City of South Lake Tahoe
City Council
Meeting Agenda
Tuesday, January 24, 2023 at 5:30 PM
City Hall - Council Chambers - 1901 Lisa Maloff Way, South Lake Tahoe

City Council
Cristi Creegan, Mayor
Cody Bass, Mayor Pro Tem
John Friedrich, Councilmember
Tamara Wallace, Councilmember
Scott Robbins, Councilmember

Mission of the City Council
The City was established to provide essential, outstanding and cost-effective services that enhance environmental sustainability, economic vitality and the quality of life for our residents, businesses and guests.

Public Participation
City Council meetings are held in person at the time and location listed on this agenda. Meetings are live-streamed on Channel 21, City website at www.cityofslt.us, and via ZOOM at this link https://us06web.zoom.us/j/81569697736

A public agenda packet is available for review at City Hall, 1901 Lisa Maloff Way, on the City's Website at www.cityofslt.us, or by contacting the City Clerk's Office, (530) 542-6005 or sblankenship@cityofslt.us

Providing Public Comment:
In Person: Every agenda for regular meetings provides an opportunity for members of the public to directly address the legislative body (City Council), on any item of public interest which is within the jurisdiction of the City Council during Public Communications. For items on the agenda or in connection with any item which the City Council will consider, the public is given the opportunity to comment before or during the City Council's consideration of the item [Government Code Section 54954.3(a)].

By Phone: If you are joining the meeting via ZOOM and would like to make a comment, press the "raise a hand" button. If you are joining the meeting via Channel 21 or live stream and would like to make a comment, please call (530) 542-6500. The meeting ID is ID: 815 6969 7736 press *9 to indicate a desire to make a comment. Press *6 to unmute your phone. The Clerk will call you by the last three digits of your phone number when it is your turn to speak.

In Writing: Written comments received by 3 p.m. the day before the meeting will be distributed to City Council prior to the meeting. Written public comment regarding any item on this agenda may be sent to PublicComment@cityofslt.us. When emailing comments, identify the agenda item number in the subject line to which your comments relate. Any such comment that is a public record and is emailed to PublicComment@cityofslt.us or otherwise provided to a majority of the City Council before the meeting will be made available for public inspection during normal business

hours at the City Clerk's Office located at City Hall, 1901 Lisa Maloff Way, South Lake Tahoe [Government Code Section 54957.5(b)]. Written comments will not be read out loud during the meeting.

The City Council Chambers meeting facility is accessible to people with disabilities. Every reasonable effort will be made to accommodate any person needing special assistance to attend this meeting. Contact the City Clerk at (530) 542-6005 at least 48 hours in advance of the meeting for assistance [28 CFR 35.102.35.104 ADA Title II and Brown Act Government Code Sections 54953.2, 54954.1, 54954.2, and 54957.5].

Spanish Interpretations: The public may access Spanish interpretation using the ZOOM link listed on the front of the Agenda from an internet device (smartphone, laptop, tablet, home computer) with audio capabilities and selecting the Spanish language option. Persons without an internet device may attend the meeting in-person and a device will be provided while supplies last. Requests for interpreter services to offer public comment may be made by contacting the City Clerk.

Call to Order/Pledge of Allegiance

Roll Call

Closed Session Report

Public Communications

This is the public's opportunity to speak on any topic NOT LISTED on this agenda. Comments shall be limited to four (4) minutes. In accordance with the Brown Act, the City Council cannot deliberate or vote on any matter raised under public communications, but may briefly respond to statements made or questions posed. (Government Code Sections 54954.2)

City Commission Reports

Consent Agenda

Public Comment - This is the public's opportunity to speak on any topic listed on the Consent Agenda. Comments shall be limited to three (3) minutes.

The consent agenda consists of items of a repeating or routine nature considered under a single action. Any Councilmember may have an item on the consent agenda removed and considered separately upon request.

Pass a Motion to adopt the Consent Agenda in one motion except as indicated at each item.

1. Transfer of Unclaimed Check Funds
Requested Action / Suggested Motions: Pass a Resolution authorizing the transfer of unclaimed check funds from their respective fund(s) to the General Fund pursuant to California Government Code sections 50050 through 50057.
Responsible Staff Member: Akemi Nishimura, Accountant I
Item 1 - Executive Summary.pdf
01- Staff Report - Unclaimed Check Funds.docx
02-Resolution - Unclaimed Check Funds.docx

2. Ordinance Approving One-Year Franchise Agreement with Liberty Utilities (Second Reading)
Requested Action / Suggested Motions: Pass an Ordinance Approving One-Year Franchise Agreement with Liberty Utilities
Responsible Staff Member: Heather Stroud, City Attorney

Item 2 - Executive Summary.pdf
01 - Staff Report.docx
02 - Liberty Franchise Ordinance.docx

3. Ordinance Amending South Lake Tahoe City Code to Authorize Prequalification and Design-Build Contracts (Second Reading)
Requested Action / Suggested Motions: Pass an Ordinance Amending South Lake Tahoe City Code Title 3, Chapter 3.45, Article II (Public Contracts and Uniform Public Construction Cost Accounting Act) to Authorize Prequalification and Design-Build Contracts.
Responsible Staff Member: Heather Stroud, City Attorney
Item 3 - Executive Summary.pdf
01 - Staff Report.docx
02 - Ordinance.docx

4. CalRecycle Farm and Ranch Solid Waste Cleanup and Abatement Grant Pilot Program Application For Up to $70,000
Requested Action / Suggested Motions: Pass a Motion authorizing and directing the City Manager (or his/her designee) to submit CalRecycle Farm and Ranch Solid Waste Cleanup and Abatement Grant Pilot Program Application(s) and all other grant documents for an amount up to $70,000 towards a contract with the Clean Tahoe Program to perform cleanup and abatement of homeless encampments within South Lake Tahoe.
Responsible Staff Member: Lori Marino, Principal Management Analyst
Item 4 - Executive Summary.pdf
01-Staff Report - CalRecycle Grant Pilot Program.docx
02-Resolution Authorizing Application.docx

5. Amendment No. 1 to Contract with Trella Tahoe, Inc. for Additional Snow Removal Services Not to Exceed $30,000
Requested Action / Suggested Motions: Pass a Motion to authorize and direct the Mayor to execute Amendment No. 1 to Contract with Trella Tahoe, Inc. for additional services related to Snow Removal Operation at Park and Trail Facilities for an amount up to $30,000 for a total amount not to exceed $124,600.
Responsible Staff Member: Anush Nejad, Director of Public Works
Item 5 - Executive Summary.pdf
01-Staff Report - Tahoe Trella Contract Amendment No. 1.docx
02-Amendment No 1 to Contract with Tahoe Trella.pdf
03-C-155-2022 Tahoe Trella Inc.pdf

6. Memorandum of Understanding with the South Tahoe Zero Emissions District
Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute a non-binding Memorandum of Understanding with other South Tahoe Zero Emissions District parties in the interest of scaling energy efficiency, local resiliency, and greenhouse gas reductions.
Responsible Staff Member: Sara Letton, Sustainability Coordinator
Item 6 - Executive Summary.pdf
01 - Staff Report MOU with South Tahoe Zero Emissions District.docx
02 - South Tahoe Zero Emissions District MOU.pdf

7. Amendment No. 1 to Animal Control Services Agreement with El Dorado County
Requested Action / Suggested Motions: Pass a Motion to authorize and direct the Mayor to execute Amendment No. 1 to the Animal Control Services Agreement with El Dorado County to add the

City's share of an estimated flat amount of $53,780 for Capital Improvements and Deferred Maintenance of the facility.
Responsible Staff Member: Olga Tikhomirova, Director of Finance
Item 7 - Executive Summary.pdf
01-Staff Report-Animal Control Agreement Amendment No. 1.docx
02-Animal Services Agreement Amendment I.pdf
03-C-47-2014.pdf

Regular-New Business

8. Lease Agreement at Lake Tahoe Airport for City Hall, Administrative Offices, and Public Safety Hangar
Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute a Lease Agreement with the Lake Tahoe Airport for $26,570 per month for a term of five years to rent City Hall, administrative offices, and a hangar for use by the Fire and Police Departments.
Responsible Staff Member: John Dickinson, Airport Manager
Item 8 - Executive Summary.pdf
01-Staff Report - Lease Agreement for City Offices.docx
02-Lease Agreement for City Offices.docx

9. Housing Initiatives Local Funding Source Study
Requested Action / Suggested Motions: Receive presentation, discuss findings presented, and provide direction to staff regarding local funding source(s) for housing initiatives.
Responsible Staff Member: Zach Thomas, Housing Manager
Item 9 - Executive Summary.pdf
01-Staff Report - Final Study Presentation.docx
02-Local Housing Funding Feasibility Study.pdf

10. Agreement with PT Revolution Physical Therapy PC for Public Safety Employee Wellness & Injury Prevention Program
Requested Action / Suggested Motions: 1) Pass a Motion authorizing and directing the Mayor to execute a Professional Services Agreement with PT Revolution Physical Therapy PC for a term of three years with two one-year renewal options and for an amount not to exceed $100,000 per year; and, 2) Pass a Resolution appropriating $100,000 from General Fund Undesignated Excess Reserve to fund year one of the program.
Responsible Staff Member: Becky Penado, Risk Manager
Item 10 - Executive Summary.pdf
01 - Staff Report - Wellness Program Agreement.docx
02 - PT Revolution Professional Services Agreement.pdf
03 - Evaluation Scoresheet for RFP #2023-01-06.pdf
04_-_Resolution_Appropriating_Funds_for_Wellness_Program.docx

Agenda Planning Calendar

11. Agenda Planning Calendar
Requested Action / Suggested Motions: A Councilmember may request that an item be placed on a future agenda. Upon the support of one (1) additional Council Member, direction shall be given to the City Manager to calendar the item for a convenient future agenda, but no sooner than the second meeting after the request was made, and/or modify the Agenda Planning Calendar as desired.

Responsible Staff Member: Joseph Irvin, City Manager
Item 11 - Executive Summary.pdf
APC - 01 19 2023.pdf

Updates and Announcements (City Attorney, City Clerk, City Manager)

Councilmember Reports and Comments - Assignments to Boards, Committees, and Commissions

Adjournment

I, Susan Blankenship, City Clerk for the City of South Lake Tahoe, declare that the foregoing agenda for the Tuesday January 24, 2023 meeting of the City of South Lake Tahoe City Council as posted and available for review on Thursday, January 19, 2023 at City Hall, 1901 Lisa Maloff Way, South Lake Tahoe, CA 96150. The agenda was also available on the City website at https://www.cityofslt.us.

Signed January 19, 2023
\\sb\\
Susan Blankenship, Elected City Clerk

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: January 24, 2023
Agenda Item #: 1

Agenda Item: Transfer of Unclaimed Check Funds

Executive Summary: Staff recommends that City Council pass the resolution authorizing transfer of unclaimed check funds from their respective fund(s) to the General Fund pursuant to California Government Code sections 50050 through 50057. Revenue in 100-01951-36212 Unclaimed Funds account will increase by $13,712.72.

Requested Action / Suggested Motions: Pass a Resolution authorizing the transfer of unclaimed check funds from their respective fund(s) to the General Fund pursuant to California Government Code sections 50050 through 50057.
Responsible Staff Member: Akemi Nishimura, Accountant I

Responsible Staff Member: Akemi Nishimura, Accountant I, (530) 542-6061

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01- Staff Report - Unclaimed Check Funds.docx
02-Resolution - Unclaimed Check Funds.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: January 24, 2023

Title: Transfer of Unclaimed Check Funds

Location: Finance Department

Responsible Staff Member: Akemi Nishimura, Accountant I, (530) 542-6061

Background: On August 3, 2010 the City Council adopted the Unclaimed Checks Policy that was subsequently amended in July 2015, to establish a process to take possession of long-standing unclaimed checks. This policy is required by State Law and was recommended by the City's independent auditors.

Section 50055 of the California Government Code allows for unclaimed checks of less than fifteen (15) dollars, which remained unclaimed for a period of one (1) year to be transferred from the funds which the money was originally drawn from by the City Council to the General Fund without the necessity of publication of a notice in a newspaper.

Section 50050 of the California Government Code allows for unclaimed checks held over three (3) years in a special fund to be transferred to the general fund after notice is published and checks are not claimed, or no verified complaint is filed and served.

Issue and Discussion: Notice was published twice in the Tahoe Daily Tribune on November 11, 2022 and November 18, 2022, as required by section 50050 of the California Government Code for the notification of the unclaimed checks. All claims received before December 26th, a date not less than forty-five days after the first publication of the notice, were verified and processed as per sections 50051 and 50052 that describes the publication requirements and the claiming process by a party of interest.

Checks on the attached resolution remain outstanding and unclaimed and meet the criteria of sections 50050 and 50055 of the California Government Code that allows the City Council to transfer these funds from their respective funds to the General Fund.

There is no acceptable alternative. Leaving these unclaimed checks on the books as outstanding ties up City funds unnecessarily.

Financial Implications: Revenue in 100-01951-36212 Unclaimed Funds account will increase by $13,712.72.

Environmental Considerations: The proposed action is not a "project" subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(4) (creation of government funding mechanisms or government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment).

Policy Implications: Consistent with City's Financial Policies

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

January 24, 2023

Authorizing the Transfer of Unclaimed Check Funds from their Respective Fund(s) to the General Fund Pursuant to California Government Code Sections 50050 Through 50057

BACKGROUND

A. The checks in Section 1 on the attached list have been outstanding and unclaimed for more than three years and the City has provided public notice as required in California Government Code Sections 50050 and 50051 in addition to following the City's Unclaimed Check Policy.

B. The checks in Section 2 on the attached list are less than fifteen (15) dollars each and have been outstanding and unclaimed for a period of one year.

C. The City adopts this resolution in accordance with California Government Code sections 50050 through 50057.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Declares the unclaimed checks on the attached list in the total amount of $13,712.72 as the property of the City of South Lake Tahoe and authorizes and directs the Director of Finance to transfer the funds in those unclaimed checks from their respective funds to the General Fund's non-departmental revenue account.

Adopted by the City of South Lake Tahoe City Council on January 24, 2023 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

Attachment 1

Outstanding and Unclaimed Checks List (2022)

Section 1

Checks from 10/01/2018 through 09/30/2019 outstanding for over 3 years and unclaimed - All Funds

Check Number	Payee ID	Payee Name	Check Date	Check Amount	Fund Type
88449	1366	TERZIAN, ELIZABETH	1/17/2019	17.53	General
88890	1675	EVANS, MADELYNN	8/29/2019	311.55	General
265535	12161	BULYGO & ASSOCIATES	11/1/2018	4,820.00	General
266181	10408	CACEO	1/3/2019	190.00	General
266430	12244	EDWARD TJIN LIEP SHIE	1/31/2019	25.00	Enterprise
266734	12265	HOME DEPOT USA	2/28/2019	197.60	General
267142	11375	D-TAC K9 LLC	4/11/2019	600.00	General
267352	12304	FELIPE MUNERA	5/3/2019	50.00	General
267438	7861	SUNBEAM BLIND CO INC	5/9/2019	45.00	Enterprise
267601	3963	AT&T CALNET 2	5/31/2019	136.97	General
267769	12333	RUSSEL JONES	6/14/2019	1,000.00	General
267879	8735	ANDY EISSINGER	6/27/2019	30.30	General
268822	10039	LIBERTY UTILITIES	9/20/2019	6,264.00	Capital Improvement Fund
			TOTAL $	**13,687.95**	

Section 2

Checks from 10/01/2020 through 09/30/2021 less than $15.00 and outstanding for over 1 year - All Funds

Check Number	Payee ID	Payee Name	Check Date	Check Amount	Fund Type
273683	11878	BONNIE HARWOOD	1/11/2021	11.71	Special Revenue
274070	12586	QUADIENT FINANCE USA INC	2/17/2021	13.06	General
			TOTAL $	**24.77**	
			GRAND TOTAL $	**13,712.72**	

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: January 24, 2023
Agenda Item #: 2

Agenda Item: Ordinance Approving One-Year Franchise Agreement with Liberty Utilities (Second Reading)

Executive Summary: On January 10, 2023, City Council held a first reading of the Ordinance and set the second reading and adoption for January 24, 2023. Entering into a one-year franchise agreement with Liberty Utilities instead of a longer-term agreement would allow the City time to explore other options for provision of electric utility service including the feasibility of municipalization, and would allow the City and Liberty Utilities time to negotiate a Memorandum of Understanding to address coordination on some of the City's sustainability and resiliency goals, to be brought back to City Council for approval.

Requested Action / Suggested Motions: Pass an Ordinance Approving One-Year Franchise Agreement with Liberty Utilities
Responsible Staff Member: Heather Stroud, City Attorney

Responsible Staff Member: Heather Stroud, City Attorney (530) 542-6046

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance

Attachments:

01 - Staff Report.docx
02 - Liberty Franchise Ordinance.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: January 24, 2023

Title: Ordinance Approving One-Year Franchise Agreement with Liberty Utilities (Second Reading)

Location: Citywide

Responsible Staff Member: Heather Stroud, City Attorney (530) 542-6046

Background:
Since incorporation in 1965, the City has entered into two 25-year electric franchise agreements under the Franchise Act of 1937, California Public Utilities Code section 6201 *et seq*. Under the Franchise Act, the applicant electric utility must file an application stating that during the life of the franchise, it will pay to the City 2 percent of the gross annual receipts of the applicant arising from the use, operation, or possession of the franchise. The 2 percent fee compensates the City for the use of its right-of-way for the utility's infrastructure.

The most recent electric utility franchise agreement was a 25-year agreement with Sierra Pacific Power Company dated April 20, 1993. In 2010, the franchise agreement transferred to California Pacific Energy Company, LLC (CalPeco), and in 2011, CalPeco was acquired by Liberty Utilities. The parties inadvertently allowed the franchise agreement to expire in April 2018, but have been operating since then as if the agreement were still in place. Liberty Utilities paid its franchise fees of $265,863 in 2019, $250,660 in 2020, $285,453 in 2021, and $300,846 in 2022.

The parties began discussing potential terms of a new franchise agreement in early 2021. On August 3, 2021, City Council provided direction to pursue a new shorter-term franchise agreement with Liberty Utilities and to bring a Memorandum of Understanding (MOU) with Liberty Utilities at the same time to address cooperation on the City's priorities including: (1) Climate Action Plan implementation and renewable energy support, especially working to achieve a solar tariff greater than 1 megawatt and expanded battery storage; and (2) expediting undergrounding of utilities. City Council requested that the term of the franchise agreement be 5 years with the ability to extend for another 5 years upon meeting benchmarks in the MOU.

