

**MEMORANDUM  
DEPARTMENT OF FACILITY SERVICES  
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **APRIL 21, 2009**

From: *MDP*  
**JAMES DURFEE / MARY DIETRICH**

Subject: **SITE SELECTION FOR THE TAHOE GOVERNMENT CENTER**

**ACTION REQUESTED:** Staff recommends that your Board receive an update related to the Tahoe Government Center (TGC) Site Selection process and provide staff direction related to selection priorities and the process for finalizing a site selection.

**BACKGROUND:** On April 4, 2006 your Board authorized Facility Services to proceed with a Site Solicitation for property in the Tahoe area. The purpose of this solicitation was to identify potential sites to accommodate the consolidation of the general government functions that are currently located in a number of leased facilities around Lake Tahoe. A preliminary assessment identified potential building occupants as the County Executive Office, including Public Information and Emergency Services, the Redevelopment Agency, the Community Development Resource Agency departments, Public Works, Environmental Health, the Assessor and the Tahoe Regional Planning Agency (TRPA).

As a result of the solicitation process, staff considered 11 sites representing each of the distinct geographic communities within the Tahoe Region. Properties in Squaw Valley, west shore Tahoe, Tahoe City, Tahoe Vista, Kings Beach, and Martis Valley were all investigated. Through this process, staff obtained numerous comments and learned that, in addition to the site attributes deemed important to Facility Services, other factors were viewed as highly important to the community. These factors were a site located within the Tahoe basin; potential for TRPA co-location; Community Enhancement Project (CEP) eligibility; impacts related to traffic, and a project that would be a catalyst to revitalization.

On March 11, 2008, staff reported to your Board on the results of its evaluation of the properties considered the best opportunities for the proposed TGC site. Your Board concurred with staff that the B.B. LLC project was the best candidate among the original sites considered. This was based on key benefits including a project that was a catalyst to economic revitalization in the Kings Beach commercial core; a walkable and pedestrian friendly location; an opportunity for the County to take a key role in Kings Beach redevelopment efforts; and the opportunity to obtain a developer-constructed facility designed to the County's standards. In addition, by selection of this particular property, the B.B. LLC property developer would carry the project from planning through construction (similar to the South Placer Courthouse) which would likely deliver the TGC sooner than the County could complete a project. The community's strong support of this property was also a factor in your Board's support. Nevertheless, due to the concerns with high projected development costs and project uncertainty due to the TRPA CEP process, your Board directed staff to monitor B.B. LLC's CEP application and work with B.B. LLC to better quantify development costs. Your Board also directed staff to continue pursuit of other properties that could provide a more economical project as compared to B.B. LLC's development.

**PROPERTY INVESTIGATIONS:** Following receipt of your Board's direction, staff continued to work with B.B. LLC, and investigated new properties that were brought forward as unsolicited proposals. Such proposals were received for the Tahoe Tree Company property on W. Lake Boulevard in Tahoe City, the Highlands Village property on Highway 28 in Dollar Hill, and the North Tahoe Public Utility (NTPUD) property on National Avenue in Tahoe Vista. Staff has evaluated each property's development capability, zoning, traffic factors and solicited input from the neighborhoods surrounding each property.

With the inclusion of these three additional sites, Facility Services' staff made a concerted effort to inform and engage the Tahoe community. This was accomplished by giving presentations at the North Tahoe Regional Advisory Council (NTRAC) and the Squaw Valley Municipal Advisory Council (SVMAC), and by inviting over 2,500 property owners in the vicinity of the Tahoe Tree, Highlands Village and NTPUD sites to a TGC Site Selection community meeting held in Kings Beach. At each of the presentations, staff described the purpose and the process taken to solicit properties, discussed attributes of the properties

being considered, and invited public comment. Staff also communicated via its TGC Site Selection Process webpage and responded to individual and group internet communications. Through these efforts, valuable insights were obtained regarding attributes and constraints associated with each particular site.

Exhibit A provides a summary of verbal and written public input received since late January 2009. New to the discussion and comments were some constituent views that an expenditure on a consolidated center is unwarranted particularly during these difficult economic times. At each meeting, staff also heard criticism about the prolonged site selection process, and received suggestions that an evaluation tool should be used to facilitate the County's decision-making. At the NTRAC and SVMAC meetings, each Council recommended that the process be completed expediently and identified its preferred site. NTRAC recommended the B.B. LLC site in Kings Beach and the SVMAC recommended the Tahoe Tree Company site in Tahoe City. All written correspondence received in conjunction with these meetings is available at the Clerk of the Board's office.

Pursuant to your Board's March 2008 direction, staff has worked with B.B. LLC to quantify development costs and monitored this project's status in the CEP process. B.B. LLC has been selected as a CEP and is preparing to enter into a four-party agreement in order to initiate the environmental review process for its mixed-use project. B.B. LLC believes it can complete the environmental process and receive all project entitlements in eighteen months allowing construction to commence by spring 2011. Through review of B.B. LLC's construction cost estimates for the TGC building, staff determined that the project's higher development costs were attributed to the parking garage and financing costs associated with the lease purchase model that would be necessary to select a developer-constructed building. B.B. LLC has continued to be very cooperative in pursuing development options in order to reduce development costs. Opportunities to reduce the project costs are as follows:

- **Parking Garage Spaces:** Since costs associated with the parking garage contributed significantly to the project, much attention was focused on this element. B.B. LLC studied its project's mixed-use parking requirements and determined that 63 spaces would be sufficient to meet the County's needs in a 277 space three story parking garage if other more cost effective parking spaces could also be provided. This reduction was based on parking efficiencies associated with the mixed-use tenants in the project, the assumption that the County could secure off-site fleet parking for 26 vehicles, and that a 28-space surface lot could be constructed by the Redevelopment Agency across Fox Street just east of the proposed TGC. To acknowledge that the County spaces would be available to the public on evenings, weekends and holidays, B.B. LLC also prorated the parking space cost, and agreed to reduction from \$67,000 to \$46,900 each. While this strategy would require the County to secure fleet parking off-site, the net cost savings is over \$4.3 million dollars.
- **Financing Costs:** To purchase a developer constructed TGC, a lease purchase agreement would be necessary. Modeled after the South Placer Courthouse project, original discussions with the Developer centered on an agreement structured with lease payments derived from a 20-year amortization of total construction costs (including developer profit and interest costs) plus land, and the County's right to exercise an option to purchase its project for \$1 at the end of the term. Financing associated with the 20 year term significantly increased the B.B. LLC project cost over time. County staff investigated options with this finance mechanism and determined that a shorter term is a potential option and, by modeling a seven-year term, would reduce financing costs by approximately \$11.4 million dollars.
- **Construction Cost:** In recognition that construction costs (labor and materials) have dropped significantly since B.B. LLC received its last estimate of costs for the TGC, B.B. LLC continues to obtain updated estimates that reflect the current market.

