duly passed by the Redevelopment Agency of Placer County Board at a regular meeting held \_\_\_\_\_,**

**by the following vote on roll call:**

**Ayes:**

**Noes:**

**Absent:**

**Signed and approved by me after its passage.**

**Attest:  
Clerk of said Board**

\_\_\_\_\_  
**Chair, Agency Board**

---

WHEREAS, by Ordinance No. 4753-B adopted on July 16, 1996, the Board of Supervisors of the County of Placer adopted the Redevelopment Plan for the North Lake Tahoe Redevelopment Project Area (Project Area); and

WHEREAS, the Redevelopment Agency of the County of Placer (Agency) is vested with responsibility pursuant to the Community Redevelopment Law (Part I of Division 24 of the Health and Safety Code of the State of California) to implement the North Tahoe Redevelopment Plan (Redevelopment Plan); and

WHEREAS, BB, LLC (Developer) owns certain real property (Property) which is located within the Project Area; and

WHEREAS, Developer seeks to develop the Property consistent with the Redevelopment Plan and the Tahoe Regional Planning Agency (TRPA) Community Enhancement Program (CEP); and

WHEREAS, Agency desires to assist Developer with the pre-development costs associated with the development of a mixed-use project in Kings Beach (Project); and

WHEREAS, the Agency will provide a pre-development loan in an amount not to exceed \$500,000 for the formal application process costs associated with the development of the Project; and

WHEREAS, this administrative action is a loan of Agency funds and does not commit the Agency to a definite course of action with respect to a "project" as defined by the California Environmental Quality Act (CEQA) and, as such, is exempt from environmental review under CEQA per Guidelines Section 15262. National Environmental Policy Act (NEPA) does not apply to the proposed action as federal funds are not anticipated. The Project itself will undergo separate environmental review in compliance with CEQA and NEPA as part of the formal application process with TRPA and the County.

NOW, THEREFORE, BE IT RESOLVED, that the Agency Board authorizes a pre-development loan in an amount not to exceed \$500,000 with Developer for the Project and the Chief Assistant CEO-Redevelopment Director is authorized to execute all pertinent related documents.