Since then, the City Manager, City Attorney, Public Works Director, and Sustainability Coordinator have met with staff and attorneys from Liberty Utilities multiple times to discuss Liberty's current sustainability initiatives and the terms of a potential MOU. On October 1, 2021, Liberty Utilities submitted an application under California Public Utilities Code section 6231 for a 25-year franchise agreement. In June, the City provided Liberty Utilities with a draft MOU. Unfortunately, Liberty Utilities staff informed City staff in Fall 2022 that they are not willing to enter into any MOU with the City. However, at the first reading of this Ordinance on January 10, 2023, a representative

from Liberty Utilities indicated that Liberty Utilities would be willing to consider an MOU that is not expressly tied to the franchise agreement.

Issue and Discussion:
On November 15, 2022, City Council adopted a resolution of intent to enter into a one-year franchise agreement with Liberty Utilities. City Council provided direction to explore potential alternatives to this franchise agreement in the future, specifically exploring the possibility of creating a municipal electrical utility. The one-year franchise agreement could be extended before it expires if more time is needed.

Having a franchise agreement in place would ensure that Liberty Utilities continues to pay its franchise fees and that the City is indemnified and held harmless by Liberty Utilities from any liability for damages proximately resulting from Liberty Utilities' operations.

Staff has re-sent the draft MOU to Liberty Utilities with edits based on the discussion at the City Council meeting on January 10, and hopes to bring an MOU back to City Council for consideration later this year.

Financial Implications:
The City receives an annual fee equal to 2 percent of Liberty Utilities' gross annual receipts under the expired franchise agreement, which has historically been over $250,000 per year. This statutory fee is intended to compensate the City for the utility's use of the public right-of-way.

Environmental Considerations:
Entering into an electric utility franchise agreement is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301(b) (existing facilities of utilities used to provide electric power).

Policy Implications:
The City's Strategic Plan 2021-2026 includes Priority 1.5 (Carbon Neutrality) and Action Item 3, to work with community partners to achieve 100% local, renewable energy for all entities by 2025. The City has also adopted a Climate Action Plan that includes strategies with Liberty Utilities as a partner, including promoting and incentivizing electric vehicle chargers, electrifying the existing building stock by 2030, transitioning to 100% renewable electricity, pursuing community solar and distributed energy systems, and supporting waste to energy and methane collection. Entering into a short-term franchise agreement will allow the City to explore other options besides a longer-term franchise agreement and MOU with Liberty Utilities to advance these goals.

Ordinance 2023-XXX

Adopted by the City of South Lake Tahoe City Council

January 24, 2023

An Uncodified Ordinance Approving a Franchise Agreement with Liberty Utilities for the Purpose of Transmitting Electricity and Other Commodities Under, Along, and Across City Streets

FINDINGS

A. On March 19, 1968, the City Council of the City of South Lake Tahoe adopted Ordinance No. 154, granting an electric utility franchise to Sierra Pacific Power Company for a term of twenty-five (25) years under the Franchise Act of 1937, California Public Utilities Code section 6201 *et seq*.

B. On April 20, 1993, the City Council of the City of South Lake Tahoe adopted Ordinance No. 817, extending and modifying the terms of an electric utility franchise agreement with Sierra Pacific Power Company, which agreement had a term of twenty-five (25) years.

C. On October 19, 2010, the City Council of the City of South Lake Tahoe approved the assignment of the franchise agreement with Sierra Nevada Pacific Power Company to California Pacific Electric Company, LLC.

D. On January 1, 2011, Liberty Utilities acquired California Pacific Electric Company, LLC.

E. The franchise agreement expired on April 20, 2018, but since that time, the parties have been operating as if the agreement was still in place.

F. On October 1, 2021, CalPeco Electric, LLC (Liberty Utilities) provided to the City of South Lake Tahoe an application for this franchise in accordance with California Public Utilities Code section 6231.

G. On November 15, 2022, the City of South Lake Tahoe adopted a Resolution of Intention to grant this franchise to Liberty Utilities, which was published on November 25, 2022, and set a public hearing for January 10, 2023 in accordance with California Public Utilities Code section 6232.

Now, Therefore, the City Council of City of South Lake Tahoe does ordain as follows:

SECTION 1. This franchise is granted under and pursuant to the provisions of the Franchise Act of 1937, California Public Utilities Code section 6201, *et seq*. Whenever in this ordinance the words "Grantee" and "City" are used, they shall mean Liberty Utilities and the City of South Lake Tahoe, respectively.

SECTION 2. Grantee, through this franchise, shall retain the right, privilege, and permission to construct and use poles, wires, conduits, and appurtenances for transmitting and distributing electricity for all purposes under, along, across, or upon the public streets and way, alleys, and public places and grounds as the same now or may hereafter exist within the City of South Lake Tahoe, County of El Dorado, State of California.

SECTION 3. The said Grantee, its successors and assigns, are hereby granted said franchise, right, privilege, and permission hereinabove mentioned for the term of one (1) year from and after the date of the adoption and passage of this ordinance, or until such time as the franchise is forfeited or the City shall purchase by voluntary agreement or shall condemn and take under the power of eminent domain in accordance with then existing law all property actually used and useful in the exercise of said franchise. Said franchise shall never be considered or taken into account in fixing the value of said property.

SECTION 4. The Grantee of this franchise shall:

a) Construct, install, and maintain all pipes, conduits, poles, wires, substations, switching stations, and appurtenances in accordance and in conformity with all the ordinances, rules, and regulations heretofore and hereafter adopted by the City Council in the exercise of its police powers and not in conflict with the paramount authority of the State of California and, as to state highways subject to the laws relating to the location and maintenance of such facilities;

b) Make to standards established by the City in the reasonable exercise of its discretion, all repairs to public property made necessary by any of the operations of Grantee under this franchise, or at the option of Grantee, pay to the City the cost of such repairs;

c) To the maximum extent allowed by law, indemnify and hold harmless the City and its officers from any and all liability for damages proximately resulting from any operations under this franchise;

d) Comply with all federal, state, and local laws and ordinances governing the use, storage, generation, or disposal of hazardous substances. In the event a public right-of-way becomes contaminated in any manner for which Grantee is legally liable, Grantee shall promptly, at its sole expense, take any and all necessary actions, as required by law, to return the public right-of-way to the conditions existing prior to any such contamination. Further, Grantee shall indemnify and hold harmless the City from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, any and all sums paid for settlement of claims, attorneys fees, consultant, and expert fees) arising during or after the term of this franchise which occur as a result of such contamination by Grantee. This indemnification shall include, without limitation, any and all cleanup costs incurred due to any investigation of the site or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision.

Settlement of any action which is subject to this provision shall be wholly within the control of Grantee. Provided, however, that in the event of dispute over the terms of any such settlement between Grantor and Grantee, the issue shall be resolved by a court of competent jurisdiction.

e) Remove or relocate, without expense to the City, any of its facilities installed, used, and maintained under the franchise as and when made necessary by any lawful change of grade or

alignment or width of any public street, way, alley, or public places and grounds including the construction of any fixed guideway or other similar transportation system by the City;

f) File with the City Council of the City at least thirty (30) days prior to any sale, transfer, assignment, or lease of this franchise or any party thereof, or any of the rights or privileges granted thereby, written evidence of the same certified to by the officers of the Grantee duly authorized. The City Council reserves the right, in the reasonable exercise of its discretion, to approve, conditionally approve, or deny at such sale, transfer, assignment, or lease or any part thereof.

g) Apply for and obtain a City business license under Chapter 3.35 of the City Code.

SECTION 5. Said Grantee and its assigns must, during the life of this franchise, right, privilege, and permission pay to the City two percent (2%) of the gross annual receipts of said Grantee arising from the use, operation, or possession of said franchise; provided, however, that such payment shall in no event by less than one percent (1%) of the gross annual receipts of said Grantee derived from the sale within the limits of the City of South Lake Tahoe of the utility service for which this franchise is awarded.

The provisions contained in this Section shall be deemed a minimum franchise fee. Both Grantor and Grantee expressly reserve the right to reopen and reconsider the amount and type of fees due under this franchise in the event of any change in state or federal law governing such matters. Any such reconsideration shall not shorten or extend the term of this franchise.

SECTION 6. The Grantee of this franchise shall file with the City Clerk within three (3) months after the expiration of the calendar year or fractional calendar year following the date of this franchise and within three (3) months after the expiration of each and every calendar year thereafter, a duly verified statement showing in detail, the total gross receipts of such Grantee, its successors, and assigns during the preceding calendar year, or such fractional calendar year, from the sale of the utility service for which this franchise is granted; such Grantee shall pay to the City within fifteen (15) days after the time for filing such statement, in lawful money of the United States, the specified percentage of its gross receipts for the calendar year or such fractional calendar year covered by such statement. Any neglect, omission, or refusal of said Grantee to file such verified statement or to pay said percentage at the times or in the manner here provided, shall be grounds for the declaration of the forfeiture of this franchise and all rights thereunder.

SECTION 7. This franchise shall take effect thirty (30) days after its adoption, however, will not be in full force and effect until such time as written acceptance thereof shall have been filed by the Grantee thereof with the City Clerk.

SECTION 8. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this ordinance. The City Council declares that it would have passed this ordinance and each and every section, subjection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 9. The City Clerk is directed to certify this ordinance and cause it to be published in the manner required by law.

Adopted by the City of South Lake Tahoe City Council on January 24, 2023 by the following vote:

Yes:
No:
Abstain:
Absent:

_____ Date:_____
Cristi Creegan, Mayor

Attest:

_____
Susan Blankenship, City Clerk

First Reading: January 10, 2023
Published:
Second Reading:
Effective:

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: January 24, 2023
Agenda Item #: 3

Agenda Item: Ordinance Amending South Lake Tahoe City Code to Authorize Prequalification and Design-Build Contracts (Second Reading)

Executive Summary: On January 10, 2023, City Council held a first reading and referred second reading and adoption to January 24, 2023. The proposed Ordinance would amend the City Code to create greater flexibility for procurement of public works projects. The Ordinance would allow prequalification of contractors prior to issuing an invitation to bid and would allow design-build procurement of City buildings and parks and recreation facilities over $1 million, consistent with state law.

Requested Action / Suggested Motions: Pass an Ordinance Amending South Lake Tahoe City Code Title 3, Chapter 3.45, Article II (Public Contracts and Uniform Public Construction Cost Accounting Act) to Authorize Prequalification and Design-Build Contracts.
Responsible Staff Member: Heather Stroud, City Attorney

Responsible Staff Member: Heather Stroud, City Attorney (530) 542-6046

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Director of Finance

Attachments:

01 - Staff Report.docx
02 - Ordinance.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: January 24, 2023

Title: Ordinance Amending South Lake Tahoe City Code to Authorize Prequalification and Design-Build Contracts (Second Reading)

Location: Citywide

Responsible Staff Member: Heather Stroud, City Attorney (530) 542-6046

Background:
State law authorizes general law cities to prequalify bidders for public works projects (Cal. Pub. Contract Code § 20101), and to use the design-build method of project delivery for certain types of public works projects, namely contracts to design and construct buildings and parks and recreation facilities over $1 million (Cal. Pub. Contract Code §§ 22160 *et seq.*).

On January 10, 2023, City Council held a first reading of the Ordinance and referred second reading and adoption to this meeting.

Issue and Discussion:
Currently, the City does not have a process to prequalify bidders and the South Lake Tahoe City Code requires public works projects to be awarded based on the lowest responsible bidder. The City desires to update its public works procurement code provisions to allow for prequalification of bidders and/or design-build delivery when appropriate and in the City's best interests on particular future projects.

Pre-qualification may be done either on a quarterly basis for all City public works projects, or for a particular project. For example, the City may want to consider pre-qualifying bidders for larger projects to increase the likelihood that serious and qualified bidders will submit a bid. Staff intends to use the standard pre-qualification forms issued by the Department of Industrial Relations (DIR), which include information such as contractor license and DIR public works contractor registration numbers, financial information, any prior bankruptcy, prior performance and payment bond information including whether a surety has been called to complete a project, bonding capacity for current project, Labor Code compliance history, criminal background, prior civil litigation and/or administrative penalties, occupational health and safety compliance, prevailing wage and apprenticeship compliance, and project references. Contractors are pre-qualified if they have a total score above a certain level on the questionnaire form. Contractors who are determined to be disqualified have a right to appeal that determination to the public works director before bids are submitted.

Design-build contracts combine professional design services and construction services into a single contract with the owner. There are potential benefits from using design-build delivery instead of the traditional design-bid-build for certain projects. These benefits may include greater flexibility in contract award, as design-build contracts may be awarded on a best value basis instead of to the lowest responsible bidder. Design-build contracts allow for a single point of accountability to avoid finger-pointing between the designer and the constructor when there are issues during construction. Design-build projects may result in fewer change orders and faster project completion. Under the authorizing statute, general law cities may use design-build delivery for buildings and parks and recreation facilities with a contract value over $1 million, through the sunset date of the statute on January 1, 2025. The ordinance is drafted so that if the Legislature extends the sunset date, our ordinance will automatically extend the ability to use design-build procurement through the extended sunset date.

To use design-build procurement, the City is required by statute to develop guidelines for a "standard organizational conflict of interest policy," which has been incorporated into the proposed ordinance via the prohibition against any architectural firm, engineering firm, specialty consultant, or individual assisting in the development of plans, designs, performance standards, or the request for proposals from submitting a proposal as part of a design-build entity.

A two-step procurement process is required, with a prequalification process followed by a request for proposals issued to design-build entities who have prequalified.

Financial Implications:
There are no specific financial implications from adopting this Ordinance. It is possible that taking advantage of prequalification and/or design-build procurement may save money on specific projects in the future.

Environmental Considerations:
Adoption of the proposed Ordinance is not a project requiring environmental review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) because the Ordinance is general policy and procedure making related to the City's procurement of public works projects.

Policy Implications:
The proposed Ordinance would provide greater flexibility to tailor public works project procurement to meet the City's needs.

Ordinance 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

January 24, 2023

An Ordinance Amending South Lake Tahoe City Code Title 3, Chapter 3.45, Article II (Public Contracts and Uniform Public Construction Cost Accounting Act) to Authorize Prequalification and Design-Build Contracts

FINDINGS

A. State law authorizes general law cities to prequalify bidders for public works projects (Cal. Pub. Contract Code § 20101), and to use the design-build method of project delivery for certain types of public works projects, namely contracts to design and construct buildings and parks and recreation facilities over $1 million (Cal. Pub. Contract Code §§ 22160 *et seq.*).

B. The City desires to update its public works procurement code provisions to allow for prequalification of bidders and/or design-build delivery when appropriate and in the City's best interests on particular future projects.

Now, Therefore, the City Council of City of South Lake Tahoe does ordain as follows:

SECTION 1. South Lake Tahoe City Code Title 3, Chapter 3.45, Article II is hereby amended to read as follows:

Article II. Public Contracts and the Uniform Public Construction Cost Accounting Act

3.45.100 Requirements for public projects.
Awarding contracts for public projects shall be in accordance with the Uniform Public Construction Cost Accounting Act (the "Act") (Public Contract Code Section 22000 et seq. or any successor provision thereto) for all public projects except design-build projects under SLTCC 3.45.165 and those in which grant funds require alternate bidding procedures.

3.45.105 Prequalification.

A. The city may require each prospective bidder for a contract to submit a standardized questionnaire and financial statement in the form specified by the director of public works.

B. The city may establish a process for prequalifying prospective bidders on a quarterly basis, and a prequalification pursuant to this process shall be valid for one calendar

year following the date of initial prequalification. The director of public works is authorized to establish such a quarterly prequalification process.

C. A prospective bidder may appeal its prequalification rating for a contract to the director of public works in accordance with this subsection and procedures consistent with this section issued by the director of public works.

1. Upon request of the prospective bidder, the director of public works shall provide notification to the prospective bidder in writing of the basis for the prospective bidder's disqualification and any supporting evidence that has been received from others or adduced as a result of investigation by the city.

2. Prior to the closing time for receipt of bids, the prospective bidder shall provide to the director of public works in writing of any rebuttal evidence as to why the prospective bidder should be found qualified.

3. If the prospective bidder does not avail itself of this process, the proposed prequalification rating may be adopted without further proceedings.

3.45.110 Director of public works authority.

A. Public project contracts of $60,000 or less may be executed by the director of public works or his or her designee by force account, negotiated contract, or purchase order. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

B. Public project contracts of $200,000 or less may be executed by the director of public works or his or her designee in accordance with the provisions of this article. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

3.45.120 Formal competitive bidding.

Public projects of greater than $200,000 shall be bid in accordance with the procedures set forth in Public Contract Code Section 22037 et seq. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

3.45.130 Informal bidding.

A. Monetary Limit. Public contracts of $200,000 or less may be let to contract by informal procedures as set forth in this section. This limit shall be automatically adjusted from time to time to reflect changes in the limits established by the state of California.

B. Contractors List. The city shall maintain a contractors list and contractors shall be selected to perform public projects in accordance with the provisions of Public Contract Code Section 22034.

C. Notice Inviting Informal Bids. Not less than 10 calendar days before bids are due, the city will mail notices inviting informal bids to all contractors on the contractors list and/or all trade journals specified in Public Contract Code Section 22034(b).

a. If there is no list of qualified contractors maintained by the city for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the California Uniform Construction Cost Accounting Commission.

b. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

c. The notice inviting informal bids shall include specifications that describe the public project with sufficient particularity to allow for competitive bidding and evaluation. The specifications shall also describe the functions and performance that are required.

3.45.140 Waiver of irregularities and rejection of bids.

A. At its discretion, the city may waive any irregularity in any bid received and award the contract.

B. At its discretion, the city may reject all bids presented and may readvertise the project.

C. At its discretion, the city may abandon the project.

3.45.150 Lowest responsible bidder.

Contracts for public projects shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the city may accept the one it chooses. In determining the lowest responsible bidder, the following factors may be considered in addition to price:

A. The ability, capacity and skill of the bidder to perform the contract or provide the service required;

B. The character, integrity, reputation, judgment, experience, efficiency and performance demonstrated in previous contracts or services for the city;

C. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the services;

D. The ability of the bidder to provide future maintenance for service for the public project.

3.45.160 Prohibition against splitting projects.

It shall be unlawful to split or separate any public project into smaller work orders or projects for the purpose of circumventing or evading the requirements of the Act.

3.45.165 Design-build contracts.

A. The purpose of this section is to authorize and provide guidelines for the award and use of design-build contracts, which means a public project procurement method in which both the design and construction of the project are procured from a single entity, in accordance with Public Contract Code Section 22160 et seq. This section shall be effective until January 1, 2025, unless the authorizing statute is extended, in which case this section shall be effective so long as Public Contract Code Section 22160 et seq. is in effect.

B. Design-build procurement may be used for public projects in excess of $1,000,000 consisting of the construction of a building or buildings and improvements directly

related thereto and park and recreational facilities, and may not be used for construction of other infrastructure including, but not limited to, streets and highways.

C. The city shall prepare and issue a request for qualifications to prequalify or short-list the design-build entities. The request for qualifications shall include an identification of basic scope and needs of the project, the expected cost range, the methodology that will be used to evaluate proposals, the procedure for final selection of the design-build entity, technical design and construction expertise, acceptable safety record, and all other non-price related factors. The city shall use a standard template request for statements of qualifications that shall require the information from design-build entities required by Public Contract Code Section 22164(b)(3).