**PROJECT COMPARISONS:** A large part of the investigations of the three new properties and the B.B. LLC property involved the development of a pro forma for each property that estimated total project costs. Utilizing building development costs for the B.B. LLC project as the basis, staff equalized each property to reflect unique circumstances for each site (e.g. surface vs. garage parking, off-site improvements, financing costs, land asking price, projected lease payments, and potential revenues). This exercise then

derived a Pro Forma Project Cost for each property as described in the Fiscal Analysis. In addition to the evaluation of cost, staff also identified risk factors associated with the development of each site.

The following discussion provides a brief overview of each property now under consideration. Exhibit B includes a location map, that identifies each property, and Exhibit C presents the individual property maps and conceptual layouts associated with each site.

- A. Option 1 - B.B. LLC Original Project (Lease Purchase): This option reflects the original proposal where, subject to a lease purchase agreement, B.B. LLC constructs a 24,000 sq.ft building for the County and provides parking spaces in the mixed-use development's parking garage. As noted above, the project cost has been adjusted downward to reflect fewer parking spaces (from 121 to 63 spaces) and a shorter lease purchase term. The Pro Forma Project Cost for this option includes costs unique to this "turn-key" developer-constructed project (e.g., developer fee, construction financing, pro-rata share of site work for the mixed-use development, long-term financing, and off-site fleet parking construction costs). As described in the Background paragraph of this memorandum, the B.B. LLC project continues to be very strong candidate from a redevelopment standpoint.

Fiscal Analysis:

- Pro Forma Project Cost: \$29.6 million dollars (estimated on 7-year lease purchase)
- Minimum County Cost: \$7.1 million dollars in FY 2012/13 including one-time payment for 63 parking garage spaces and off-site fleet parking construction costs (\$3.5 million dollars), and the first of seven annual Lease payments (\$3.6 million dollars assuming 7% annual interest rate)
- Near Term Construction Commitment: Yes. In FY 2012/13 Developer anticipates commencement of construction on the entitled project
- Ongoing Lease Expenses: \$1 million dollars, assumes full occupancy in TGC by FY 2012/13.
- Potential Revenues: None

Risk Factors:

- Potential risk with obtaining project approvals (CEP)
- No control over project timeline which would allow for deferral of County costs
- Dependent on developer's performance

During the community meetings, concerns were raised about why the estimated project costs associated with B.B. LLC's property were significantly greater than the other properties being considered. Staff shared that this was due to the lease purchase model that requires financing of the project costs. To determine if other purchase options were feasible that would eliminate or reduce these financing costs, staff met with B.B. LLC who subsequently offered two additional purchase options as described below:

Option 2 - B.B. LLC (Acquisition of 0.80 Acres of Entitled Land + 63 Parking Garage Spaces): This option would obligate B.B. LLC to deliver an approximately 0.80 acre parcel entitled for the mixed-use project including approvals for construction of a 24,000 sq.ft. building and a parking garage, in which the County would have use of 63 parking spaces. This option is also predicated on construction of a 28-space surface lot by the Redevelopment Agency for customer and public use parking and offsite fleet parking. Like Option 1, this alternative achieves important redevelopment goals for Kings Beach. The County would be required to commence construction of the building and 26 offsite fleet parking spaces upon entitlement of the project (estimated FY 2011/12).

Fiscal Analysis:

- Pro Forma Project Cost: \$22.4 million dollars
- Minimum County Cost: \$5.6 million dollars in FY 2010/11 for purchase of entitled land and one-time payment for 63 parking garage spaces

- Near Term Construction Commitment: Yes. In FY 2011/12 County's construction of the TGC would be required to commence upon property entitlement.
- Ongoing Lease Expenses: \$1.7 million dollars, assumes full occupancy in TGC by FY 2014/15
- Revenues: None

Risk Factors:

- Risk with obtaining project approvals (CEP)
- Dependent on developer's performance
- No control of project timeline which would allow for deferral of County project costs

Option 3 - B.B. LLC Option 2 (Land Purchase): This option obligates B.B. LLC to deliver an approximately 2-acre parcel sufficient for the County's construction of a 24,000 sq.ft. building and 93 surface parking spaces. This option assumes that a 28-space surface lot will be constructed by the Redevelopment Agency to provide customer and public-use parking. Under this option, the County could delay construction indefinitely. While this option would provide the County with control over financing and construction timelines and strategies, it would require a significant revision to the current mixed use development planned by B.B. LLC. This change may not be viewed as an acceptable alternative since this could result in a less attractive development.

Fiscal Analysis:

- Pro Forma Project Cost: \$25.8 million dollars
- Minimum County Cost: \$5.2 million dollars in FY 2010/11 for purchase of land
- Near Term Construction Commitment: No. TGC could be indefinitely delayed
- Ongoing Lease Expenses: \$3.9 million dollars, assumes indefinite delay in TGC construction and continued lease payments through FY 2020/21
- Revenues: Lease payments from existing residence on property

Risk Factors:

- Risk with obtaining project approvals at a later date
- Risk based on property configuration and site size
- Community acceptance of revised project and delayed project delivery

- B. West Shore Tahoe City - Tahoe Tree Company (10.18 acre land purchase improved with 6,000 sq.ft. building): This site offers the County the option to purchase, entitle and build the TGC building. This site exceeds the coverage to needed for the construction of the TGC building and all infrastructure (121 parking spaces and snow storage). The existing 6,000 sq.ft. building can be modified to allow the relocation of the existing CDRA departments and divisions currently located in the leased Tahoe Administration Building located just south of this site. The acquisition of this site also contemplates the current owner's continued operation of its wholesale and retail nursery operation during weekends, evenings and holidays. This arrangement is advantageous from a peak traffic generation standpoint and will provide lease revenues to the County. This site is located within a County Redevelopment Area.

Fiscal Analysis:

- Pro Forma Project Costs: \$20.5 million dollars
- Minimum County Cost: \$5.7 million dollars in FY 2009/10 for purchase of land and existing building
- Near Term Construction Commitment: Optional. To upgrade the existing facility for County occupancy, \$2.3 million dollars in FY 2010/11 is needed for tenant improvements.
- Ongoing Lease Expenses: \$1.5 million dollars, assumes termination of the Tahoe Administration Building occupancy, but remaining lease costs continue through FY 2020/21
- Revenues: Lease payments from current owner for growing areas

Risk Factors:

- Risk with obtaining project approvals at a later date
- Community acceptance/support of project
- Risks associated with coverage, SEZ setback and traffic congestion

- C. Dollar Hill – Highlands Village (11.41 acre purchase): This site offers the County the option to purchase, entitle and build the TGC building. This site has sufficient coverage to allow the construction of the TGC building and all infrastructure (121 parking spaces and snow storage) with significant excess land coverage that could be sold as a separate parcel or retained for future County development. This property could be purchased and construction postponed until project funds are identified. This site is located outside of a County Redevelopment Area.

Fiscal Analysis:

- Pro forma Project Costs: \$20.6 million dollars
- Minimum County Cost: \$5 million dollars in FY 2009/10 for purchase of land
- Near Term Construction Commitment: No. TGC could be indefinitely delayed
- Ongoing Lease Expenses: \$3.9 million dollars, assumes indefinite delay in TGC construction and continued lease payments through FY 2020/21
- Revenues: Lease payments from small existing building

Risk Factors:

- Risk with obtaining project approvals at a later date
- Community acceptance/support of project (e.g., compatibility with neighboring land uses)

- D. Tahoe Vista – North Tahoe Public Utility District (NTPUD): Preliminary discussions with the NTPUD indicated their willingness to partner with the County in a joint development at their existing site on National Avenue. The County and NTPUD have reviewed the very preliminary conceptual layouts and NTPUD has expressed willingness to sell land that could be developed independently. Due to the preliminary nature of this proposal, County and NTPUD staff have agreed to reserve this offer as an alternate site should other sites prove infeasible.

**COUNTY'S FISCAL CONSIDERATIONS:** While the initial intended outcome of the TGC Site Selection was to acquire a site in Tahoe that could ultimately be developed for the TGC, the sites currently proposed offer several unique development opportunities, each with different fiscal ramifications to the County. The following is a synopsis of the near and long term expenditures required with each project alternative:

- B.B. LLC Option 1 (lease purchase project) provides the County with a near term, turn-key constructed project, that requires an initial payment of \$3.5 million and the first of seven annual payments of \$3.6 million dollars (assuming a seven year financing at a 7% annual percentage rate), totaling approximately \$25.2 million dollars in lease purchase payments.
- B.B. LLC Option 2 (entitled land acquisition + 63 spaces in the parking garage) would require a near term payment to B.B. LLC for entitled land and parking garage improvements (approximately \$5.6 million dollars) and would require the County's near term commitment to fund and construct the TGC and fleet parking (approx \$15.1 million dollars).
- Acquisition of the B.B. LLC Option 3 or Highlands Village site would require the County to make a near term investment in land (approximately \$5.2 million dollars and \$5 million dollars respectively) with deferral of the County's construction costs for the TGC until a later date.
- The Tahoe Tree project would require near term investment for the land and existing 6,000 sq.ft. building (approx. \$5.7 million dollars). If the County desired full utilization of the existing building for CDRA staff, an additional commitment of \$2.3 million dollars would be required for tenant improvements. Construction costs for the TGC building could be deferred until a later date.

Earlier in your Board's agenda, you received an updated on the County's Capital Facility Finance Plan (CFFP). This plan continues to include \$6.5 million dollars for the TGC project, and an acquisition within this funding level is feasible. Funding for a project exceeding this amount has not been identified. Any proposed project in excess of \$6.5 million dollars, either for tenant improvements, near term construction costs, or finance payments over time, will require additional fiscal consideration by your Board.

**SELECTION PRIORITIES:** While the initial solicitation looked for properties that met certain site attributes (e.g., size, location, access, developability, compatibility), staff has subsequently determined that additional factors also influence the site selection. However, the importance your Board places on each factor ultimately defines the outcome of the analysis. Staff has identified the following categories from which the properties can be further evaluated and seeks your Board's determination as to priorities in order to select a site that meets the County's objectives. Each of these categories could then be scored with an overall weighting applied based on your Board's priorities. These categories were developed considering the information gathered throughout the process.

- **Facility Issues:** This category would encompass the site's physical and locational attributes including capability to accommodate on-site facility requirements and infrastructure (e.g., building, parking, snow storage, setbacks), expandability, walkability and pedestrian orientation, proximity to community amenities, availability of year round bus service, traffic impacts, and advisory board(s) support.
- **Revitalization:** This category would consider the project's presence and role in a redevelopment area, including if the project would achieve redevelopment goals, economic synergy to the community, County leadership in redevelopment efforts, and off-hour community benefits from the project.
- **Risks:** This category would evaluate the risk factors attributable to the project and site development including entitlements and project approvals, physical risks (e.g., environmental, demolition, grading, land coverage), dependence on the performance of development partners, community opposition or support and the ability to control project timelines in order to take advantage of funding availability.
- **Costs:** The category would evaluate cost attributes of each proposal including Pro Forma Project Costs, flexibility in timing project funding, ability to implement competitive cost strategies, and other partner participation.

**CONCLUSION:** Over the course of the last three years, several properties have been considered as potential sites. Owners have been extremely cooperative and have invested time and agreed to the public evaluation process. Through their participation, input from the public, and discussions with TRPA and County staff, Facility Services has gained great insight into the complexities associated with land development in the Tahoe Basin. After enlisting public participation in 16 public meetings held in Tahoe, it has become clear that the community desires closure on this selection process. With your Board's input on selection priorities and direction to return with a recommended site, staff will return to your Board with a recommended selection.

JD/MD:MR:LM

WRITTEN AND VERBAL COMMUNICATIONS: ON FILE AT THE CLERK OF THE BOARD'S OFFICE

ATTACHMENTS: EXHIBIT A – SUMMARY OF PUBLIC COMMENTS RECEIVED  
EXHIBIT B – LOCATION MAP  
EXHIBIT C – PROPERTY MAPS AND CONCEPTUAL LAYOUTS

CC: COUNTY EXECUTIVE OFFICE

T:\FBSMEMO2008\4628 TAHOE SITE SOLICITATION.DOC

**1 PROCESS**

- 1.a Where is the County in its decision making process? Need to urge the Board to act in April.
- 1.b Why hasn't a deadline been set for the selection process?  
*Answer: The County has not established a firm completion date on purpose. By allowing additional properties to be considered, the County has been presented with sites that offer many positive features (e.g., large size, high land capability, opportunity for joint projects, mixed use, etc.). This has partly been attributed to the current economic climate. The decision to extend the selection process was to facilitate the identification of a site that would best serve the community and be the best value to taxpayers.*
- 1.c The 2012 deadline for moving into the Center seems vague. What is the real plan?  
*Answer: The 2012 deadline is derived from the lease expiration date of the building occupied by County land development departments. Should the 2012 deadline not be achievable, the County would need to negotiate this lease to allow additional time until the Center is complete.*

- 1.d When will we decide?  
Concern regarding endless evaluation process. Need to set a date certain and not waste staff time or money further. What is the deadline for allowing new properties to be considered? Need to urge the Board to act in April.  
*Answer: The County has not established a firm deadline for new properties. By allowing additional properties to be considered, the County has been presented with sites that offer many positive features (e.g., large size, high land capability, opportunity for joint projects, mixed use, etc.). This has partly been attributed to the current economic climate. The decision to extend the selection process was to facilitate the identification of a site that would best serve the community and be the best value to taxpayers.*
- 1.e Should rank properties based on objective evaluation criteria (e.g., water quality/traffic benefits). This should assist staff in making its recommendation. Need to apply community priorities.
- 1.f NTRAC is anxious to move this process forward and will urge the Board to expedite its decision making so as to have a decision within three months

- 1.g What are the County's priorities for a selection?  
*Answer: From Facility Services' perspective, the priorities would be Neighborhood Revitalization, Economics, Expandability, and Risks. It is likely that the staff recommendation will be based on these factors.*
- 1.h Has staff had contact with other County departments for assistance in evaluation of these properties?  
*Answer: Yes, meetings / discussions have been held with Public Works, County Executive, CDRA Planning and Engineering and Surveying, and Redevelopment who have provided valuable input.*
- 1.i Should the County look at the sites that were proposed originally?  
*Answer: No, based on investigation and public input, these properties had the magnitude of constraints that resulted in their original elimination.*