D. The city shall issue a request for proposals to prequalified or short-listed design-build entities which sets forth the scope of the project that may include the size, type, and desired design character of the buildings and site and performance specifications. Performance specifications should describe the quality of materials, equipment, and workmanship, preliminary plans or building layouts, and other information deemed necessary to adequately describe the city's needs. The performance specifications and any plans shall be prepared by a design professional who is duly licensed and registered in California. The request for proposals shall also set forth the estimated price, methodology used to evaluate proposals, and whether the contract will be awarded on the basis of lowest responsible bidder or best value.

E. For design-build projects awarded on the basis of best value, proposals shall be evaluated on the basis of price, technical design and construction expertise, life-cycle costs over 15 or more years, and other factors within the city's discretion that are included in the request for proposals. The city may request proposal revisions and hold discussions and negotiations with responsive proposers in accordance with procedures set forth in the request for proposals.

F. Any architectural firm, engineering firm, specialty consultant, or individual retained by the city to assist in the development of plans, designs, performance standards, or the request for proposals shall not be eligible to submit a proposal as a design-build entity or join a design-build team.

G. The design-build entity shall provide payment and performance bonds for the project in the form and amount required by the city, and issued by a California-admitted surety. Final design plans shall be signed and sealed by a California-registered professional engineer or architect for the required disciplines. The design-build entity shall provide errors and omissions insurance for the design elements of the project.

H. The city may identify specific types of subcontractors that must be included in the statement of qualifications and proposal. All construction subcontractors identified in the proposal shall be afforded the protections of the Subletting and Subcontracting Fair

Practices Act, Public Contract Code Section 4100 et seq. Alternatively, if construction subcontractors are not identified in the proposal, the design-build entity shall specify the specific types of subcontractors and construction trades, and following award, for all construction subcontracts with a value exceeding one-half of 1 percent of the contract price allocated to construction work, the design-build entity shall provide public notice of availability of work to be subcontracted, including a fixed date and time on which qualification statements, bids, or proposals will be due, establish reasonable qualification criteria and standards, and award the subcontract on the basis of either best value or lowest responsible bidder.

3.45.170 Change orders.

The director of public works is delegated authority to approve, without seeking new bids, contract change orders to public projects up to the combined amounts authorized in this chapter so long as the combined amounts are within the approved project budget.

3.45.180 Emergencies.

In cases of emergency, when repair or replacements are necessary, the governing body may proceed to replace or repair any public facility by complying with Public Contract Code Section 22050.

SECTION 2. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 3. The City Council finds that adoption of the proposed Ordinance is not a project requiring environmental review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(2) because the Ordinance is general policy and procedure making related to the City's procurement of public works projects.

SECTION 4. The City Clerk is directed to certify this Ordinance and cause it to be published in the manner required by law.

SECTION 5. This Ordinance shall become effective thirty days after the date of its adoption.

Adopted by the City of South Lake Tahoe City Council on January 24, 2023 by the following vote:

Yes:
No:
Abstain:
Absent:

_____ Date:_____

Cristi Creegan, Mayor

Attest:

_____
Susan Blankenship, City Clerk

First Reading: January 10, 2023
Published:
Second Reading:
Effective:

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: January 24, 2023
Agenda Item #: 4

Agenda Item: CalRecycle Farm and Ranch Solid Waste Cleanup and Abatement Grant Pilot Program Application For Up to $70,000

Executive Summary: The Department of Resources Recycling and Recovery (CalRecycle) offers the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program pursuant to Section 48100 of the Public Resources Code. CalRecycle recognizes the City does not own parcels zoned as farm or ranch land; but has some flexibility in the approval of sensitive land and/or solid waste management on public property. The item before City Council is to authorize the submittal of a grant application to The Department of Resources Recycling and Recovery (CalRecycle) Farm and Ranch Solid Waste Cleanup and Abatement Grant Pilot Program by February 9, 2023, towards a contract with the Clean Tahoe Program in an amount up to $70,000, to perform the cleanup and abatement of homeless encampments within South Lake Tahoe. The grant funds will allow timely abatement of such encampments and help bridge the multi- jurisdictional challenges in the clean-up effort.

Requested Action / Suggested Motions: Pass a Motion authorizing and directing the City Manager (or his/her designee) to submit CalRecycle Farm and Ranch Solid Waste Cleanup and Abatement Grant Pilot Program Application(s) and all other grant documents for an amount up to $70,000 towards a contract with the Clean Tahoe Program to perform cleanup and abatement of homeless encampments within South Lake Tahoe.
Responsible Staff Member: Lori Marino, Principal Management Analyst

Responsible Staff Member: Lori Marino, Principal Management Analyst

Reviewed and Approved By:
Olga Tikhomirova, Director of Finance
Susan Blankenship, City Clerk
Heather Stroud, City Attorney

Attachments:

01-Staff Report - CalRecycle Grant Pilot Program.docx
02-Resolution Authorizing Application.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: January 24, 2023

Title: CalRecycle Farm and Ranch Solid Waste Cleanup and Abatement Grant Program

Location: Citywide

Responsible Staff Member: Lori Marino, Associate Management Analyst (530) 542- 7410

Background: The Department of Resources Recycling and Recovery (CalRecycle) offers the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program pursuant to Section 48100 of the Public Resources Code. The purpose of the grant is to clean up illegally dumped material on farm and/or ranch property. During the third (last) cycle of the given fiscal year, applicants have the option to submit their application under the "Pilot" Program (if funds remain). Cal Recycle recognizes the City does not own parcels zoned as farm or ranch land; but has some flexibility in the approval of sensitive land and/or solid waste management on public property; therefore, CalRecycle recommends applying for funding under the Pilot Program. This program will allow an applicant to apply for funds for existing illegal disposal sites with only a resolution and an estimate of expenses submitted by the application due date. After grant award, but prior to cleanup, the grantee will upload specifics regarding the site remediation. This allows CalRecycle to assess each site location individually, before any cleanup costs can be incurred. This provides the evaluation necessary for flexibility within the zoning requirements.

Issue and Discussion: The item before City Council is to authorize via required general resolution the submittal of a grant application to The Department of Resources Recycling and Recovery (CalRecycle) Farm and Ranch Solid Waste Cleanup and Abatement Grant Pilot Program for an amount up to $70,000 towards a contract with the Clean Tahoe Program to perform the cleanup and abatement of homeless encampments within South Lake Tahoe. The grant funds will allow timely abatement of such encampments and help bridge the multi-jurisdictional challenges in the clean-up effort. The City received this grant in 2021 and Clean Tahoe has abated fourteen encampments to date within the South Lake Tahoe area. Camps vary in size, usually presenting on river banks or in meadows potentially filtering water directly into Lake Tahoe. City staff will continue to work with the Clean Tahoe Program to coordinate with various land managers, offering services to inhabitants of encampments prior to eviction. Regardless of landowner, the camp will be identified, evicted, and the abatement will begin within 10 days of eviction. This agreement with Clean Tahoe will utilize the grant funds to allow for this timely cleanup of encampments. Expedient abatement will deter bears and other wildlife from accessing food trash, and other materials in encampments, as well as providing health, safety, and environmental benefits to the area.

The Grant Application is due February 9, 2023. Should the grant be awarded; staff will bring an MOU Agreement with Clean Tahoe back to City Council for approval to enter into contract services to perform homeless camp abatements reimbursed through the Cal Recycle grant award.

Financial Implications: There are no matching funds required for this grant program. Grant funds are paid in arrears on a reimbursement basis; withholding 10% retention until all grant requirements are met and final invoice and reporting is submitted and approved. If awarded, Clean Tahoe will submit invoices to the City for the abatement measures; the City will pay Clean Tahoe and the City will be reimbursed from CalRecycle through the grant. If awarded, the grant award will be brought back to city council for acceptance and appropriation of funds.

Environmental Considerations: The resolution authorizing the grant application does not constitute approval of a project under the California Environmental Quality Act because it does not commit the City to a particular course of action regarding the project (CEQA Guidelines section 15352(a)).

Policy Implications: Per Financial Management- Grant Funding and Compliance Policy approved by City Council on Sept. 8, 2020; section 2.3 City Council Approval to Apply: City Council approval to submit an application is required for ALL Grant Applications. A detailed staff report and a resolution (if required) should be brought forth to City Council for Council approval/adoption.

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

January 24, 2023

Authorizing submittal of application(s) for all CalRecycle Grants for which the City of South Lake Tahoe is eligible.

BACKGROUND

A. Public Resources Code sections 48000 et seq. authorize the Department of Resources Recycling and Recovery (CalRecycle) to administer various grant programs (grants) in furtherance of the State of California's (state) efforts to reduce, recycle and reuse solid waste generated in the state thereby preserving landfill capacity and protecting public health and safety and the environment.

B. In furtherance of this authority CalRecycle is required to establish procedures governing the application, awarding, and management of the grants.

C. CalRecycle grant application procedures require, among other things, an applicant's governing body to declare by resolution certain authorizations related to the administration of CalRecycle grants.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of South Lake Tahoe authorizes the submittal of application to CalRecycle for all grants for which the City of South Lake Tahoe is eligible; and

1. Certifies that the City Manager, or **his/her designee** is hereby authorized and empowered to execute in the name of the City of South Lake Tahoe all grant documents, including but not limited to, applications, agreements, amendments and requests for payment, necessary to secure grant funds and implement the approved grant project; and
2. Certifies that these authorizations are effective for five (5) years from the date of adoption of this resolution.

Passed & Adopted by the City of South Lake Tahoe City Council on January 24, 2023 by the following vote:

Yes:

No:

Absent:

Abstain:

_____ Date: _____

Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: January 24, 2023
Agenda Item #: 5

Agenda Item: Amendment No. 1 to Contract with Trella Tahoe, Inc. for Additional Snow Removal Services Not to Exceed $30,000

Executive Summary: Staff is recommending a Contract Amendment with Trella Tahoe, Inc. to provide additional snow removal operations at Recreation Center, Ice Arena, Harrison Parking Lot, Bijou Park, Senior Center, Museum Area, and High Priority trails. The contract amendments will be funded with the currently appropriated budget for the Seasonal Workers and Measure S-Bike Trails.

Requested Action / Suggested Motions: Pass a Motion to authorize and direct the Mayor to execute Amendment No. 1 to Contract with Trella Tahoe, Inc. for additional services related to Snow Removal Operation at Park and Trail Facilities for an amount up to $30,000 for a total amount not to exceed $124,600.
Responsible Staff Member: Anush Nejad, Director of Public Works

Responsible Staff Member: Anush Nejad, Director of Public Works

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Finance Director
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Tahoe Trella Contract Amendment No. 1.docx
02-Amendment No 1 to Contract with Tahoe Trella.pdf
03-C-155-2022 Tahoe Trella Inc.pdf

City of South Lake Tahoe
Report to City Council

Meeting Date: January 24, 2023

Title: Amendment No. 1 to Contract with Trella Tahoe, Inc. for Additional Services Related to Snow Removal Operation at Park Facilities

Location: Recreation Center, Ice Arena, Harrison Parking Lot, Bijou Park, Senior Center, Museum Area, and High Priority Trails

Responsible Staff Member: Anush Nejad, Director of Public Works (530) 542- 6031

Background: The City issued a Request for Proposals on July 1, 2022, for Snow Removal service for 2022/2023 for Lisa Maloff Way, Airport Parking Lot, Hangers, Police Department, and Fire Department. The Project was advertised on Planet Bids. Trella Tahoe, Inc. was selected based on the lowest responsive bid for a not-to-exceed contract amount of $94,600, including $15,000 for additional on-call services (C-155-2022).

Issue and Discussion: Due to several factors related to staffing and equipment issues, the City needs additional support. The Street Department Manager is on medical leave for a period of 6 weeks. To fill the temporary vacancy one of the drivers was moved to fill the vacancy, and a member of the Parks staff was moved to plowing operations. In addition, the Park Department's main snow blower has failed, and ordering and receiving new equipment would not be possible during this snow season.

Therefore, we request additional support from Trella Tahoe to address these gaps in resources and equipment. The areas that will be covered include the Recreation Center, Ice Arena, Harrison Parking Lot, Bijou Park, Senior Center, Museum Area, and High Priority Trail paths (15th to Lukins to West to Bridge, "Y" Area, McDonald's to Melba, Melba to Helen, and Lake Tahoe Boulevard – a total of 6.53 miles). These services will be provided, per the contract, at the hourly rate of $240 per hour. It is estimated that services for the park's sites and trails will be approximately 10 hours per snow event. Staff is recommending increasing the on-call portion of services by $30,000, for a total not to exceed the contract amount of $124,600.

The on-call component of the contract will be used only if needed to address snow plowing needs. This provision will allow the Public Works Department to respond to community needs appropriately.

Financial Implications: A portion of the contract amendment for additional snow removal services, $15,000, will be funded from the current 2022/23 fiscal year Parks Maintenance temporary/part-time employee budget line item 100-04170-41020 with $214,781 budget available. Additionally, $8,800 is available in the Measure "S" Ski Run Bike Trail account, line item Snow Plowing 281-04120-43022, and $19,000 is available in the Measure S Bike Trails account, line item Technical Services, to cover the cost of these services and contract modification.

Environmental Considerations: This action is categorically exempt from review under CEQA under CEQA Guidelines section 15301 (Existing Facilities) because it consists of the operation of existing public facilities and mechanical equipment involving negligible or no expansion of use.

Policy Implications: This is a regular City operation, and there are no policy implications.

AMENDMENT No 1 TO PROFESSIONAL SERVICES AGREEMENT

The Professional Services Agreement (C-155-2022) entered into on November 1, 2022, between the City of South Lake Tahoe, a municipal corporation ("CITY") and Trella Tahoe, Inc. ("CONTRACTOR") is hereby amended as set forth below.

The terms of the Professional Services Agreement are hereby amended as follows:

Exhibit A Scope of Services.

Scope of Services is hereby amended to include the following additional sites for snow removal: Recreation Center, Ice Arena, Harrison Parking Lot, Bijou Park, Senior Center, Museum Area, and high priority trails as directed by the Public Works Director, as shown on the attached exhibits.

Exhibit B Schedule of Charges is amended to read as follows:

BUDGET

One Snow Season Price

1. Lump Sum Cost Airport Property	$ 49,500.00
2. Lump Sum Cost Police Department	$ 9,000.00
3. Lump Sum Cost Fire Department	$ 17,700.00
4. Lump Sum Cost Fire Rescue Facility	$3,400.00
5. On- Call Additional Facilities or Roadway	$ 15,000.00
6. Additional Services for Recreation Center, Ice Arena, Harrison Parking Lot, Bijou Park, Senior Center, Museum Area, and high priority trails	$30,000.00
Estimated fees (not to exceed)	$ 124,600.00
Travel and out- of-pocket expenses (travel is included in the TOTAL not to exceed amount)	$ 0.00
TOTAL (not to exceed)	$ 124,600.00

Additional services will be based on an hourly rate of $240.00

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE

By: _____
Cristi Creegan, Mayor

CONTRACTOR

By: _____
Phil Trella, Owner
Trella Tahoe, Inc.

Business License # 011500

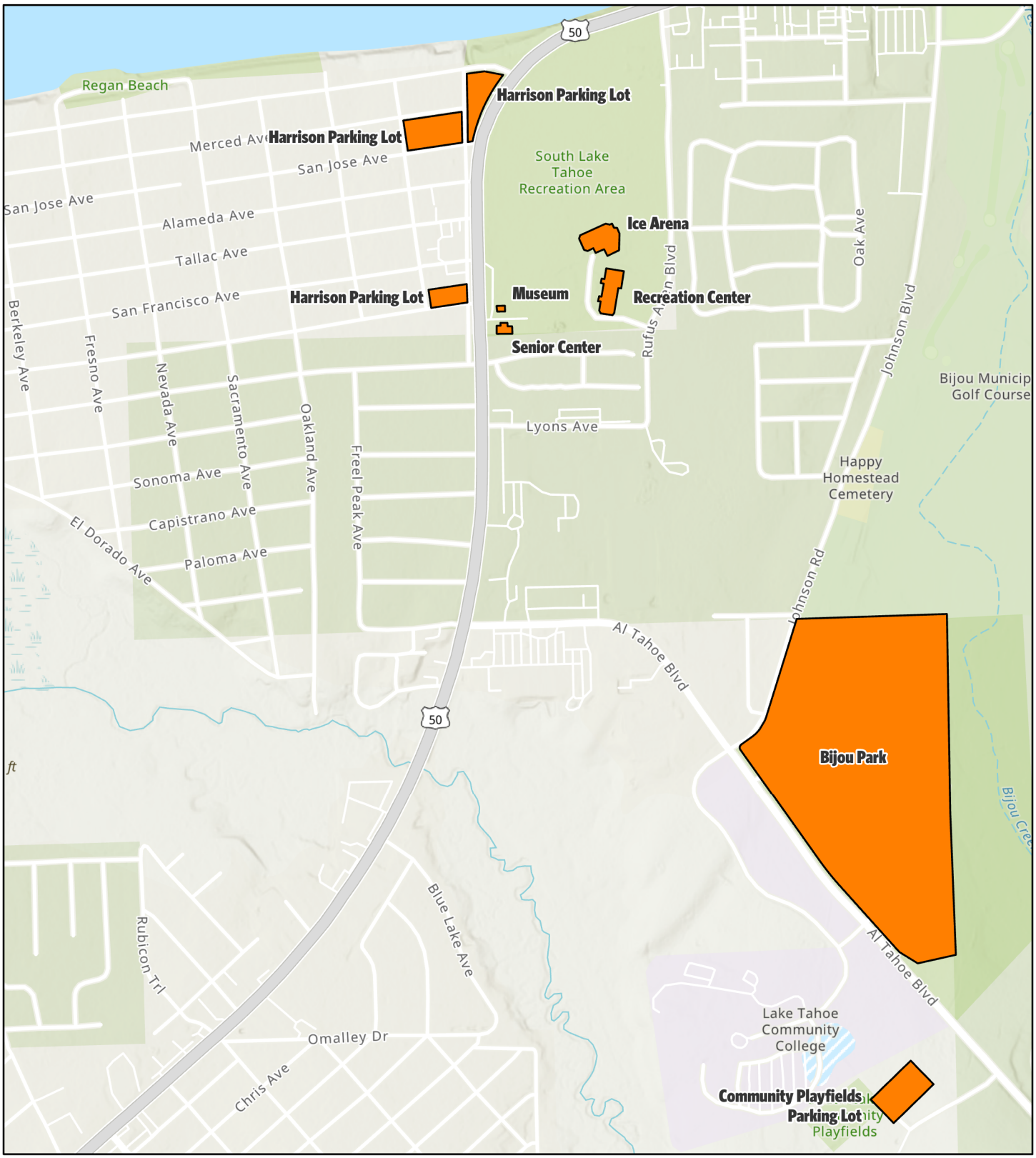
APPROVED AS TO FORM:

_____
Heather Stroud, City Attorney

ATTEST:

_____
Susan Blankenship, City Clerk

CITY SEAL:



CITY OF SOUTH LAKE TAHOE

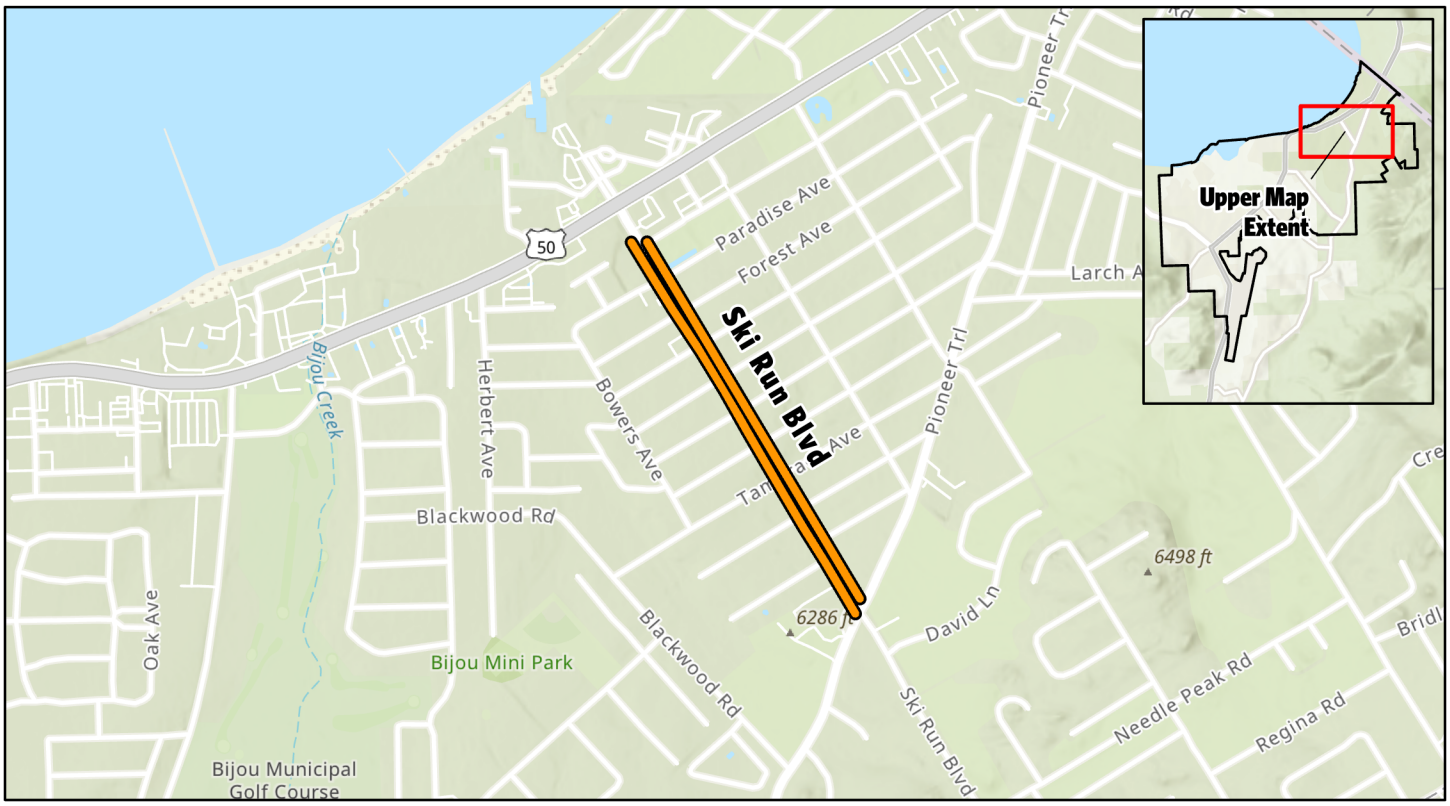
Facilities and Parks Addition to Snow Removal PSA Map Exhibit A

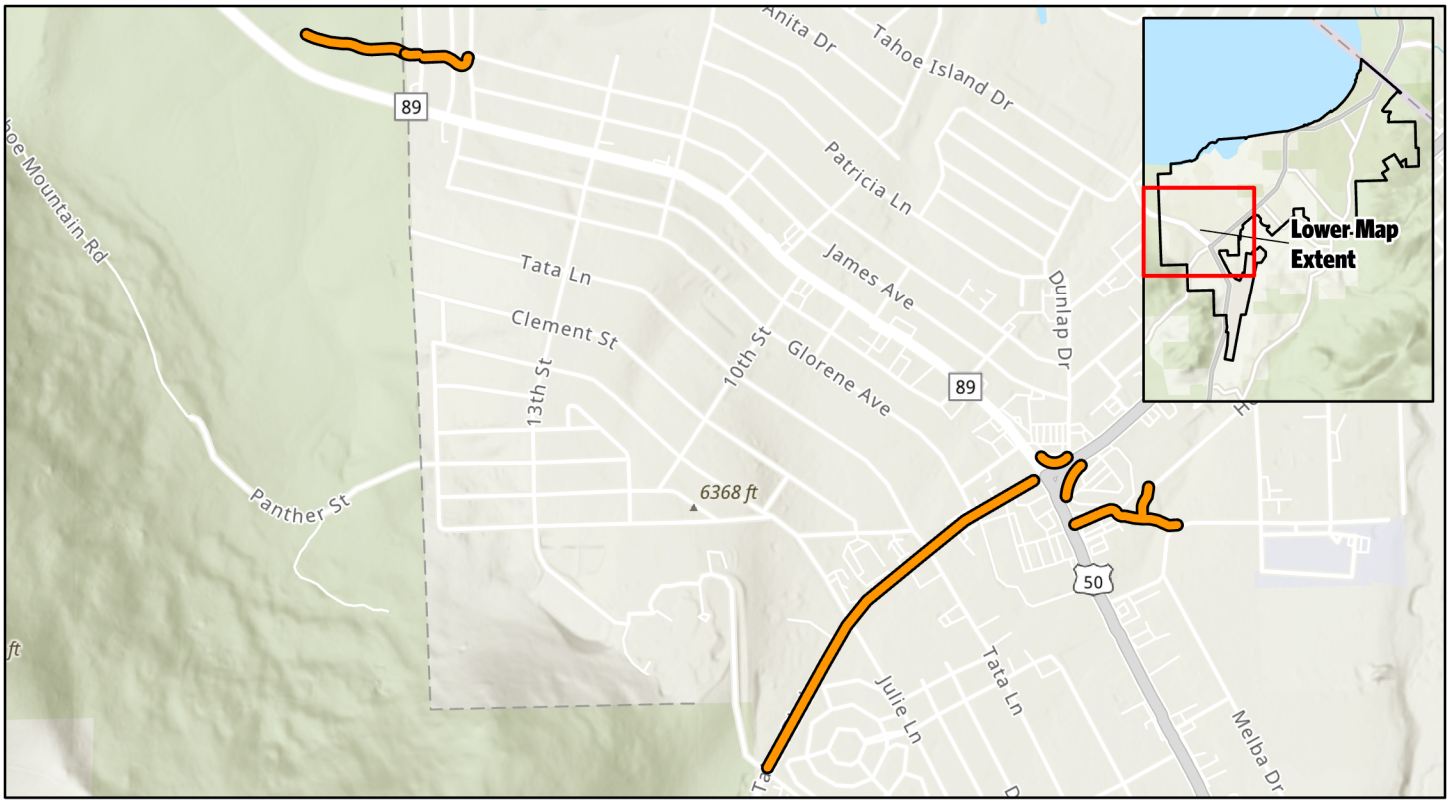
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CITY OF SOUTH LAKE TAHOE

Bike Trails/Sidewalks Addition to Snow Removal PSA Map Exhibit B

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CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the 1st day of November 2022 by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and **Trella Tahoe, Inc.** ("Consultant").

RECITALS

A. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Consultant shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Consultant shall have no power or authority by this Agreement to bind City in any respect.

   The Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Consultant pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

2. Term/Time of Performance. The services by Consultant are to commence upon the execution of the Agreement on November 1, 2022 at 12:01 AM PDT and continue until 11:59 PM PDT April 30, 2023.

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation, including travel and out-of-pocket expenses, exceed **$94,600.00** without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Consultant shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff.

5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, extra work without prior written authorization from City.

6. Termination. This Agreement may be terminated by City or Consultant immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation or expiration.

7. Ownership of Documents. All plans, studies, documents and other writings, including working notes and internal documents, prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Consultant for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to City upon written request. All documents prepared by Consultant are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

8. Consultant's Books and Records.

   a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant for services provided pursuant to this Agreement.

   b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Consultant's address indicated for the date of termination or completion of this Agreement.

   c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise,

unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be maintained at City offices. Access to such records and documents shall be granted to any party authorized by Consultant, Consultant's representatives, or Consultant's successor-in-interest.

9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors or subcontractors hired or retained by Consultant are employees, agents, contractors or subcontractors of Consultant and not of the City.

City is not required to make any deductions or withholdings form the compensation payable to Consultant under the provisions of this Contract, and is not required to issue W-2 Forms for income and employment tax purposes for any of Consultant's assigned personnel. Any third party persons employed by Consultant shall be entirely and exclusively under the direction, supervision, and control of Consultant. Consultant hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

10. Interest of Consultant. Consultant, (and principals, associates and professional employees of consultant) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further

covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation or counsel. [FPPC Reg. 18700(a)(2)].

11. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

12. Compliance with Laws. Consultant shall comply with all applicable federal, state, regional and local laws, codes, ordinances and regulations in carrying out his/her duties under this Agreement. Consultant shall observe and comply with all applicable laws, ordinances, regulations and codes of federal, state and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials and employees shall not be liable at law or in equity as a result of any failure of Consultant to comply with this section.

In the event it is determined that the Consultant is required to pay prevailing wages for the work performed under this Agreement, the Consultant shall pay all penalties and wages as required by law.

13. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Consultant to practice its profession. Consultant shall maintain a City of South Lake Tahoe business license at all times services are performed under this Agreement. Consultant acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

14. Indemnity. Consultant hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Consultant's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Consultant agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Consultant's negligent acts, errors, omissions, regarding this Agreement, the Consultant's work under this Agreement, or the consultant's Scope of Work.

City does not, and shall not, waive any rights against Consultant which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Consultant, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Consultant shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Consultant or any subcontractor, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Consultant further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims,

demands, costs, charges and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and consultant's work under this Agreement.

15. Insurance Requirements.

a. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation of all Workers' Compensation policies must be received by City at least thirty (30) days prior to such change. Consultant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City.

ii. Commercial General Liability Coverage. Consultant shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Consultant. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general

aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured's under Consultant's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Consultant.

iv. The insurer waives all rights of subrogation against City except for Consultant's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents or volunteers.

vi. No policies of insurance carried by Consultant shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Consultant shall be responsible for all deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Consultant shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount and carrier, nor shall Consultant allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

16. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City:
Lake Tahoe Airport
1901 Lisa Maloff Way, Suite 100.
South Lake Tahoe, CA 96150
Email: jdickinson@cityofslt.us
Tel: (530) 524-6182

Provide a copy to:
City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

Email: hstroud@cityofslt.us
Tel: (530) 542-7478

If to Consultant: Phil Trella, Owner
Trella Tahoe, Inc.
930 Mule Deer Circle
South Lake Tahoe, CA 96150
Email: phil@trellatahoe.com
Tel: (530) 318-8537

17. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express consent of City. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

18. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

19. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

20. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

21. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any Consultant or person, other than the independent contractors hired in accordance with Consultant's standard business practice, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any Consultant or person, other than a bona fide employee working solely for Consultant or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

23. Drug-Free Workplace Certification. By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free work place by taking the following actions:

    a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

    b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

        i. The dangers of drug abuse in the workplace;

ii. The person's or organization's policy of maintaining a drug-free workplace;
iii. Any available counseling, rehabilitation and employee assistance program; and
iv. Penalties that may be imposed upon employees for drug abuse violations.

c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

i. Will receive a copy of the Consultant's drug-free policy statement; and
ii. Will agree to abide by the terms of the Consultant's statement as a condition of employment on this Agreement.

Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Consultant may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Consultant (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

24. Anti-Lobbying Certification. Consultant shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Consultant shall require that the language of the certification in **Exhibit C** be included in all contracts or subcontracts entered into in connection with this Agreement and that all Consultants and contractors shall certify and disclose accordingly.

25. Americans with Disabilities Act. By signing this Agreement, Consultant assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et.seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

26. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

27. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

28. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

29. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

30. Time is of the Essence. Time is of the essence for this Agreement.

31. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE:

By Joseph Irvin (Sep 8, 2022 12:51 PDT)

Joseph Irvin, City Manager

CONSULTANT: TRELLA TAHOE, INC.

By Phillip Trella (Sep 15, 2022 10:40 PDT)

Phil Trella, Owner

Business License # 011500

APPROVED AS TO FORM:

By Heather Stroud (Sep 8, 2022 12:38 PDT)

Heather Stroud, City Attorney

ATTEST:

By Sue Blankenship (Sep 8, 2022 09:05 PDT) Sep 8, 2022

Susan Blankenship, City Clerk

Attachments:

Exhibit A – Scope of Services
Exhibit B – Compensation Schedule
Exhibit C - Anti-Lobbying Certification
Exhibit D- Proof of Workers Compensation Insurance and General Commercial Liability Insurance

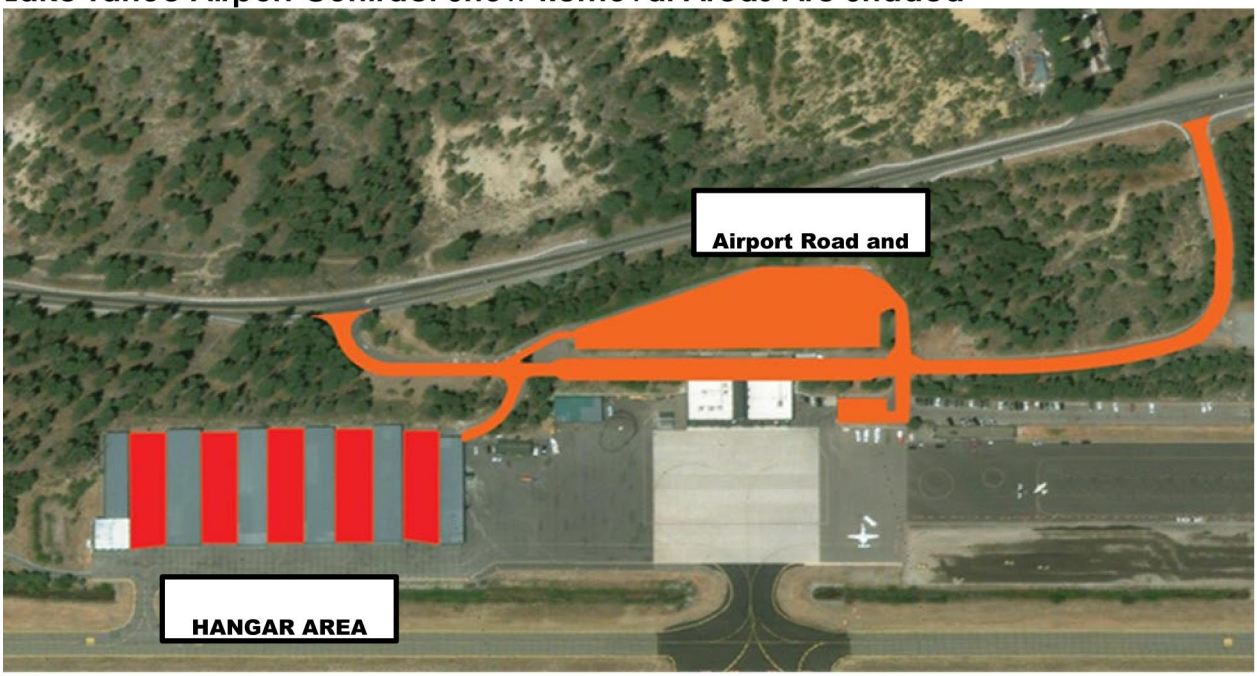
The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

EXHIBIT A

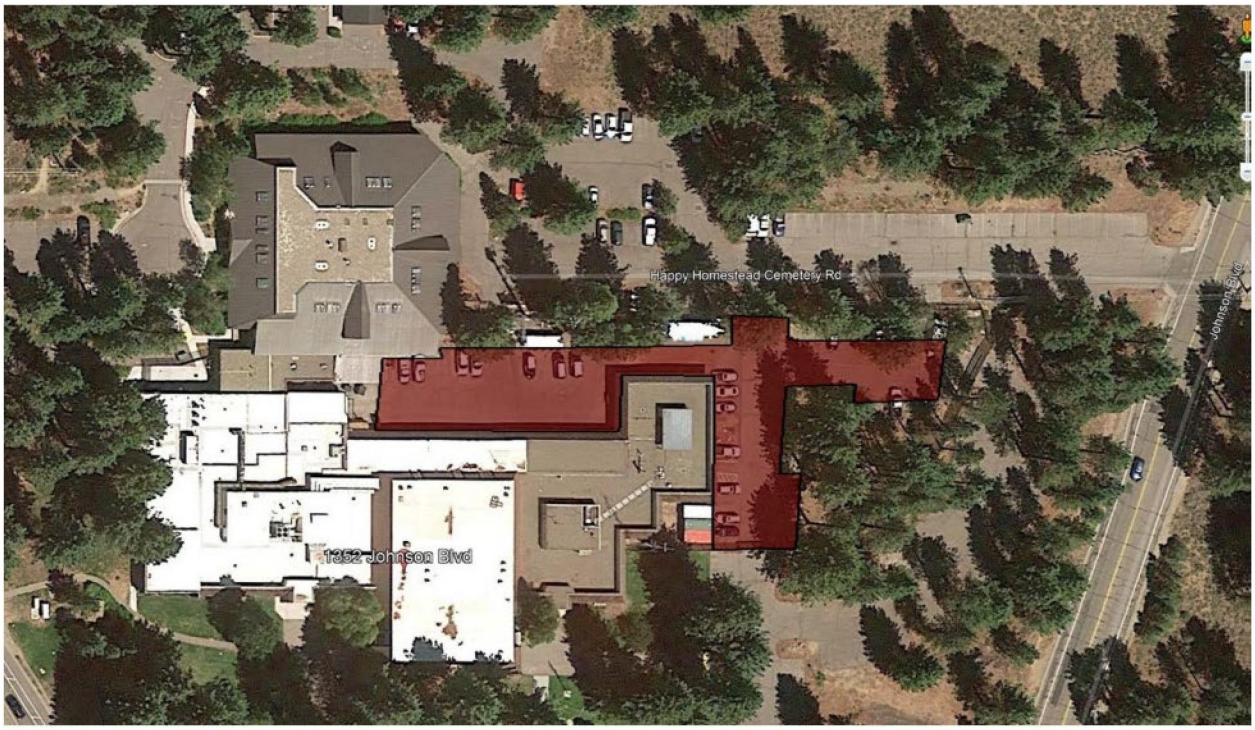
SCOPE OF SERVICES

The Contractor will provide equipment and manpower necessary to clear snow from the Lake Tahoe Airport Public Parking Lot, Airport Road, and Hangar Rows, as shaded areas in the map for **a six-month contract period. Contracts start on November 1, 2022 and span until April 30, 2023. All contracts with the City of South Lake Tahoe require a contractor to maintain a City of South Lake Tahoe Business License. A City of South Lake Tahoe Business License can be obtained online from the address:** https://cityofslt.us/451/Business-Professions-Tax