**2 RISK**

- 2.a Status of B.B. LLC's Community Enhancement Program?  
*Answer: B.B. LLC's CEP project application has been approved by TRPA. The*

- Developer has waiting for selection of an environmental consultant who will perform the environmental review process.*
- 2.b Is B.B. LLC viable without the County?  
*Answer: No (Provided by B.B. LLC)*
- 2.c B.B. LLC: Has the Developer heard any local opposition to this site given the proximity to residences?  
*Answer: No one has objected to anything except for height issues (response by B.B. LLC).*
- 2.d Does the CEP delay the process?  
*Answer: B.B. LLC's project is not considered controversial in comparison to other CEPs; therefore, it is not expected that B.B. LLC's CEP will be delayed. TRPA has indicated is commitment to place priority on CEPs despite its staff reductions.*
- 2.e Tahoe Tree Company makes absolutely no sense. This area is located in close proximity of housing and condo complexes (Tahoe Tavern and Tahoe Shores) across the street. Also this location would mandate that all the additional traffic go across "fanny bridge" which is overtaxed as it is!!!!

**EXHIBIT A  
PUBLIC COMMENTS RECEIVED**

2.f Outraged with location of site at 89 and Granlibakken, devalues their properties immensely, already building a bus depot down the street. Govt should be helping people out instead of building a building for itself.

2.g Tahoe Tree: The government center facility is of a nature not warranted/needed and should not be allowed in this area

2.h The NTPUD location seems the most sensible and economical, however, with that being said I would strongly recommend that this whole project be put on hold (indefinitely) with the economic downturn we are experiencing, one which does not appear that it will be solved any too soon

2.i Tahoe Vista is not a good location because National Ave. is a mixed use street utilities by both residential and some businesses with no plans for services. The traffic will be insurmountable with the planned affordable housing project as well as the already busy industrial zone. The residents at the trailer park and those on Toyon, Grey, Yaho, and visitors to the regional park, etc. will be significantly impacted.

2.j Believe that it is important to maintain the property as a

recreational area for the general public. Tahoe Vista is a resident community of year round residents that are greatly served by the public recreation area. Locating the Government Center at this location would compromise the recreational aspect of the area and reduce the availability of the site for activities that benefit the community.

2.k Which community is the least resistant to the siting of the Center in its Community?

2.l Highlands Village: Strongly object to the proposed location at Fabian Way and Dollar Hill. The intersection is already dangerous as it is at the top of a hill with limited sight and view corridors.

2.m Highlands Village: The government center facility is of a nature not warranted/needed and should not be allowed in this area. This area would remain residential

2.n The Highlands area is a developed residential community remote from other government services. Not an appropriate use of the property to build a government services office in a residential community. Not an appropriate use of the property to build a government services office in a residential community. Cost

of development would be greater than other alternatives. Increase in traffic turning out at the top of Dollar Hill was well documented in the failed attempt to approve a community center on the Highlands site, a better but underfunded use.

### 3 REVITALIZATION

3.a Kings Beach site is compelling. The County would be an anchor tenant and assist in this community's revitalization.

3.b Government Center would be the type of "anchor tenant" that would help the local business community; Kings Beach has Caltrans, County, TRPA and other monies committed for future infrastructure improvements; Kings Beach has a site that is ample in size to support the Center; the site is already disturbed; Kings Beach has existing services such as banks, restaurants, stores, grocery, retail, etc; walkable community would foster employees parking their cars and walking to nearby services reducing vehicle trips and other environmental impacts; Kings Beach is centrally located with access from Hwy 267 and Hwy 28 for those coming from the Martis Valley and other locations; was

touted as the #1 location on the No. Shore in need of redevelopment / reinvestment.

3.c County needs to consider how overall investment will benefit the community.

3.d Kings Beach needs a good employer like the County.

3.e Tahoe Tree: Tahoe City needs an influx of people to support the community and the access is perfect and the workforce in the community is available.

3.f Is Tahoe Tree in the Redevelopment Area?  
*Answer: Yes*

3.g Tahoe Tree: Government Center will be better served in Tahoe City at the Tree Company as each have readily available services nearby such as banks, restaurants, and post offices

3.h Support for this site or any place in Tahoe City that is a central location for most Tahoe people in Placer County.

3.i Tahoe City Downtown Association Board of Directors support the Tahoe Tree Company property. Location of other Lake Tahoe offices on Tahoe Tree Company property

EXHIBIT A  
PUBLIC COMMENTS RECEIVED

will be a significant economic stimulus to our local economy.

3.j Tahoe Tree: The location of the TGC would encourage a new influx of activity to the local Tahoe City businesses through the increase of Placer County employees and visitors, giving town a nice boost of activity. With the developments of Squaw Valley, Northstar, and the growth of Truckee, retail activity in town has diminished and is in need of this new energy. The regional offices would add much needed stability to our community.

3.k Highlands Village: This site is remote from everywhere. There are no services for staff.

**4 COST**

4.a Why cannot purchase the B.B. LLC building outright?  
*Answer: Public bidding requirements preclude the County from purchase of the building without bidding process. The Lease Purchase model allows the County to make lease payments with the option to purchase at the end of the term.*

4.b The financing costs account for several million dollars that is not a factor in the other sites. Therefore, could the Lease Purchase period be

shortened from 20 years in order to reduce financing costs? Can the County purchase the B.B. LLC site and then develop it as a County project?  
*Answer: The County has begun discussions with B.B. LLC to determine if this approach is feasible. If so, costs for this type of purchase will be evaluated against the other properties.*

4.c Can the County leverage the Commercial Core Improvement Project (CCIP) funds with the Government Center project in order to save in development costs?

4.d Which site makes the most financial sense? Should this drive your decision?

4.e What is the cost/sq.ft. to build in Auburn?  
*Answer: approx. \$300/sq.ft. not including land costs.*

4.f How much has been spent (e.g., staff costs) to date on this search process? What is the number of staff assigned to this project.  
*Answer: One staff has the primary responsibility for this project. This employee has supervision and oversight by Facility Services management.*

4.g Need to evaluate ongoing snow removal costs in the cost for surface parking.

4.h Can the County provide a comparative cost information sheet?  
*Answer: Three of the four properties have been evaluated for total costs (e.g., development and land costs). The NTPUD proposal is the least developed option; therefore, it is too soon to evaluate costs.*

4.i Want to understand the "business case" for this project. Knowing the lease rates Placer County is paying, I find it difficult to believe that a new project could be economically justified. I would imagine that the County could negotiate even more favorable lease rates for 10-20 year contracts for existing facilities.

4.j County should lean on B.B. LLC to reduce its proposed development costs?  
*Answer: The County has been working with the Developer to better understand the development costs and believes the costs are appropriate given the development constraints.*

4.k Can the Redevelopment Agency funds be used towards the Government Center?

*Answer: Redevelopment funds cannot be used to fund a building solely for government use; however, funds can be used for general public purposes (e.g., infrastructure, public parking lots). With the exception of housing projects, Redevelopment Agency funds are available for properties in a Redevelopment Area.*

4.l Consider tax implications. Should disclose this to the Board of Supervisors.

4.m What is the budget for this project?  
*Answer: This project is unbudgeted.*

4.n Is the money at risk? The current economic situation will weigh heavily on the Board as it makes a decision to expend funds for this project. Supervisor Montgomery: "Saving jobs will always be a higher priority."

4.o The proper thing to do given this economy is to wait. Spending money frivolously in light of the increased cost to taxpayers being considered/voted upon by the legislature is like throwing coals on the fire.

4.p The costs at this time for purchase, building,

**EXHIBIT A  
PUBLIC COMMENTS RECEIVED**

- maintaining are a waste of public monies
- 4.q Not a good time, suggest that the County renews its existing leases and put the funds into infrastructure improvements (e.g., road, sidewalks, sewer)
- 4.r I would strongly recommend that this whole project be put on hold (indefinitely) with the economic downturn we are experiencing, one which does not appear that it will be solved any too soon
- 4.s Given the current economic situation County should not proceed with any project
- 4.t Today it seems irresponsible to be spending funds when vital existing services may not be funded. If anything, cut back in staffs should be proposed to weather the crisis.
- 4.u It is ridiculous to consider any unwarranted spending in this time of financial crisis. State employees are fighting taking a few days off as the world around them crumble for others. The audacity of our elected officials and their hires discuss (sic) me. Do what is right and shelve the project until the county can afford to spend the \$ associated with building this sort of nonsense in times like this

- 4.v Why would government be expanding and spending this large sum of money when the state is \$41 BILLION in debt and facing tax increases and added "fees" for everything. I'm just an ordinary small business person fighting to earn a living in this financially depressed time and don't see the logic of your proposed location or even the project itself. This seems to be the antithesis of what President Obama is advocating.
- 4.w I have always had my questions and concerns handled quickly from the Auburn office and see no need for duplication of buildings and services. This is just another example of government waste of taxpayers money and inefficiency

**5 FACILITY - GENERAL**

- 5.a Has there been vehicle trip analysis performed or an actual survey conducted by staff to determine the traffic impacts associated with the Center?  
*Answer: The County has worked with County Department of Public Works staff to determine the traffic impacts.*
- 5.b Are 22 parking spaces for the guests adequate?

*Answer: Preliminary planning indicates that 17 parking spaces would be needed for visitors.*

- 5.c How many employees?  
*Answer: Preliminary analysis assumes 78 staff*
- 5.d Has there been a vehicle mile trip analysis performed for the sites to determine travel distances for the employees in relation to the sites considered?  
*Answer: County Executive staff has performed surveys that indicate approximately 1/2 of County employees travel from outside the Basin (e.g., Truckee, Reno, Carson City).*
- 5.e What properties in the Basin are owned by the County?  
*Answer: Burton Creek (Criminal Justice use) is the only one located in the Basin. Other owned properties include Timilick Log G in Martis Valley (Park use) and Cabin Creek in Squaw Valley (Solid Waste, Roads and Transportation uses)*
- 5.f Will the County retire coverage once it relocates from the existing Tahoe Administration Building?  
*Answer: No, this building will likely be reoccupied.*

- 5.g Will any other properties be considered involve retirement of coverage?  
*Answer: No, property acquired will be developed in accordance with TRPA and County approvals.*
- 5.h Should consider the highest and best use for the properties considering.
- 5.i Aesthetics need to be good for any site chosen
- 5.j Traffic study should be performed for each site before any decision is made.
- 5.k Anything outside the Basin is an even better choice. Cheaper property values. Easier traffic patterns. Build away from the Lake drainage.
- 5.l General Support: Locate it where it is the least expensive and most convenient for both employees and residents as cost saving item. I would guess that access by employees would be more important than by the public. I would also guess that in this market you may need to put the project off for a while
- 5.m General Support: County offices close together makes for a better organized community. Easier to work between and makes all processes less expensive.

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5.n General Support: No matter where the facility is located, check to make sure the infrastructure can handle the additional 24,000 square feet (i.e. sewer line capability, power, etc.)

5.o Why not take back the North Tahoe Event Center?  
*Answer: This property is deed-restricted for recreational purposes.*

**6 FACILITY - B.B. LLC**

6.a Hwy 267 is a better route from Truckee and Reno. The B.B. LLC location is more accessible to employees coming from outside the Basin.

6.b B.B. LLC is worst location from a distance from Squaw Valley residents perspective.

6.c B.B. LLC is in area where traffic is a zoo

6.d Kings Beach is a crowded area and land should be used for commercial and residential uses only not government uses.

6.e Not centrally located and, in summer, requires a lot of Placer County residents to travel around the lake and back during heavy summer traffic.

6.f Question the logic of the B.B. LLC property as the best use for frontage road property in Kings Beach, not for the economic opportunity that made it your first choice, but for a town trying to attract visitors and tourist dollars, placing government offices front and center on the main street across from public shoreline seems like shortsighted planning

6.g Crowding downtown by creating higher density is counter to TRPA rules

6.h NTRAC voted on B.B. LLC as its preferred site

6.i It seems to me that there are "regulatory uncertainties" and "costs" associated with all of the locations selected. A government center would be better suited close to existing services and amenities if we are truly trying to reduce VMT or traffic trips in this basin. The Kings Beach site is ideal as it is (even now) the most walkable and urban of the communities listed. A government center in the center of Kings Beach would be a positive infusion/ anchor tenant to Kings Beach and the existing businesses located in this community.

6.j My preference for the government building is on hwy 28 in KINGS BEACH. The

building needs to be in a high profile place. The improvement to the town will be a asset also

6.k This area has readily available services nearby such as banks, restaurants, and post offices

6.l The site allows staff to walk to services.

6.m County delay yet still further - a decision that was concluded some while ago for a TGC on the North Shore. Kings Beach was determined to be the preferred location. Why proposing to delay something that - with the wonderful goodwill on both sides that has been ever-present - could get going right now and be part of that recovery. Why are you opening the PROCESS again when anyone who actually knows anything about the North Shore would be able to tell you the circle will go round. Kings Beach is not only the most appropriate - and right - place to put development dollars, it is crying out for such projects to kick-start the REVITALIZATION that our Diamond in the Rough needs. Please stop with the procrastination.

**7 FACILITY - TAHOE TREE**

7.a There are traffic congestion concerns associated with this site. Accessing this site is affected by the congestion at the "Wye"

7.b Traffic along Hwy 89 is very congested at this section. The traffic is stop and go from Fanny Bridge to almost the Sunnyside Resort. This is a residential area and to impact it with more traffic is just not good planning. Was there a traffic impact study to reflect the additional pollution to the Lake and air quality from the mass of vehicles idling on the road while trying to cross Fanny Bridge? Most certainly there are many sites between Tahoe City and Kings Beach that are much more appropriate and user friendly and environmentally friendly. And sites that don't have traffic impacting already over trafficked areas.