Lake Tahoe Airport Contract Snow Removal Areas Are Shaded

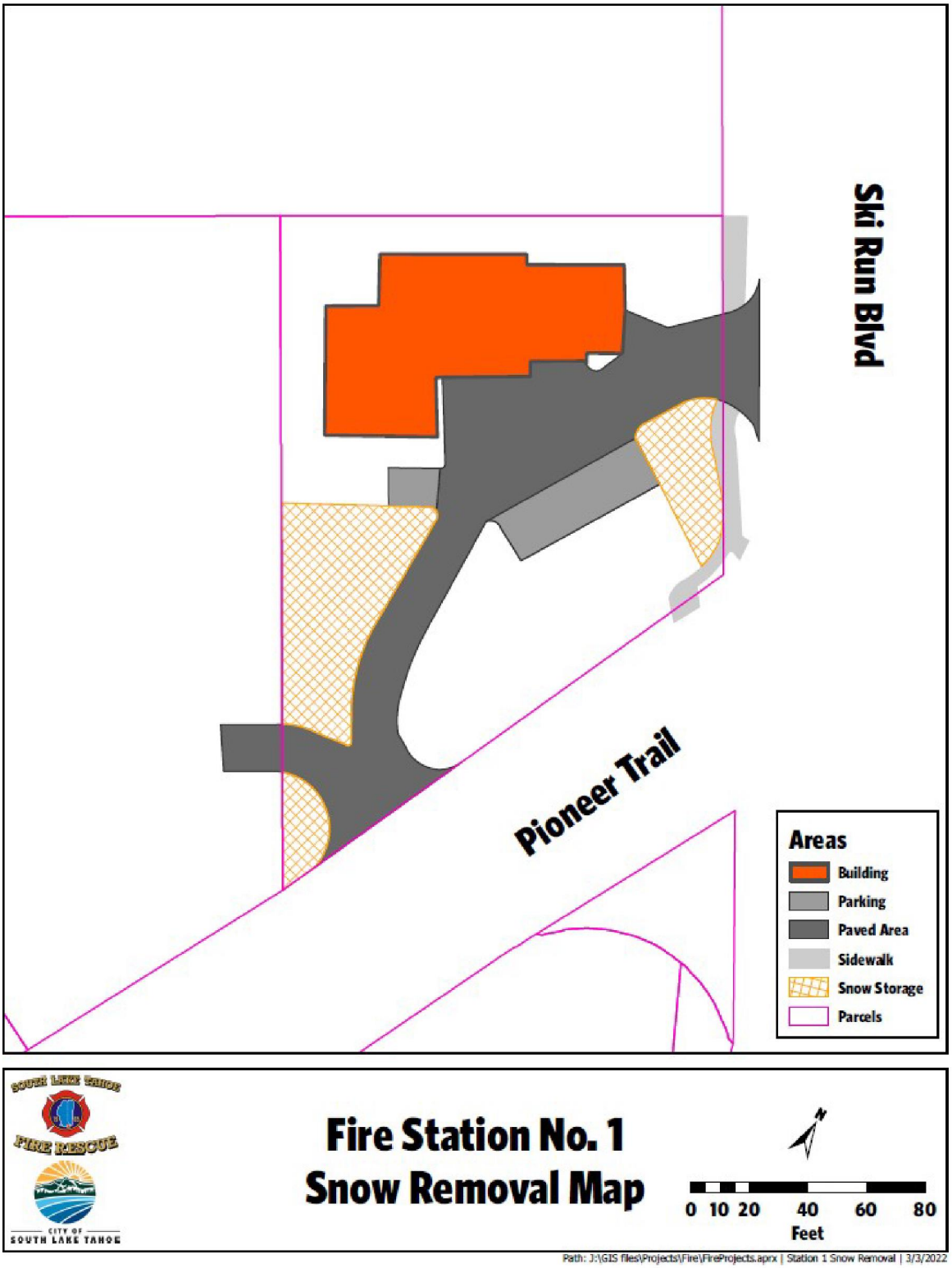


City Police Station Headquarters Snow Removal Areas are Shaded



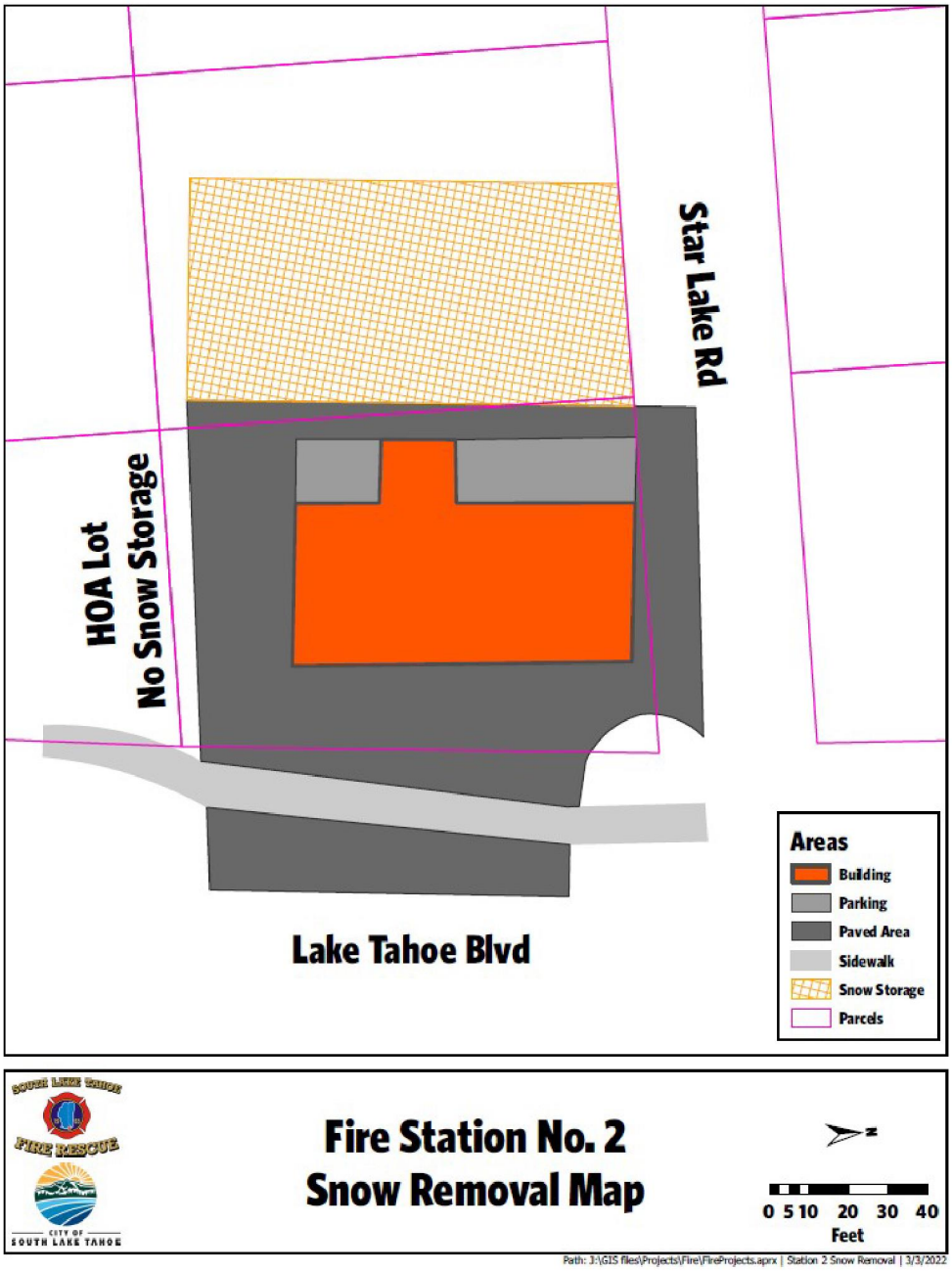
1352 Johnson Boulevard, South Lake Tahoe, CA 96150

City Fire Rescue Station 1 Snow Removal Areas are Shaded



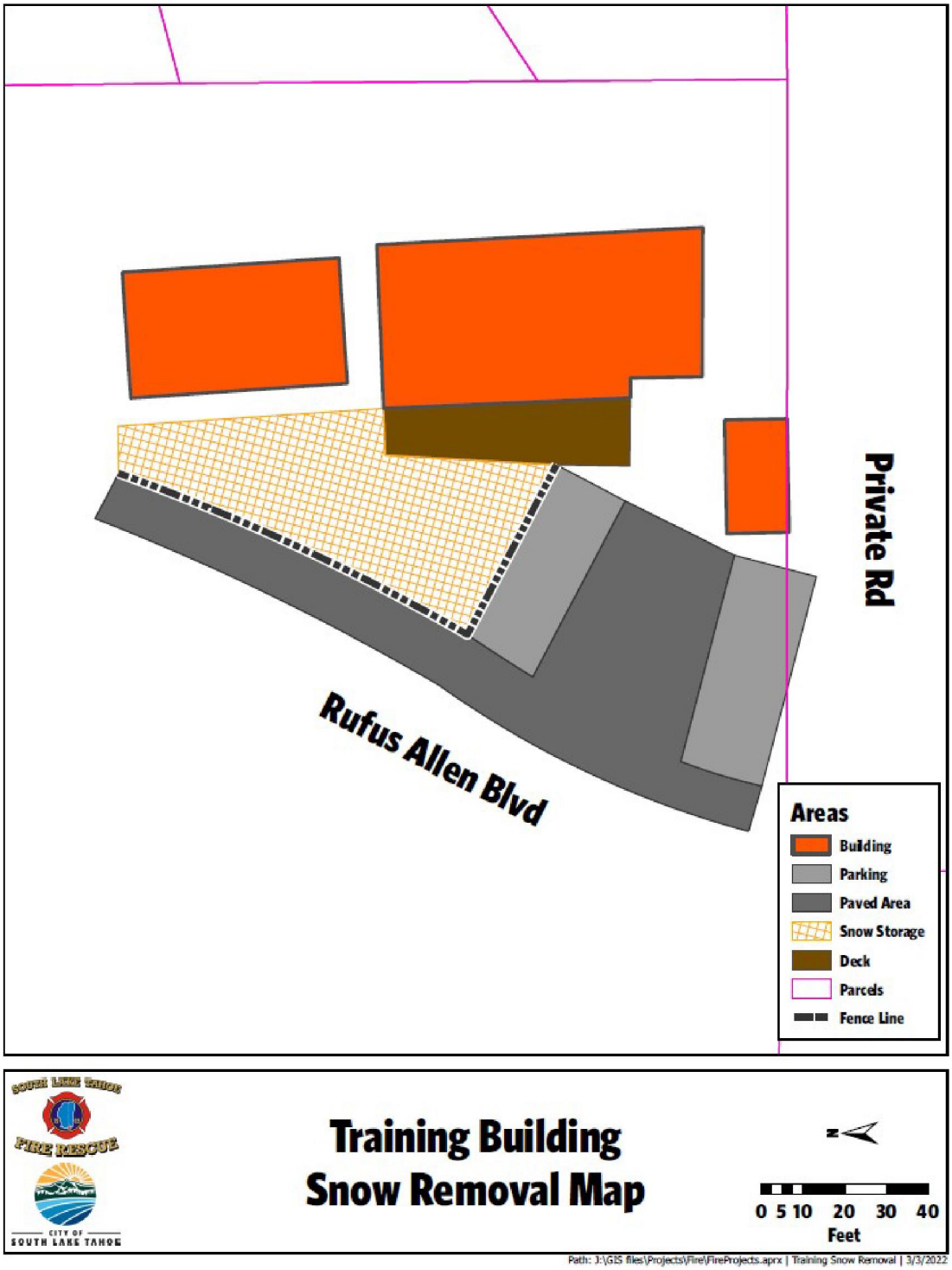
1252 Ski Run Boulevard, South Lake Tahoe, CA 96150

City Fire Rescue Station 2 Snow Removal Areas are Shaded



2951 Lake Tahoe Boulevard, South Lake Tahoe, CA 96150

City Fire Rescue Training Center Snow Removal Areas are Shaded



1195 Rufus Allen Boulevard, South Lake Tahoe, CA 96150

City Police Station Headquarters

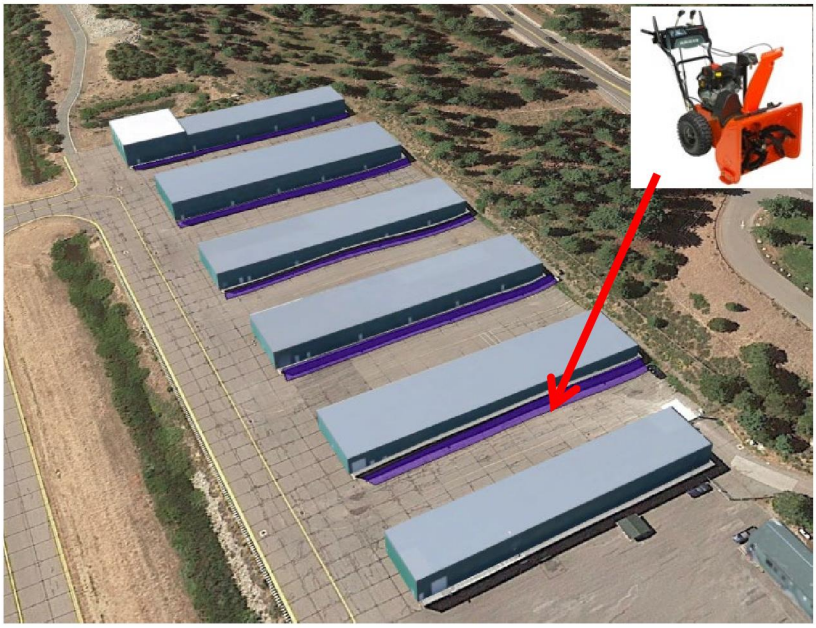
All paved parking Areas inside fence will be cleared, dirt road between two parking areas will be cleared, entrance nearest the cemetery will be cleared.

City Fire Rescue Stations

At the four Fire Rescue Facilities identified the standard to start snow removal operations is when 3" or more of snow is observed on pavements at any one of the facilities. The snow should not be allowed to accumulate more than 3" at any Fire Station as these are mission critical infrastructure to the community. During a prolonged winter storm event, a Contractor should plan on multiple site visits to the Fire Rescue Stations to ensure that snow accumulations remain 3 inches or below during a 24-hour period. Please note these facilities are staffed 24/7/365. Graveyard shift work maybe required. The ramp areas and vacant parking should be cleared for station shift change scheduled at 0600 hours daily. The Fire Rescue Training Facility located at 1195 Rufus Allen Boulevard, South Lake Tahoe, CA 96150 can be cleared once a day rather than at the 3-inch snow depth limit. Clearing can occur late morning through early afternoon as Contractor schedule permits. Snow storage locations are depicted on maps provided by Fire Rescue.
All paved parking areas will be cleared at Fire Stations 1, 2, and 3 and the fire station training facility. This contract includes 2101 Lake Tahoe Blvd, 2951 Lake Tahoe Blvd, and 1252 Ski Run Blvd and 1195 Rufus Allen Blvd.

Lake Tahoe Airport

At the airport on the North face of the hangars, the Airport is requesting that during snow clearing hangar building that a push snow blower or tracked blower be employed to clear snow between the face of the building to a distance of 4-5 feet out from the building face for each hangar building. The remaining snow can be removed using a loader or comparable equipment.



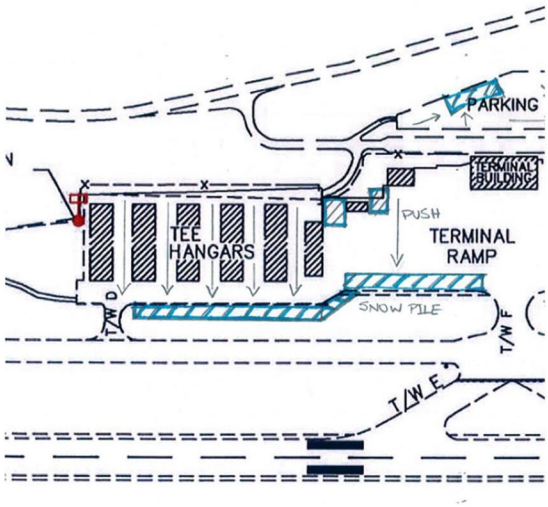
Mechanical snow removal operations will commence after snow accumulations on airport property reaches three (3) inches or greater in accumulated snow depth. The snow contractor will be expected to dispatch a removal crew when these conditions are observed. The airport will not be required to request service. The airport will only request service if it discovers that a snow removal crew was never dispatched by the contractor.

The date and times of service under this contract are dependent on local winter weather conditions and can require multiple site visits should snow accumulations reach more than 3" more than once in a 24-hour period.

The airport is open seven days a week, 365 days per year. The Snow Removal Contractor agrees to meet its obligations to clear snow from 0500 am – 10:00 pm when conditions warrant.

When snow conditions exist on the ground at a depth of 3" or greater, the Contractor. agrees to clear a route along Lisa Maloff Way (formerly Airport Road) to allow for entry and exiting of vehicles and at minimum of fifteen (15) vehicle spaces at the public airport parking lot by 6:30 a.m. to allow the opening of City/Airport/Tenant offices at 7:00 am daily. Additional vehicle parking spaces can be cleared after the initial 15 spaces are available at 6:30 a.m.