7.c Would need a traffic signal at Granlibakken

7.d. Did the County's analysis include costs for a traffic signal at Hwy 89 and Granlibakken?  
*Answer: Yes*

7.e Deterioration of Fanny Bridge and the northbound traffic congestion on the west shore coming to Tahoe City on Hwy 89. During heavy traffic on 89 many people use the

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| <p>Comstock area as a bypass to get around it. Often there is a Highway Patrolman to watch for speeders using this road</p>   | <p>7.i Tahoe Tree campus is nice. It would be enjoyable to be there.</p>  | <p>the retail nursery on the remaining property</p>  | <p>City, Northstar and Kings Beach. Provides convenient access to downtown amenities. Retains a valuable local business and gain a possible green project demonstration site.</p>  |
| <p>7.f I do not favor the Tahoe City site as the West shore is always crowded during holidays as well as the summer months. Also there is a proposed Hwy 89 bypass that would also impact that area of roadway.</p> | <p>7.j Best location from a distance from Squaw Valley residents perspective</p>  | <p>7.l Tahoe Tree is the most central location. Building this facility at the far end of the county, in Kings Beach, will result in more vehicle miles traveled in and around the north shore of Lake Tahoe, more unnecessary traffic and more emissions. Keeps Placer County in the same neighborhood. Tahoe City has enjoyed a good relationship for many years with the County. Losing them would result in a big loss to Tahoe City's economic sustainability. By owning the land, the County will have complete control of costs and timing of the project. Opportunity to rent out the existing building when the new offices are completed. Placer County will have a valuable tenant, McBride's Nursery. The Placer County offices and McBride's Nursery will certainly be a beautiful place to do business.</p> | <p>7.n Will allow the Government building employees and visitors to take advantage of existing County transportation center development at the 64 Acres site that is less than 1/4 mile away.</p>  |
| <p>7.g If developed into a government building would greatly increase the amount of traffic and congestion at a point on highway 89 that is already congested during the summer and other times</p>                 | <p>7.k Site has an existing building and parking lot, large enough that would allow immediate use of the property while planning, design, and permitting proceeded for the ultimate project on the same property. Proximate to existing offices and would minimize relocation efforts, and easily retrain the public to find the new location; location is central to the communities Placer County serve; Already in use as a commercial site and the land disturbance would be minimized with respect to the other sites; change in use will offer no significant increase in traffic; the community is used to a commercial venture at this location and the opposition from neighbors is likely to be minimal; centralization of county offices and potential other partners at this location would be significant to the success of other private commercial enterprises in Tahoe City; Granlibakken Resort is nearby providing accommodation and meeting gathering places; current owners are excited to maintain</p> | <p>7.m Tahoe City Downtown Association Board of Directors: Location of other Lake Tahoe offices on Tahoe Tree Company property will be a significant economic stimulus to our local economy. Proves to be a central location for the communities that Placer County services east of the summit, including Squaw Valley, the West Shore, Tahoe</p>   | <p><b>8 FACILITY - HIGHLANDS VILLAGE</b></p> <p>8.a Concern with traffic from school children and buses. At 3:00 p.m. it is very congested due to the school traffic.</p> <p>8.b No signal to return to Hwy. Busy with school traffic coming and going at those times and activities. Very close to residential.</p> <p>8.c Do not believe the Highlands Village site would be a good choice at all due to current traffic issues impacting the neighborhood – i.e., the high school and the cross country center in the winter as well as the difficulty of exiting from Fabian onto Hwy 28 toward Kings Beach. Adding the 24,000 foot facility at this</p> |

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- 8.d location would create a significant traffic flow and traffic safety issue
- 8.e Do NOT use the Highlands Village site. The mixed-use development for that site planned by Mr. Nahas is a very good plan which we welcome to the neighborhood. That is by far the best and highest use for the property. Strongly object to using the Highlands Village site for the Tahoe Government Center.
- 8.f Dollar Hill's traffic in the summer is congested
- 8.g Highlands site at highway 28 and Fabian -would be adversely impacted by increased traffic. This is almost exclusively a residential area and is not conducive to governmental development.
- 8.h In favor of the Highlands Village property. There would be adequate room for the building as well as for future expansion or addition of other county facilities. The area is not congested with traffic and so there would be easy access to the property
- 8.i Strongly favor Highlands Village
- 8.j The Dollar Hill site offers these advantages. Central to the

- area covered. Contiguous to Conservancy property and it's proposed recreation center. Nearby office space available for interested parties. Highway 28 frontage. Easy for strangers to find. Suitable housing nearby. Level site favorable for construction, parking and access to buildings. Land is vacant and requires no demolition
- 8.k In need of Development Stimulus. No progress for 30 years.
- 8.l Support Highlands Village. More central to north Lake Tahoe communities; established office-type commercial use in this area; sufficient land and pleasing surroundings; close to a bus stop; close to the bike path; already a traffic pattern established at that location for ingress and egress into Fabian Way; ample mid-level housing (for prospective employees) in the area with numerous condominium projects; fire station nearby; very little impact to surrounding neighborhoods.

**9 FACILITY - NTPUD**

- 9.a Traffic Concerns with National Ave. There is already circulation and safety issues associated with the post office, public boat ramp and children.

- 9.b The NTPUD joint project would seem to be the best choice for the same reasons of economy as above, if indeed it is most cost effective and the least drain on taxpayer funds
- 9.c The NTPUD location seems the most sensible and economical
- 9.d Of any of the sites this would seem to be the least likely to disrupt the community
- 9.e This site has plenty of surface parking.
- 9.f Best choice of the three. Signal at Highway. Already more commercial use of area. Does not interfere with school and summer traffic.
- 9.g Favor the National Avenue site because of the close proximity to the Board of Supervisor's first choice, the B.B. Lilac's Kings Beach Town Center property and because of the economies associated with it being a joint project with the NTPUD
- 9.h Good option. Joint project makes sense.
- 9.i North Tahoe Public Utility District on National Avenue would offer synergies in construction development costs as well appropriate location for government business offices

- 9.j Tahoe Vista joint project with NTPUD might offer the best financial costs. We're not opposed to B.B. LLC's Kings Beach Town Center but the Tahoe Vista site is equally good
- 9.k The National Ave. location for Placer Co. government center would be an ideal location fitting in with a generally industrial area and ease of access.
- 9.l A Government Center here would not require a property to come off the tax roles; NTPUD and County could trade land for building which would benefit the tax dollars to constituents; the NTPUD has land and needs new facilities to upgrade to current ADA standards; the County needs the land and could share in costs of the building for NTPUD; property is located in an industrial area, zoned for public service uses; already man modified/covered and disturbed; improvement over existing conditions; part of an overall "vision" or master plan to improvement the National Ave corridor.