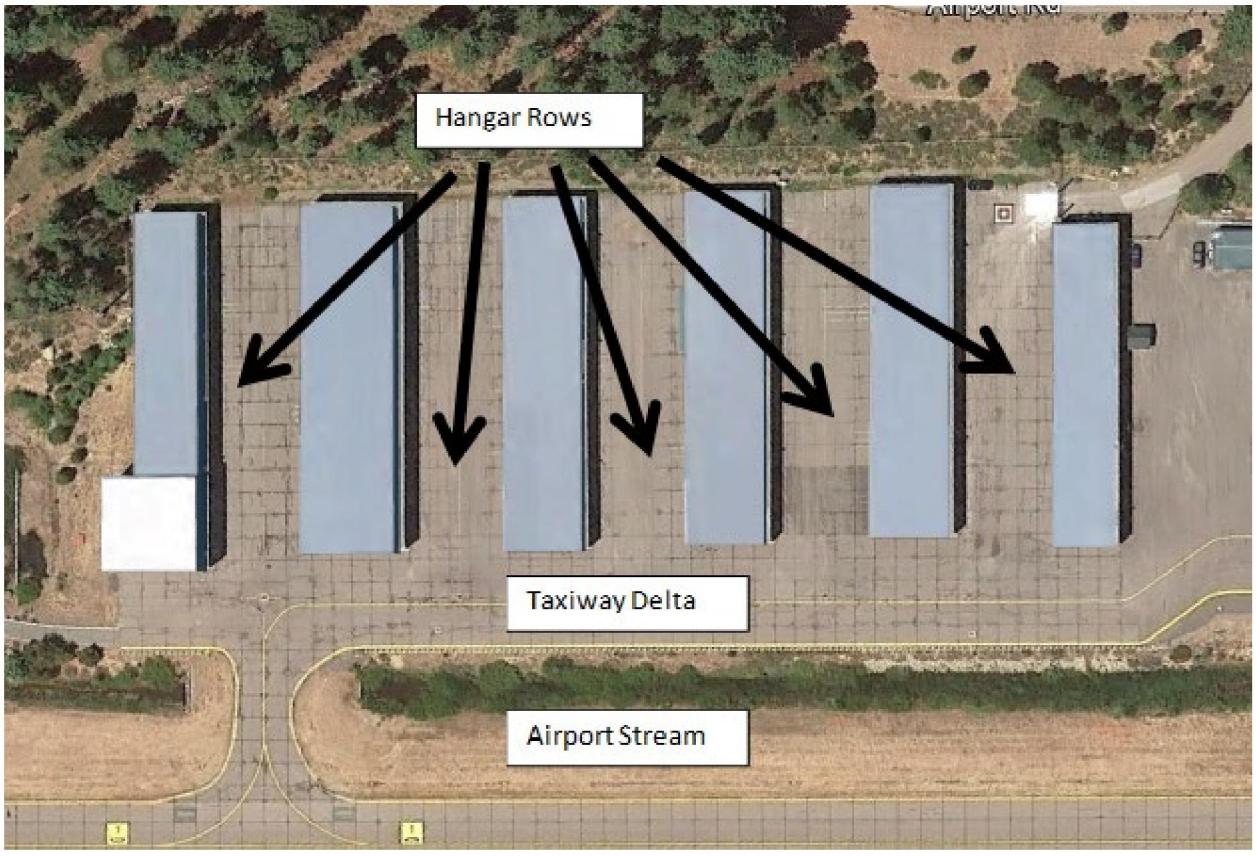
Contractor agrees to adhere to the Lake Tahoe Airport Winter Operations Plan provided (Exhibit A). Contractor is to complete snow removal operations in the following priority order:



1. Clear snow from the surface of Lisa Maloff Way and ensure snow berms created from U.S. Hwy 50 (Caltrans) snow removal operations are removed allowing access into and out from the airport. Clear snow starting at the terminal frontage curbs and pile snow west along the sidewalk and retaining wall in front of the parking lot. Clear fifteen vehicle parking spots along the Eastern row of the public airport parking lot during any storm daily before 06:30 am Pacific Time (Frequency storm to storm when snow accumulation reaches depth of 3" or more. May require more than one visit by Contractor in one day if conditions warrant)

2. Clear the remaining vehicle parking spaces in the public parking lot by pushing snow West towards U.S. Highway 50. Clean up snow on Airport Road providing for two lanes at the entry and exit and the single lane road access to the City owned hangars and the other single lane road access to Gate V1. (Frequency storm to storm when snow accumulation reaches depth of 3" or more. May require more than one visit by the Contractor in one day if conditions warrant)

3. Contractor will clear in between hangar buildings pushing snow east and piling the snow as far East along Taxilane Delta. Snow will be piled on Taxilane Delta in a manner that allows for City personnel to use a Kodiak blower to throw the snow accumulated from the hangar rows into the West Airport Storm Water Ditch. There are two solutions. Solution one is to use a loader to push and pick up snow depositing it into the stream area (clear of the taxiway surface). Solution two is to spread the snow out along Taxiway Delta so that it is no more than 5 feet high (tall) so that the Airport Kodiak can come in after and blow the snow into the stream area. The snow depth on hangar taxilanes between buildings should not exceed 36 inches before initiating snow clearing operations. A multiday winter storm event may require multiple snow removal response efforts to prevent snow from accumulating to an excessive depth.



The Contractor agrees to clear hangar rows in a timely manner post-storm event or upon request by the airport.

The Contractor is not responsible for the following snow removal activities at the Airport under this contract:

A. Sanding of roadway, parking lot or any paved areas,
B. Clearing of snow from sidewalks and pedestrian areas,
C. Clearing of snow from areas not specified in this contract unless directed by the Airport Manager through on-call services specified in this RFP,

D. Placing any snow melt chemicals on any surfaces at the airport,

At no time and under no circumstances will Snow Removal Contractor equipment or personnel access Runway 18/36 without the expressed permission of the airport manager. The Contractor acknowledges that aircraft, rotorcraft, and emergency vehicles have right of way at all times.

No Show
Failure to initiate snow removal at the airport when 3 inches of snow is present on the pavement will result in a $500.00 deduction per occurrence from the contract price. City Officials will contact the snow removal contractor if City Fire, Police or Airport management observes that a response has not yet been initiated by the snow removal contractor. Failure to respond within a three-hour period after telephone notification from City officials is considered a "no-show" and will be subject to the $500 deduction in payment. City Officials will only call the snow removal contractor in the event that 3 inches or more snow is observed on the ground at one of the City facilities identified in this RFP: (Airport, Police Station, Fire Stations 1, 2 & 3). No show provisions do not apply to on demand call outs made for snow removal services based on City need. These will be coordinated as needed between the Contractor and the City.

1. **Contract is subject to California Prevailing Wages**

Pursuant to California Department of Industrial Relations Public Works Case 2016015 (found following this section), the provisions of California Labor Code, Sections 1770 to 1780, inclusive thereof apply to the Contractor, and any subcontractor, of any tier for snow removal services. California Labor Code section 1773.51 requires the Contractor to pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations.

Pursuant to the provisions of California Labor Code Section 1773.2, the Contractor is hereby advised that copies of the prevailing rate of per diem wages and a general prevailing rate for holidays, Saturdays and Sundays and overtime work in the locality in which the Work is to be performed for each craft, classification, or type of worker required to execute the Contract, are on file in the City's office. The Contractor agrees that not less than said prevailing rates shall be paid to workers employed on this public works contract as required by Labor Code Section 1774. These rate determinations are found on the State of California Depa11rnent of Industrial Relations' website at: http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm.

The Contractor is required to register with the California Department of Industrial Relations (DIR) at https://www.dir.ca.gov/Public-Works/Contractors.html before initiating work on this project. Notice to Proceed will not be granted by the City until proof of registration with the DIR is provided. It is the responsibility of the Contractor to:

- Register as a public works contractor
- Pay prevailing wages
- Follow apprenticeship requirements
- Maintain and submit certified payroll records to the California Department of Industrial Relations

In accordance with Section 1776(h) of the Labor Code the Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects the Contractor must comply with the payroll record requirements in the event of noncompliance. Should noncompliance still be evident after the 10-day period, the Contractor shall, as a penalty to the City, forfeit One Hundred dollars ($100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. The Contractor shall be responsible for compliance with this section.

In accordance with Section 1775 of the Labor Code, the Contractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit not more than two hundred dollars ($200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for the work or craft in which

such worker is employed for any public work done under the contract by him or her or by any subcontractor under him or her. The difference between such prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

Pursuant to Public Resources Code section 75075, the Project shall be subject to the labor compliance program, which shall comply with the requirements of subdivision (b) of Labor Code section 1771.5, including, without limitation, that all Project contractors and subcontractors shall maintain and furnish, at a designated time, a certified copy of each weekly payroll containing a statement of compliance signed under penalty of perjury.

Pursuant to California Senate Bill Number 854:

- No contractor or subcontractor may be listed on a proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
- No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.
- This project is subject to compliance monitoring and

  enforcement by the Department of Industrial Relations

Apprenticeship Requirements

All public works contracts valued at $30,000 or more carry an obligation to hire apprentices, unless the craft or trade does not require the use of apprentices, as indicated in the corresponding prevailing wage determination. This duty applies to all contractors and subcontractors on a project, even if their part of the project is less than $30,000.

The Division of Apprenticeship Standards (DAS) provides assistance to contractors who need to employ apprentices on public works projects and may grant exemptions to the requirement to hire apprentices.

For More Information on Apprenticeship Requirements

- Please visit the DAS page on public works for information on apprenticeship requirements, forms, exemptions and training fund contributions.
- Contact: DASpublicworks@dir.ca.gov
- Frequently Asked Questions about apprenticeship

Public Works Case No. 2016-015, Snow Removal and Snow Staking Services is Considered "Maintenance" and subject to California Prevailing Wages.

STATE OF CALIFORNIA — EDMUND G. BROWN JR., *Governor*

DEPARTMENT OF INDUSTRIAL RELATIONS
Christine Baker, Director
Office of the Director
1515 Clay Street, 17th Floor
Oakland, CA 94612
Tel: (510) 622-3959 Fax: (510) 622-3265

January 31, 2017

Linda Silacci-Smith
Senior Department Analyst
County of El Dorado
360 Fair Lane
Placerville, CA 95667

RE: Public Works Case No. 2016-015
Snow Removal and Snow Staking Services
County of El Dorado

Dear Ms. Silacci-Smith:

This constitutes the determination of the Director of Industrial Relations regarding coverage of the above-referenced project under California's prevailing wage laws and is made pursuant to California Labor Code section 1773.5[1] and California Code of Regulations, title 8, section 16001(a). Based on my review of the facts of this case and an analysis of the applicable law, it is my determination that the snow removal work for the County of El Dorado (County) is a public work subject to the prevailing wage requirements of the California Labor Code.

Facts

The County currently has a contract with Mapes Enterprises to perform snow removal and snow staking work. The work is performed at various County-owned parking lots, handicap spaces, driveways, sidewalks and walkways in order to maintain access to the police station, jail, court, library, vector control, sheriff station and animal services. The snow removal will be done by all-wheel loaders, sand trucks, plow trucks, or walk behind blowers. The snow stakes will be installed and maintained for the purpose of delineating and identifying the areas of the parking lots, driveways, sidewalks and walkways from which snow will be removed.

The scope of services requires the contractor to furnish personnel, equipment, materials, supplies and services necessary to assist the Facilities Division of the Chief Administrative Office by providing snow removal and snow staking services for various County facilities. Billing rates for snow removal and snow staking services are based on an hourly rate. For the months of November through April, the County pays the contractor a minimum of $3,000 per month as a stand-by fee.

[1] All further statutory references are to the Labor Code unless otherwise indicated.

Discussion

Labor Code section 1771 generally requires the payment of prevailing wages to workers employed on public works and also specifically requires prevailing wages for "maintenance" work. Regulations to implement California's prevailing wage laws define "maintenance," in relevant part, as: "[r]outine, recurring and usual work for the preservation, protection and keeping of any publicly owned or publicly operated facility (plant, building, structure, ground facility, utility system or any real property) for its intended purposes in a safe and continually usable condition for which it has been designed, improved, constructed, altered or repaired." (Cal. Code Regs., tit. 8, § 16000.) "Janitorial or custodial services of a routine, recurring or usual nature" are excluded from the definition of "maintenance." (*Ibid.*)

A. The Work at Issue Constitutes Maintenance Because it is Routine, Recurring and Usual Work Done for the Preservation, Protection and Keeping of Publicly Owned and Operated Facilities.

The County's contract requires snow to be removed any time snow levels reach or exceed two (2) inches and describes the order and time the snow must be removed by. For that reason, the work in question is routine, recurring and usual, albeit seasonal, in nature. The parking lots, handicap spaces, driveways, sidewalks and walkways are publicly owned or operated. The public uses these public passageways to access County facilities. Snow, if left to accumulate, cuts off access to these passageways, and public use of County facilities such as the police station, the courthouse, and the library is in turn impeded. Removing snow allows the public to safely drive, walk, and otherwise use the public passageways for their intended purposes. Snow removal[2] is therefore necessary to keep publicly-owned or operated facilities in a "safe and continuously usable condition" for which they have been designed. Unless an exception applies, the snow removal is public work because it constitutes "maintenance."

B. The Work at Issue is Not Janitorial or Custodial in Nature.

As an attachment to its request, the County provided Public Works Case No. 95-020, *County of Nevada - Contract for Snow Removal Services* (November 7, 1995) (hereinafter "*County of Nevada*") which states that snow removal is not public works, based on the exception for custodial services. *County of Nevada* reasoned that the snow removal contractor is a caretaker or keeper of the designated roads and therefore is a "custodian" of the roads. Because the snow removal contractor, as a "custodian," performed "custodial services of a routine, recurring or usual nature," *County of Nevada* determined that snow removal fell within the custodial exemption and therefore did not constitute "public works" within the meaning of the Labor Code.

"Custodial" is indeed defined as "relating to, providing, or being protective care or services for basic needs" while a "custodian" is defined as "one that guards and protects or maintains; esp: one entrusted with guarding and keeping property or records or with custody or guardianship of prisoners or inmates." (Merriam-Webster's Collegiate Dict. (11th ed. 2003) p. 308.) The scope of services in the County's contract, however, describes work that goes beyond protective care or services for basic needs. The snow removal contractor here is not protecting or guarding the

[2] As a key component of snow removal, snow stakes identify the areas from which snow is to be removed to help prevent damage to snow removal equipment.

EXHIBIT B

SCHEDULE OF CHARGES AND TIMELINE

BUDGET

One Snow Season Price

1.	Lumps Sum Cost Airport Property	$49,500.00
2.	Lump Sum Cost Police Department	$9,000.00
3.	Lump Sum Cost Fire Department	$17,700.00
4.	Lump Sum Cost Fire Rescue Facility	$3,400.00
5.	On-Call Additional Facilities or Roadway	$15,000.00

Estimated fees (not to exceed)	$94,600.00
Travel and out-of-pocket expenses	$0.00
(travel is included in the TOTAL (not to exceed amount)	
TOTAL (not to exceed)	$94,600

TIMELINE

Contract starts at 12:01 am on November 1, 2022 and ends on 11:59 pm on April 30, 2023. Snow response requirements are provided in Exhibit A: Scope of Services.

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Consultant shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Consultant: Trella Tahoe, Inc.

Phil Trella, Owner

By: Phillip Trella (Sep 15, 2022 10:40 PDT)

EXHIBIT D

Proof of Workers Compensation Insurance and General Commercial Liability Insurance and Commercial Vehicle Insurance

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 08/10/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Elizabeth Fenley
A to Z Insurance Services, LLC PO Box 1190 Zephyr Cove NV 89448	PHONE (A/C, No, Ext): (530) 541-5300 FAX (A/C, No): E-MAIL ADDRESS: libi@atozins.com

INSURED	INSURER(S) AFFORDING COVERAGE	NAIC #
Trella Tahoe Inc 930 Mule Deer Cir South Lake Tahoe CA 96150	INSURER A : Northfield Insurance Company	27987
	INSURER B : United Financial Casualty Ins Co.	11770
	INSURER C : State Compensation Insurance Fund	35076
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** 22 Master **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC [ ] OTHER:	Y		WS493708	01/24/2022	01/24/2023	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
B	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [X] SCHEDULED AUTOS [X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY			03821861	06/30/2022	12/30/2022	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 2,000,000 $ $ $
	[ ] UMBRELLA LIAB [ ] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N [ ] If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		9282725	08/25/2022	08/25/2023	[X] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of South Lake Tahoe is listed as additional insured with respect to work performed.

CERTIFICATE HOLDER

City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe CA 96150

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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C-155-2022 Tahoe Trella Inc.

Final Audit Report 2022-09-15

Created:	2022-09-08
By:	jo Mcdonough (jmcdonough@cityofslt.us)
Status:	Signed
Transaction ID:	CBJCHBCAABAAUbbI0DgRqCpByCpbYZc5tm29CW_u5wpp

"C-155-2022 Tahoe Trella Inc." History

Document created by jo Mcdonough (jmcdonough@cityofslt.us)
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Signature Date: 2022-09-08 - 7:38:18 PM GMT - Time Source: server- IP address: 166.137.163.61

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Document e-signed by Joseph Irvin (jirvin@cityofslt.us)
Signature Date: 2022-09-08 - 7:51:42 PM GMT - Time Source: server- IP address: 166.137.163.5

Document emailed to phil@trellatahoe.com for signature
2022-09-08 - 7:51:45 PM GMT

Email viewed by phil@trellatahoe.com

2022-09-08 - 7:52:11 PM GMT- IP address: 172.225.88.141

Signer phil@trellatahoe.com entered name at signing as Phillip Trella

2022-09-15 - 5:40:49 PM GMT- IP address: 166.205.87.46

Document e-signed by Phillip Trella (phil@trellatahoe.com)

Signature Date: 2022-09-15 - 5:40:51 PM GMT - Time Source: server- IP address: 166.205.87.46

Agreement completed.

2022-09-15 - 5:40:51 PM GMT

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: January 24, 2023
Agenda Item #: 6

Agenda Item: Memorandum of Understanding with the South Tahoe Zero Emissions District

Executive Summary: The South Tahoe Zero Emissions District ("STZED") has memorialized its shared vision, concentrated around the scaling of greenhouse gas emissions reductions, in an eight-page Memorandum of Understanding. The Parties to the MOU include: the City of South Lake Tahoe, Barton Hospital, South Tahoe Public Utility District, South Tahoe Refuse, Lake Tahoe Unified School District, Lake Tahoe Community College, and El Dorado County.

Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute a non-binding Memorandum of Understanding with other South Tahoe Zero Emissions District parties in the interest of scaling energy efficiency, local resiliency, and greenhouse gas reductions.
Responsible Staff Member: Sara Letton, Sustainability Coordinator

Responsible Staff Member: Sara Letton, Sustainability Coordinator

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirova, Finance Director
Heather Stroud, City Attorney

Attachments:

01 - Staff Report MOU with South Tahoe Zero Emissions District.docx
02 - South Tahoe Zero Emissions District MOU.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: January 24, 2023

Title: Memorandum of Understanding with the South Tahoe Zero Emissions District

Location: Citywide

Responsible Staff Member: Sara Letton (530) 542-6175

Background: In 2020, a group of entities came together with a shared vision for a community that is able to meet its electricity needs every hour of the day with locally generated renewable energy. The group worked to submit an ambitious grant project application to the Department of Energy requesting the funding of a pilot project involving the City and an affordable housing developer as a first step in enacting the larger vision.

The grant was not awarded, but the partnership has grown, known as the South Tahoe Zero Emissions District ("STZED"). It has memorialized its shared vision, concentrated around the scaling of greenhouse gas emissions reductions, in an eight-page Memorandum of Understanding.

The seven Parties to the MOU include: City of South Lake Tahoe, Barton Hospital, South Tahoe Public Utility District, South Tahoe Refuse, Lake Tahoe Unified School District, Lake Tahoe Community College, and El Dorado County.

Issue and Discussion: Climate change, and the need for steep greenhouse gas emissions reductions within a meaningful timeframe, demands significant action. Addressing emissions at an inter-institutional or systemic level is more effective and efficient. The Parties see a higher likelihood of achieving economies of scale, cost effectiveness, and opportunities for grant funding by working together on emissions reduction projects and in co-learning opportunities.

Each Party has articulated the benefit to its institution in the text of the MOU. The MOU is nonbinding.

Financial Implications: The are no immediate direct financial implications of signing on to the MOU. In the future, shared projects may benefit from cost efficiencies or grant awards as a result of the partnership.

Environmental Considerations: The nonbinding MOU directs no specific actions to be taken.

Policy Implications: Numerous City policies and plans note the need and intention to reduce greenhouse gases:

- Resolution 2022-088 established a science-based emissions reduction target of 59.2% from 2018 levels, community-wide.
- Resolution 2021-104 established the aspiration to achieve citywide 100 percent renewable, carbon-free electricity, 24/7 by 2030.
- Resolution 2017-026 established renewable energy and carbon emissions reductions targets, including 50% renewable electricity in municipal buildings by 2025.
- The City's 2020 Climate Action Plan lays out a number of emissions reduction strategies and actions that community entities, including the Parties, are encouraged to engage with, including actions in the Transportation, Building Energy, and Water and Solid Waste sectors.
- The 2021 – 2026 Strategic Plan, Priority 1 'Built Environment', 1.5 Carbon Neutrality
    - Action Item 2. Create a comprehensive communication strategy to ensure there is consistent messaging related to developing a more sustainable community; and
    - Action Item 3. Work with community partners to achieve 100% local, renewable energy for all entities by 2025.

MEMORANDUM OF UNDERSTANDING

for the

SOUTH TAHOE ZERO EMISSIONS DISTRICT

by

City of South Lake Tahoe,

Barton Hospital,

South Tahoe Public Utility District,

South Tahoe Refuse,

Lake Tahoe Unified School District,

Lake Tahoe Community College,

and

El Dorado County

December 2022

WITNESSETH:

WHEREAS, the latest climate science underscores the necessity for the City of South Lake Tahoe to reduce greenhouse gas emissions by at least 59.2% from 2018 levels by the year 2030, and the City has formally adopted this science-based target, and;

WHEREAS, the South Tahoe Zero Emissions District is a grassroots, locally-based effort to increase the adoption of renewable energy projects, and;

WHEREAS, CSLT, Barton, STPUD, STR, LTUSD, LTCC, and EDC (the Parties) have determined that the mission of the STZED aligns directly with and strongly supports their respective missions, and;

WHEREAS, the Parties have facilities located within a similar region and recognize they can contribute to achieving the science-based target for reducing greenhouse gases, and;

WHEREAS, there is scientific consensus regarding the reality of climate change and the connection between human activity, the combustion of fossil fuels that create greenhouse gases, and the warming of the planet, and;

WHEREAS, South Lake Tahoe and entire Lake Tahoe region is experiencing the effects of climate change locally, including the increase in extreme wildfire events such as the Caldor Fire, which was described by Cal Fire Chief Chris Anthony as "no longer [unprecedented] given the clear trends associated with drought and a changing climate", and;

WHEREAS, the Lake Tahoe region is at severe risk to escalating impacts of climate change locally, with the 2020 State of the Lake Report projecting air temperature increases of 8 degrees Fahrenheit and a 50% reduction of snow by the latter part of the century, and;

WHEREAS, local control of our energy resources is in the interest of the Parties for economic and safety reasons, and;

WHEREAS, growing engagement in the general community and student population with the realities, challenges, and needs of addressing climate change is necessary to achieve targeted greenhouse gas reductions, and;

WHEREAS, the Parties see a higher likelihood of achieving efficiencies of scale, cost effectiveness, and opportunities for grant funding by working together on projects, and;

WHEREAS, the Parties agree that they can best support the STZED by working cooperatively to do so, and that by working together as a team they will greatly increase their impact and accomplish far more than can be achieved working individually,

NOW THEREFORE, in consideration of the terms and conditions contained herein, the Parties do hereby agree to cooperate in the planning, establishment, implementation, growth and continuance of the South Tahoe Zero Emissions District.

Memorandum Section One: Introduction

I. PARTIES TO THE MOU

The parties to this Memorandum of Understanding (MOU) are:

A. City of South Lake Tahoe ("CSLT"),
B. Barton Hospital ("Barton"),
C. South Tahoe Public Utility District ("STPUD"),
D. South Tahoe Refuse (STR"),
E. Lake Tahoe Unified School District ("LTUSD"),
F. Lake Tahoe Community College ("LTCC"),
G. El Dorado County ("EDC").

II. PURPOSE OF THE MOU

The purpose of this MOU is to memorialize the agreement of the Parties to collaborate in support of planning, implementing, and growing the South Tahoe Zero Emissions District ("STZED").

III. BACKGROUND OF THE STZED

The Parties first came together to memorialize a vision in 2020 to meet all electricity needs for seven entities at every hour of the day with locally-generated renewable energy sources, including increased demand from electrification of transportation, heating, and other sectors. The application to the Department of Energy requested funding for a pilot project involving the City and an affordable housing developer as a first step toward enacting that larger vision. The application was submitted in 2021 and was not funded, however the Parties maintain that commitment and vision.

IV. PURPOSE OF THE STZED

Participation in the STZED will benefit all the Parties collectively by improving the adoption and visibility of renewable energy projects, distributed energy resources, battery storage, and climate-forward actions in our City and region. Its goals are all concentrated on the reduction of greenhouse gases. Focus areas include but are not limited to the following.

A. Partnering when possible and appropriate to take advantage of economies of scale and/or mitigate risk and to coordinate discussions with Federal, State,

regional and local agencies to address current regulatory challenges that currently preclude the objectives outlined in the STZED.

B. Sharing, discussing, and communicating the results of projects in support of scaling up even broader adoption of improved efficiencies, technologies, and systems.
C. Sharing data that allows for tracking of greenhouse gas reductions.
D. Participatory learning resulting in the adoption of improved energy efficiencies.

V. BENEFITS TO THE PARTIES

Participation in the STZED will benefit all the Parties collectively by improving the adoption and visibility of greenhouse gas reducing projects and resultant cost savings. Additionally, each of the Parties will enjoy individual gains in their respective focus areas as follows.

A. CSLT: Achieving greenhouse gas reductions goals in municipally owned facilities and community-wide; critical facility resilience.
B. Barton: Increase efficiency and sustainability while achieving critical facility resilience in the case of power outages; contribute to community-wide enhanced health benefits of improved air quality.
C. STPUD: Increase efficiency and sustainability while maintaining the reliability of STPUD's critical water, wastewater and recycled water system. This will help to optimize productivity, reduce, costs, and streamline operations to meet the needs of present and future generations.
D. STR: Achieving reductions in vehicle miles traveled and operational greenhouse gas footprint; critical facility resilience.
E. LTUSD:
    - Alignment between city, county, and school district entities around reduction of greenhouse gas emissions and sustainability.
    - To prioritize student and entire community health, well-being and learning outcomes when making school facility decisions.
    - To promote resilience by utilizing the school building as a climate adaptation and climate mitigation tool.
    - To educate future and current generations how to support a stable climate and economy for all generations.
F. LTCC: Set an example for how net zero emissions can be achieved in the education sector, and to be a leader in the basin on responsible climate solutions. Provide robust educational opportunities for the Tahoe basin community utilizing work experience and internships.
G. EDC: Increase efficiency, sustainability, and resiliency at county facilities.

Memorandum Section Two: Objectives and Operations

I. OBJECTIVES OF THE STZED

The STZED will work to implement greenhouse gas reducing projects at our respective facilities. The Parties commit to sustained, regular communication for idea and opportunity sharing, project development, cost savings, and for outreach and education celebrating project successes. In the face of increasing severity of weather-related risk and fire posed by climate change, the Parties' objectives include but are not limited to the following.

A. Provision of technical guidance, performance evaluation metrics, and data. archiving services for achieving and tracking greenhouse gas reductions.
B. Increase the resilience of our critical infrastructure.
C. Secure and coordinate resources to support local and regional greenhouse gas reducing projects.
D. Accelerate the creation of new, green well-paying jobs.
E. Implement greenhouse gas reducing projects as in a timely manner.
F. Explore opportunities for locally sited renewable energy development that can provide economic benefit.

II. OPERATIONS OF THE STZED

The Parties are committed to creating and maintaining an equitable, transparent, accountable and sustainable cooperative working relationship. Accordingly, the Parties will mutually participate in initiating the ongoing work of the STZED.

Each of the Parties may offer, at their discretion, opportunities for activities and programs to foster the STZED. The Parties contemplate possible implementation of programs and activities including but not limited to the following.

A. Research, and/or host/participate in educational, community and cultural activities.
B. Sponsorship and/or participation in, meetings, workshops, conferences, lectures, seminars, demonstrations and other appropriate events.
C. Collaborations on grant applications and other funding and cost-efficiency opportunities
D. Specific activities and programs implemented under authority of this MOU will be subject to availability of funds and other resources, as well as to the approval of each of the Parties' authorized representatives.
E. Each Party will be responsible for costs and expenses incurred by its employees and agents as a result of the activities conducted pursuant to this MOU as stipulated by subsequent MOUs and/or written agreement.

This MOU defines a cooperative process between the Parties. Nothing in this MOU will be construed as creating a binding legal relationship between the Parties. This MOU is a broad statement of intent which sets forth the general basis upon which the Parties wish to proceed. No legal liability will arise in respect of any subject matter hereof unless a subsequent binding agreement is negotiated, approved and executed by the Parties.

III. ROLES OF THE PARTIES

The responsibilities of the Parties will evolve as the STZED matures and expands. As of the inaugural year of this MOU, the responsibilities and commitments of the Parties can be broadly stated as encompassing the provision of the following.

- Coordination, scheduling, convening of regular meetings. The Parties agree to work together to annually designate a Coordinator among staff from the Parties.
- Promotion of the STZED for purposes of securing external funding.
- Sharing of ideas and accomplishments for purposes of educating and inspiring the Parties.
- Engagement in considering opportunities for relevant partnerships with one or more of the Parties.

Memorandum Section Three: General Conditions

I. PARTY DESIGNATION FOR PARTICIPATION.

The Parties designate participation in STZED via the following job titles/roles within the individual organization. This will be reviewed and updated as needed.

A. For the City of South Lake Tahoe:

City Manager and/or Sustainability Coordinator

B. For Barton Hospital:

Administrative Director of Facilities

C. For South Tahoe Public Utility District:

Public Affairs and Conservation Manager

D. For South Tahoe Refuse:

President

E. For Lake Tahoe Unified School District:

Associate Superintendent, Business Operations

F. For Lake Tahoe Community College:

Director of Human Resources

G. For El Dorado County:

Deputy Director, Tahoe Planning & Stormwater Division

II. MODIFICATIONS

A. This may be modified with the written approval of al the of the Parties, provided that the Part(ies) proposing a modification or amendment submits the same in writing to the other Parties at least (60) days in advance of the proposed modification date. This MOU may be modified with less than sixty days' advance notice if all of the Parties so agree in writing.
B. Additional Parties may be added to this MOU in accordance with the above procedure for Modification. Such additions would be memorialized in writing as consecutive amendments to this MOU.

III. TERM

This MOU shall become effective as of the date it has been executed by all Parties. It may be reviewed periodically as the Parties mutually agree. It shall remain in effect indefinitely unless and until terminated by one or more Parties in accordance with the below Item IV., Termination.

IV. TERMINATION

Any Party may terminate its participation in this MOU without cause provided that the terminating Party submits written notice to the other Parties at least thirty (30) days in advance of the intended termination date.

Signatures will be on the following page.

Acknowledged and Agreed

In witness whereof, the Parties have executed this MOU on the dates written below.

Cristi Creegan Date
Mayor
City of South Lake Tahoe

Name Date
Title
Barton Hospital

John Thiel Date
General Manager
South Tahoe Public Utility District

Jeff Tillman Date
President
South Tahoe Refuse

Andrea Salazar Date
Associate Superintendent, Business Operations
Lake Tahoe Community Unified School District

Name Date
Title

Lake Tahoe Community College

Brenden Ferry Date
Deputy Director, Tahoe Planning & Stormwater Division
El Dorado County

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: January 24, 2023
Agenda Item #: 7

Agenda Item: Amendment No. 1 to Animal Control Services Agreement with El Dorado County

Executive Summary: Pursuant to the City Municipal Code and state law, the City is empowered to protect the health and safety of residents from animal control issues and to provide animal sheltering services. Partnering with other agencies reduces costs and increases efficiencies in providing these services. As a result, the City has determined that contracting with the County of El Dorado to have the County provide all necessary enforcement of City codes and state law furthers these goals and objectives. The City has contracted with the County to provide animal control services since 1998. The most recent contract was entered into in 2014. In February 2022, County staff proposed adding flat annual amount of up to $53,780 for capital improvements and deferred maintenance with the actual amount charged based on the City's share of annual expenses calculated according to the estimated call volume. This amount is in addition to any non-capital improvement projects. The new provision is incorporated into the Amendment No. 1 to the Agreement for Animal Services.

Requested Action / Suggested Motions: Pass a Motion to authorize and direct the Mayor to execute Amendment No. 1 to the Animal Control Services Agreement with El Dorado County to add the City's share of an estimated flat amount of $53,780 for Capital Improvements and Deferred Maintenance of the facility.
Responsible Staff Member: Olga Tikhomirova, Director of Finance

Responsible Staff Member: Olga Tikhomirova, Director of Finance (530) 542-7431

Reviewed and Approved By:
Susan Blankenship, City Clerk
Heather Stroud, City Attorney

Attachments:

01-Staff Report-Animal Control Agreement Amendment No. 1.docx
02-Animal Services Agreement Amendment I.pdf
03-C-47-2014.pdf

City of South Lake Tahoe
Report **to City Council**

Meeting Date: January 24, 2023

Title: Amendment I to the Animal Control Services Agreement with the El Dorado County

Location: Citywide

Responsible Staff Member: Olga Tikhomirova, Director of Finance (530) 542-7431

Background: Pursuant to the City Municipal Code and state law, the City is empowered to protect the health and safety of residents from animal control issues and to provide animal sheltering services. Partnering with other agencies reduces costs and increases efficiencies in providing these services. As a result, the City has contracted with the County of El Dorado to provide animal control services since 1998. The most recent contract was entered into in July 2014. The services the County provides under this agreement include full field and administrative animal shelter services including impoundment of strays, removal of dead animals, vicious animal complaints and quarantines, and responding to animal complaints. The County is responsible for the collection of all fees and penalties under this agreement. The term of the agreement is for one year and automatically renews unless terminated. The cost is dependent on the actual cost of operations, less revenue from licenses and fees, multiplied by the workload percentage attributable to services provided within the city limits. The contract calls for quarterly payments towards the estimated cost determined by the County. The County would notify the City of this estimated total cost by October 1 of each year.

Issue and Discussion: In February 2022, County staff proposed adding a flat annual amount of up to $53,780 to the total cost for capital improvements and deferred maintenance with the actual amount charged based on the City's share of annual expenses calculated according to the estimated call volume. This amount is in addition to any non-capital improvement projects. Annual funds collected would be held by the County in a Special Revenue fund. The new provision is incorporated into the Amendment I to the Agreement for Animal Services which is provided for City Council approval as part of this agenda item.

Financial Implications: According to the preliminary total cost estimate provided by the County in October 2022, the Fiscal Year 2022-2023 estimated amount due from the City, pursuant to the contract for animal services to be provided by the County within the city limits, is $778,022. The proposed Agreement Amendment I includes additional annual fees for Capital Improvements and Deferred Maintenance of the facility. The City will pay its share of an estimated flat amount of $53,780. The actual amount charged shall be based on the City's share of annual expenses calculated according to the estimated call volume. The total estimated amount for animal services and the additional amount for Capital Improvements and Deferred Maintenance of the facility is included in FY 2022-2023 adopted budget Non-Departmental General Fund account 100-01951-42030. No budget amendment is required at this time.

In Fiscal Year 2021-2022 the actual costs incurred were less than originally estimated as a result of the Caldor Fire, resulting in the total final annual compensation amount of $519,937. In Fiscal years 2020-2021 and 2019-2020, the total actual costs for the City were $621,922 and $553,411 respectively. The annual cost increase over the last three years was approximately 12%.

Environmental Considerations: The proposed action is not a “project” subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(4) (creation of government funding mechanisms or government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment).

Policy Implications: The agreement for animal control services was entered in for the purpose of enforcing State Laws and City animal control ordinances (South Lake Tahoe City Municipal Code, Animal Control).

AGREEMENT FOR SERVICES #008-F1511, #6512
AMENDMENT I
Animal Services

This First Amendment to that Agreement for Services formerly numbered #008-F1511, renumbered to be #6512, is made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County" or "Contractor") and City of South Lake Tahoe, an incorporated city in the State of California (hereinafter referred to as "City").

RECITALS

WHEREAS, City has need for, and Contractor has been engaged by City to supply animal control services within the boundaries of the City for the purpose of enforcing State laws and City animal control ordinances (South Lake Tahoe City Municipal Code, Animal Control), and providing animal sheltering services on behalf of the City in accordance with Agreement for Services #008-F1511, dated August 26, 2014, renumbered #6512, and incorporated herein and made by reference a part hereof;

WHEREAS, the parties hereto have mutually agreed to amend **Article I, "Scope of Services;"**

WHEREAS, the parties hereto have mutually agreed to annual additional fees for Capital Improvements and Deferred Maintenance of the facility involved in said Agreement, hereby amending **Exhibit A**;

WHEREAS, the parties hereto have mutually agreed to amend **Article VII "Independent Contractor/Liability**;"

WHEREAS, the parties hereto have mutually agreed to add **Article XXIII, "Executive Order N-6-22 – Russia Sanctions," Article XXIV, "Counterparts,"** and **Article XXV,** "**Electronic Signatures;"** and

WHEREAS, unless otherwise specified herein, the following terms and conditions shall be effective upon final execution of this Amendment I to that Agreement #008-F1511, also known as Agreement #6512.

NOW THEREFORE, the parties do hereby agree that Agreement for Services #008-F1511, renumbered #6512, shall be amended a first time as follows:

1) Article I shall be amended in its entirety to read as follows:

ARTICLE I

Scope of Services: County agrees to:

A. Provide animal control services at and within the boundaries of the City for the purpose of enforcing State laws, City Animal Control Ordinances (South Lake Tahoe City Municipal Code, Animal Control), effectuating quarantines in accordance with California Code of Regulations for rabies control, and for the purpose of maintaining a County Animal Shelter at Shakori Drive in South Lake Tahoe.