**END OF COMMENTS**

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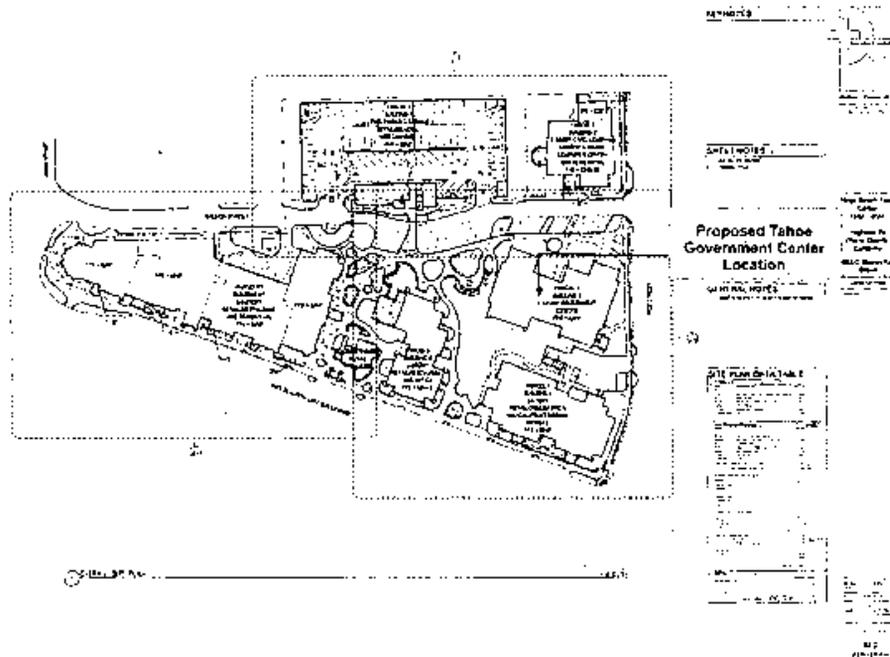


EXHIBIT C  
PROPERTY MAP AND CONCEPTUAL SITE PLAN

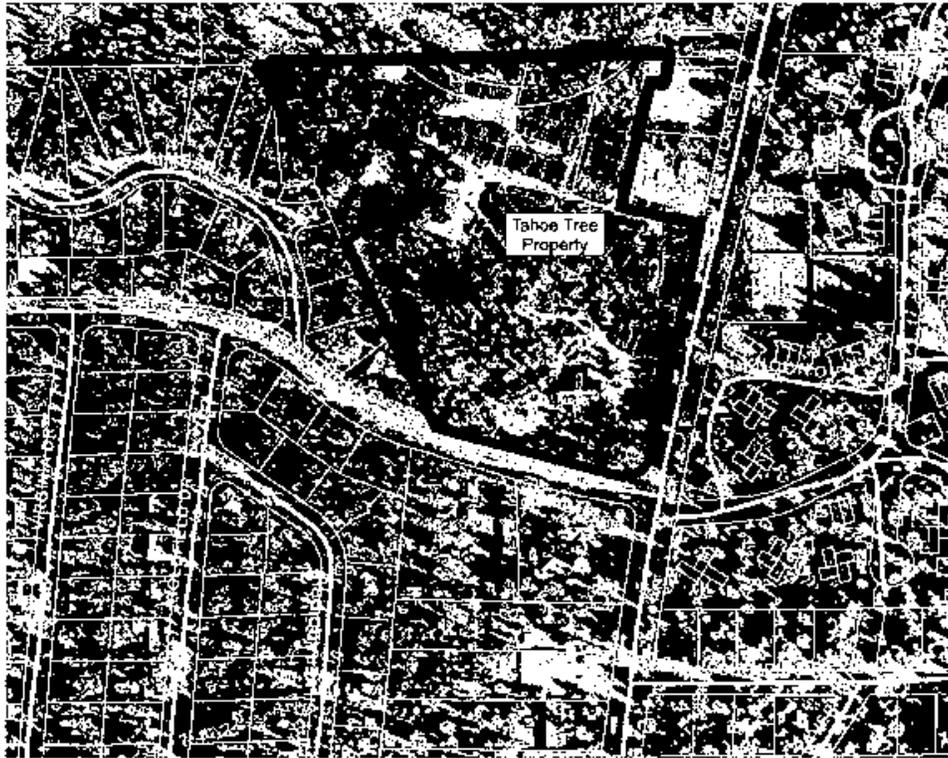
B.B. LLC  
PROPERTY MAP



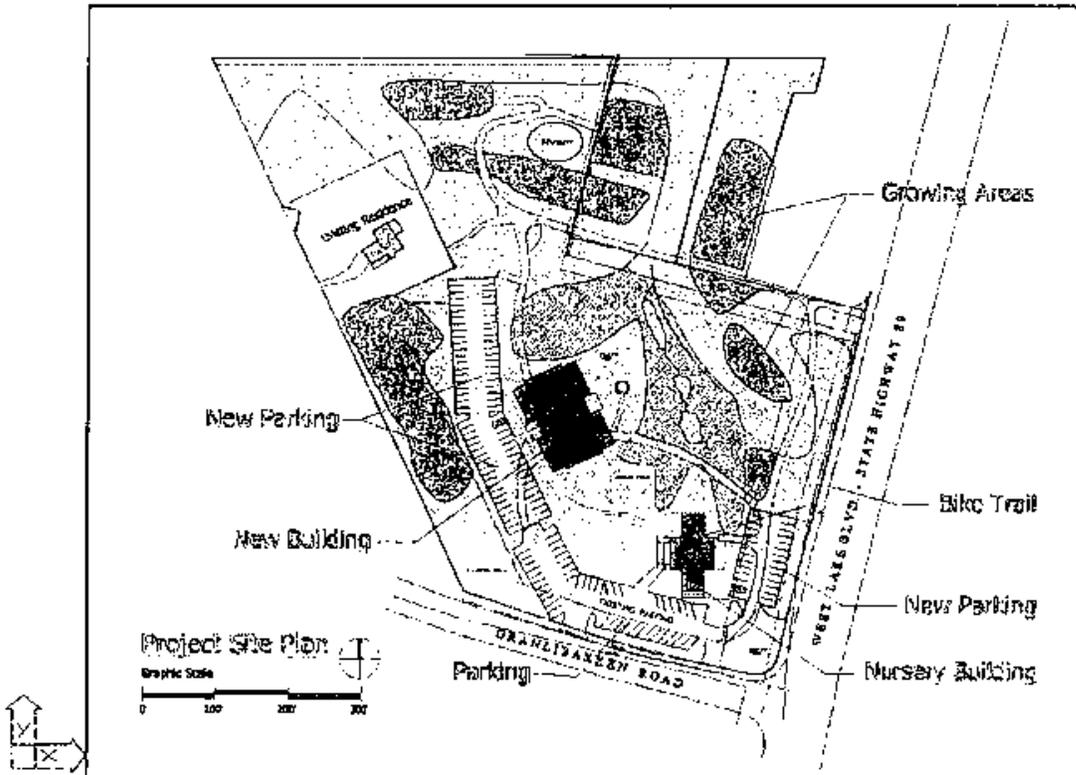
CONCEPTUAL SITE PLAN



TAHOE TREE COMPANY  
PROPERTY MAP



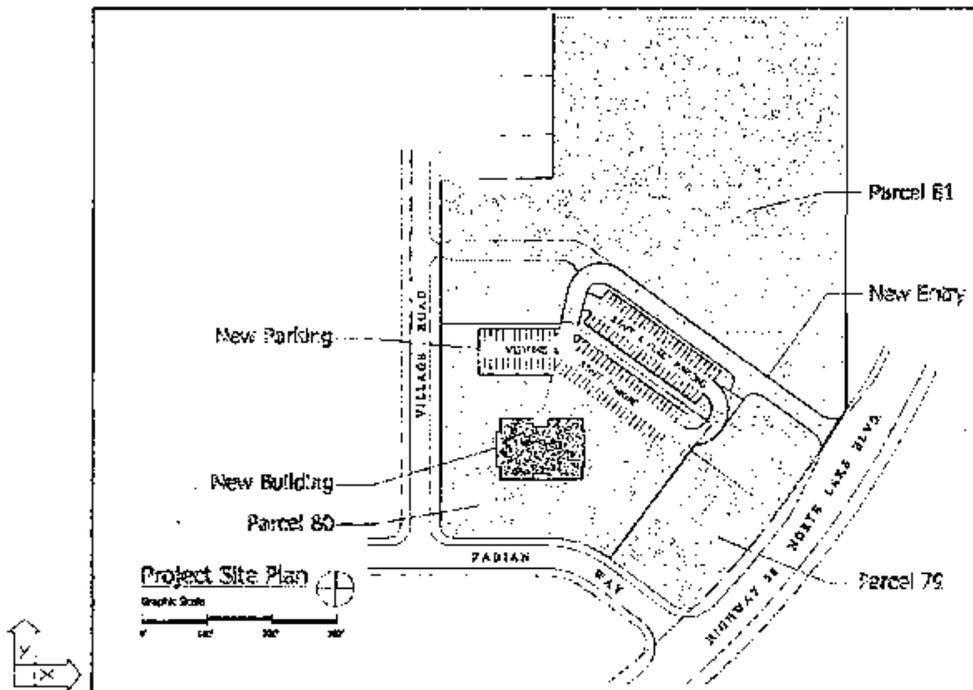
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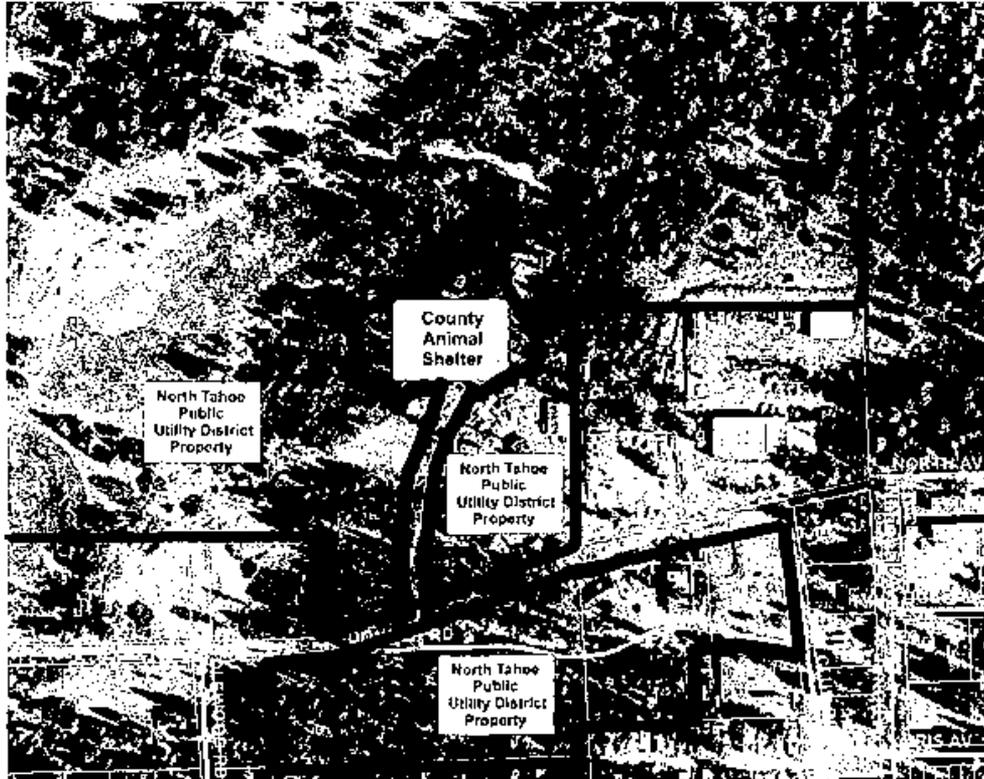
HIGHLANDS VILLAGE  
PROPERTY MAP



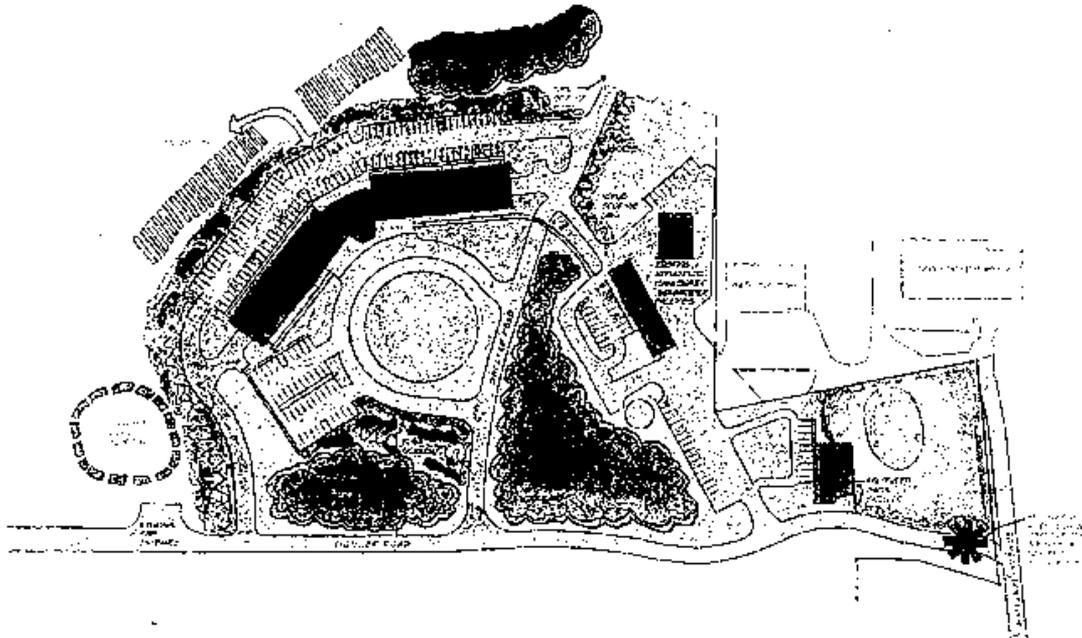
CONCEPTUAL SITE PLAN



NORTH TAHOE PUBLIC UTILITY DISTRICT  
PROPERTY MAP



CONCEPTUAL SITE PLAN



CONCEPTUAL SITE PLAN

PROPOSED TAHOE GOVERNMENT CENTER  
PLACER COUNTY AND NORTH TAHOE PUBLIC UTILITY DISTRICT  
NTPUD PROPERTIES, TAHOE VISTA, CALIFORNIA