B. Provide full field services response to citizen Calls For Service eight (8) hours per day seven (7) days a week (8 a.m. to 5 p.m.), excluding County holidays (refer to the County of El Dorado's website at http://www.edcgov.us and search for "Holiday Schedule"). Response to the following will be subject to officer availability and prioritization of calls:
   1. Rabies quarantine investigations;
   2. Humane investigations:
   3. Vicious animal Calls For Service; and
   4. Field services including but not limited to:
      a. Stray animal impound;
      b. Removal of dead animals from City roadways; and
      c. Enforcement of all State and City codes dealing with animals on behalf of City.

C. Maintain an animal shelter with general shelter services available to the public during the hours shown below:
   1. Hours open to the public:
      a. Monday through Saturday: 9:30 a.m. to 12:00 p.m. and 1:00 p.m. to 4:30 p.m.
      b. Sundays and County Holidays: Closed.
   2. Provide stand-by services on County holidays and outside work hours as defined in the above Section A, to respond to emergency calls relating to:
      a. Sick and injured animals;
      b. Unconfined aggressive animals posing a threat to public safety;
      c. Loose livestock on City roadways;
      d. Impoundment of animal(s) pursuant to an owner's arrest by a law enforcement agency; and
      e. Mutual aid response involving law enforcement or fire related activities. However, County retains the right to modify the shelter's hours and/or the staff is available outside the shelter's hours, at its sole discretion, due to unforeseen events (e.g., events of nature/extreme weather, major animal services activity requiring all staff participation, change in staffing levels, emergency/disaster response, etc.)

D. <u>Collect and Account for Fees, Penalties, and Surcharges.</u> County will:
   1. Collect fees and penalties as determined by County and as modified from time to time by resolution of the Board of Supervisors and collect any reasonable surcharges as determined by City, as set forth in Item 2 below.
   2. The rates charged for the animal control services described herein shall be the greater of the rate set by the City Manager or the County Board of Supervisors and shall be in accordance with related City and County Resolutions or Ordinances. In the event the City Manager approves a City surcharge on the County's rates, City shall provide

County with written notice of the imposed surcharge and reference to the City Resolution or Ordinance authorizing said surcharge. City requests that County apply the collected fees and surcharges to each quarterly invoice as defined in the herein Article titled "Compensation for Services."

2) Article III shall be amended in its entirety to read as follows:

ARTICLE III
Compensation for Services:

A. Determination of Annual Compensation: The annual compensation to be paid by City for the services described herein shall be calculated based on City's full share of the net cost of operations associated with services provided by County to City, as defined in "Compensation for Services Methodology," and the agreed upon fee for ongoing Capital Improvements and Deferred Maintenance, attached hereto as Exhibit A and incorporated by reference herein.

1. County shall notify City of preliminary, estimated annual compensation to be paid by City to County on or before July 1 of each year, commencing July 1, 2014.
2. By October 1 of each year, commencing October 1, 2014, County shall notify City of the adopted County budget for animal control services at and within the boundaries of the City for the purpose of enforcing State laws, City Animal Control Ordinances, and for the purpose of maintaining a County Animal Shelter at Shakori Drive. County shall submit quarterly invoices to City based on that adopted annual budget amount pending reconciliation of actual net cost of operations as determined pursuant to this Article III.
3. On an annual basis, County shall review actual workload indicators utilized in the compensation methodology and actual net cost of operations through the third quarter of each fiscal year and, in consideration of this data and other pertinent information, shall project estimated net cost of operations through the end of the fiscal year. This updated fiscal year end projection shall be submitted to City for consideration by May 30 of each year this Agreement is in effect.
4. Written notice of the final annual compensation applicable to the prior County fiscal year, based on the methodology in Exhibit A (but using actual workload and net cost data for the completed fiscal year), shall be submitted to City by September 15 of each year this Agreement is in effect, commencing with September 15, 2015. This notice will establish the final annual compensation amount due from City and shall serve as the invoice for the final quarter (April – June) of that fiscal year.
5. If the compensation amount paid by the City for the fiscal year period exceeds the final annual compensation amount pursuant to Article III, County shall notify the City by September 15. County shall refund the overpayment by check if requested by City within thirty (30) days of receipt of notice of the final annual compensation applicable to the prior County fiscal year or apply the overpayment as a credit toward the following Fiscal Year Agreement.
6. County shall maintain any and all ledgers, impound records, calls for service records, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to County for services provided pursuant to this Agreement.

Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, any time during regular business hours, upon written request by City Manager, City Attorney, City Auditor, or designated representative of these officers. Copies of such documents shall be provided to City for inspection at City Offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at County's address indicated for receipt of notices in this Agreement.

B. Payment:
   1. For services provided herein, City agrees to pay County within thirty (30) days of receipt of each quarterly invoice from County. Each invoice shall represent twenty-five percent (25%) of City's preliminary annual compensation amount as reflected in the written estimate provided to City as set forth in Article III A.1., until such time as the agreed-upon reconciliation occurs pursuant to the Article titled "Compensation for Services" herein.
   2. County agrees to collect and account for County's fees and City's surcharge(s), as defined in Article I, Section D, imposed on City residents which raise total animal service fees for City residents above those adopted by the County. County shall retain any such surcharge amounts collected and shall apply surcharges collected Article titled "Scope of Services," herein, to the overall invoices submitted to City quarterly.

C. Meetings regarding compensation shall be held at the request of either County or City, as needed.

3) Article VII is hereby amended in its entirety to read as follows:

ARTICLE VII
Independent Contractor/Liability:
The parties intend that an independent contractor relationship will be created by this contract. Contractor is, and shall be at all times, deemed independent and shall be wholly responsible for the manner in which it performs services required by the terms of this Agreement. Contractor exclusively assumes responsibility for acts of its employees, agents, affiliates, and subcontractors, if any are authorized herein, as they relate to the services or work to be performed under this Agreement during the course and scope of their employment by Contractor. Those persons will be entirely and exclusively under the direction, supervision, and control of Contractor.

City may designate the tasks to be performed and the results to be accomplished under this Agreement, provide information concerning the work or services, approve or disapprove the final work product and/or services provided, and set deadlines for the completion of the work or services, but City will not control or direct the manner, means, methods, or sequence in which Contractor performs the work or services for accomplishing the results.

Contractor, including any subcontractor or employees of Contractor, shall not receive, nor be eligible for, any benefits City provides for its employees, including, but not limited to, vacation pay, paid holidays, life insurance, health insurance, social security, disability insurance, pension, or 457 plans. Contractor shall not receive, nor be eligible for, workers' compensation, including medical and indemnity payments. City is not responsible for withholding, and shall not withhold, Federal

Income Contribution Act amounts or taxes of any kind from any payments which it owes Contractor. Contractor shall not be subject to the work schedules or vacation periods that apply to City employees.

Contractor shall be solely responsible for paying its employees, and for withholding Federal Income Contribution Act amounts and other taxes, workers' compensation, unemployment compensation, medical insurance, life insurance, or any other benefit that Contractor provides for its employees.

Contractor acknowledges that it has no authority to bind the City or incur any obligations on behalf of the City with regard to any matter and shall not make any agreements or representations on the City's behalf.

4) XXIII is hereby added to read as follows:

ARTICLE XXIII
Executive Order N-6-22 – Russia Sanctions:
On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. This Agreement is funded by state funds and accordingly, should the County determine City is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The County shall provide City advance written notice of such termination, allowing City at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the County.

5) XXIIV is hereby added to read as follows:

ARTICLE XXIV
Electronic Signatures: Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement, are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic Signature means any electronic visual symbol or signature attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures, pursuant to the California Uniform Electronic Transactions Act (Cal. Civ. Code §§ 1633.1 to 1633.17) as amended from time to time.

6) XXV is hereby added to read as follows:

ARTICLE XXV
Counterparts: This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

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7) Exhibit A is hereby amended in its entirety to read as follows:

EXHIBIT A

COMPENSATION FOR SERVICES METHODOLOGY
City of South Lake Tahoe

A. Calculation of Share of Services Provided to City (based on workload):

1. For purposes of this Agreement, the share of services provided to City will be calculated based upon two primary workload indicators as recorded in the County Animal Services' Chameleon database (or any replacement database that may be implemented by County Animal Services during the term of this Agreement):
   a. Animal impounds, and
   b. Calls for Service, also referred to as "Activities."
2. Impounds and Calls For Service are attributed to City or County, as applicable, based on the location of the animal owner's residence; or if the owner cannot be identified, the impound or Calls For Service is attributed to either the City or County based on the activity/incident location (i.e., where the Animal Services staff pick up an animal or respond to a Calls For Service). City will be deemed to include all areas within the City limits/boundaries and County will be deemed to include all unincorporated areas of the County in the Tahoe basin.

3. City's percentage share of workload, and associated services, will be calculated based on the latest complete fiscal year activities by dividing the combined total number of animal impounds and Calls For Service attributed to City by the combined total number of animal impounds and Calls For Service for the entire South Lake Tahoe basin (City and unincorporated County areas). The following sample table demonstrates this calculation using actual data for the period July 1, 2021 through June 30, 2022:

FY 2021-22 YTD (July 1, 2021 - June 30, 2022)					
Type of Service	**City of South Lake Tahoe**	**% of Total**	**Unincorporated South Lake Tahoe**	**% of Total**	**Total**
Animals Impounded	**175**	**71.7213%**	**69**	**28.2787%**	**244**
Calls for Service (CFS)	**1,824**	**64.5435%**	**1,002**	**35.4565%**	**2,826**
Total	**1,999**	**65.1140%**	**1,071**	**34.8860%**	**3,070**

Caldor Fire related services have been removed from the above total, as shown below.

City of South Lake Tahoe (SLT)	East Slope- SLT Unincorporated
Impounds total: 401 - 226 Caldor Fire = 175	**Impounds total: 132 - 63 Caldor Fire = 69**
CFS total: 1,945 – 121 Caldor Fire = 1,824	**CFS total: 1,120 - 118 Caldor Fire =1,002**

B. Calculation of Net Cost of Operations and Share Attributable to City.

1. By October 1 of each year, County will adopt an annual budget (expenditures and revenues) that shall address animal services operations for the entire South Lake Tahoe basin for the new fiscal year period (July 1 through June 30). The total expenditure budget, minus the total revenue budget (excluding anticipated revenue from City under this Agreement, and General Fund support provided by County), establishes the total net cost of operations to be shared by City and County. The total net cost of operations, multiplied by the City's percentage share of services (based on workload data for the most recent completed fiscal year, using the methodology above), produces the City's full share of the cost of operations.
2. The following table demonstrates calculation of the City's estimated full share of the net cost of operations for County Fiscal Year 2022-2023:

Estimated full share of net operating costs for 2022-23

Budgeted Expenditures	$1,327,270
Less Revenue (sources other than City or County funds)	($147,408)
Net Cost of Operations	$1,179,862
Multiplied by City's share of workload as calculated for 2021-22 above	65.1140%
Full Cost of estimated FY 2022-23 Operations attributable to City	$768,255.34

3. In addition to the above-mentioned share of costs, City agrees to pay their share of an estimated flat amount of $53,780 for Capital Improvements and Deferred Maintenance of the facility. The actual amount charged shall be based on the City's share of annual expenses calculated according to the estimated call volume. This amount shall be in addition to any non-capital improvement projects. All funds collected for Capital Improvements and Deferred Maintenance shall be held in a Special Revenue fund.

4. Development of the preliminary and final annual compensation amount applicable to each fiscal year will be pursuant to the Article titled "Compensation for Services" contained in this Agreement.
5. To the extent that the budgeted expenditures are increased in any Fiscal Year due to increases in budgeted expenses, including, but not limited to, retirement, medical or salary increases, the City may increase its fees, and the County agrees to collect any increased fees imposed by the City for services provided under this Agreement and pursuant to the Article titled "Scope of Services" contained in this Agreement.

Except as herein amended, all other parts and sections of that Agreement #008-F1511, newly renumbered #6512, shall remain unchanged and in full force and effect.

REQUESTING CONTRACT ADMINISTRATOR CONCURRENCE:

By: Henry Brzezinski (Dec 19, 2022 19:31 PST) Dated: 12/19/2022

Henry Brzezinski
Manager of Animal Services
Health and Human Services Agency

REQUESTING DEPARTMENT HEAD CONCURRENCE:

By: Olivia Byron-Cooper (Dec 20, 2022 05:34 PST) Dated: 12/20/2022

Olivia Byron-Cooper, Interim Director
Health and Human Services Agency

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IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to that Agreement for Services #008-F1511, newly renumbered #6512 on the dates indicated below.

-- COUNTY OF EL DORADO --

Dated: _____

By: _____
Chair
Board of Supervisors
"County"

ATTEST:
Kim Dawson
Clerk of the Board of Supervisors

By:_____ Dated: _____
Deputy Clerk

-- CITY--

By:_____ Dated: _____
Cristi Creegan
Mayor
"City"

ATTEST:
City Clerk

By:_____ Dated: _____
City Clerk

Approved as to form by:

By:_____ Dated: _____
City Counsel

AGREEMENT FOR SERVICES 008-F1511
Animal Related Services – City of South Lake Tahoe

THIS AGREEMENT is made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County" or "Contractor") and City of South Lake Tahoe, an incorporated city in the State of California (hereinafter referred to as "City").

RECITALS

WHEREAS, City has a need for a service provider to supply animal control services at and within the boundaries of the City for the purpose of enforcing State laws and City animal control ordinances (South Lake Tahoe City Municipal Code, Animal Control) and providing animal sheltering services on behalf of the City; and

WHEREAS, County, through its Health and Human Services Agency ("HHSA") Animal Services Program, provides animal control services within the County, maintains a County Animal Shelter located at 1120 Shakori Drive, South Lake Tahoe, CA 96150, and has provided animal control and sheltering services to the City of South Lake Tahoe for several years; and

WHEREAS, it is the intent of the parties hereto that such services be in conformity with all applicable Federal, State (all references to "State" in this Agreement shall mean the State of California unless otherwise specified) and local laws; and

NOW, THEREFORE, County and City mutually agree as follows:

ARTICLE I
Scope of Services: County agrees to:

A. Provide animal control services at and within the boundaries of the City for the purpose of enforcing State laws, City Animal Control Ordinances (South Lake Tahoe City Municipal Code, Animal Control), and for the purpose of maintaining a County Animal Shelter at Shakori Drive in South Lake Tahoe.

B. Provide full field services response to citizen complaints eight (8) hours per day seven (7) days a week (8 a.m. to 5 p.m.), excluding County holidays (refer to the County of El Dorado's website at http://www.edcgov.us and search for "Holiday Schedule"). Response to the following will be subject to officer availability and prioritization of calls:
   1. Rabies quarantine investigations;
   2. Humane investigations:
   3. Vicious animal complaints; and

CENTRAL RECORDS
FILE No.: 1047
C-47-14

4. Field services including but not limited to:
    a. Stray animal impound;
    b. Removal of dead animals from City roadways; and
    c. Enforcement of all State and City codes dealing with animals on behalf of City.

C. Maintain an animal shelter with general shelter services available to the public during the hours shown below:
    1. Hours open to the public:
        a. Monday through Saturday: 9:30 a.m. to 12:00 p.m. and 1:00 p.m. to 4:30 p.m.
        b. Sundays and County Holidays: Closed.
    2. Provide stand-by services on County holidays and outside work hours as defined in the above Section A, to respond to emergency calls relating to:
        a. Sick and injured animals;
        b. Unconfined aggressive animals posing a threat to public safety;
        c. Loose livestock on City roadways;
        d. Impoundment of animal(s) pursuant to an owner's arrest by a law enforcement agency; and
        e. Mutual aid response involving law enforcement or fire related activities. However, County retains the right to modify the shelter's hours and/or the staff is available outside the shelter's hours, at its sole discretion, due to unforeseen events (e.g., events of nature/extreme weather, major animal services activity requiring all staff participation, change in staffing levels, emergency/disaster response, etc.)

D. Collect and Account for Fees, Penalties, and Surcharges. County will:
    1. Collect fees and penalties as determined by County and as modified from time to time by resolution of the Board of Supervisors and collect any reasonable surcharges as determined by City, as set forth in Item 2 below.
    2. The rates charged for the animal control services described herein shall be the greater of the rate set by the City Manager or the County Board of Supervisors and shall be in accordance with related City and County Resolutions or Ordinances. In the event the City Manager approves a City surcharge on the County's rates, City shall provide County with written notice of the imposed surcharge and reference to the City Resolution or Ordinance authorizing said surcharge. City requests that County apply the collected fees and surcharges to each quarterly invoice as defined in the herein Article titled "Compensation for Services."

ARTICLE II

Term: This Agreement shall become effective upon final execution by both parties hereto, shall cover the period of July 1, 2014 to June 30, 2015, and renew automatically for successive one-year periods, unless earlier terminated pursuant to the provisions under the herein Article titled "Default, Termination, and Cancellation."

ARTICLE III

Compensation for Services:

A. Determination of Annual Compensation: The annual compensation to be paid by City for the services described herein shall be calculated based on City's full share of the net cost of

operations associated with services provided by County to City, as defined in "Compensation for Services Methodology," attached hereto as Exhibit A and incorporated by reference herein.

1. County shall notify City of preliminary, estimated annual compensation to be paid by City to County on or before July 1 of each year, commencing July 1, 2014.
2. By October 1 of each year, commencing October 1, 2014, County shall notify City of the adopted County budget for animal control services at and within the boundaries of the City for the purpose of enforcing State laws, City Animal Control Ordinances, and for the purpose of maintaining a County Animal Shelter at Shakori Drive. County shall submit quarterly invoices to City based on that adopted annual budget amount pending reconciliation of actual net cost of operations as determined pursuant to this Article III.
3. On an annual basis, County shall review actual workload indicators utilized in the compensation methodology and actual net cost of operations through the third quarter of each fiscal year and, in consideration of this data and other pertinent information, shall project estimated net cost of operations through the end of the fiscal year. This updated fiscal year end projection shall be submitted to City for consideration by May 30 of each year this Agreement is in effect.
4. Written notice of the final annual compensation applicable to the prior County fiscal year, based on the methodology in Exhibit A (but using actual workload and net cost data for the completed fiscal year), shall be submitted to City by September 15 of each year this Agreement is in effect, commencing with September 15, 2015. This notice will establish the final annual compensation amount due from City and shall serve as the invoice for the final quarter (April – June) of that fiscal year.
5. If the compensation amount paid by the City for the fiscal year period exceeds the final annual compensation amount pursuant to Article III, County shall notify the City by September 15. County shall refund the overpayment by check if requested by City within thirty (30) days of receipt of notice of the final annual compensation applicable to the prior County fiscal year, or apply the overpayment as a credit toward the following Fiscal Year Agreement.
6. County shall maintain any and all ledgers, impound records, complaint records, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to County for services provided pursuant to this Agreement.

   Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, any time during regular business hours, upon written request by City Manager, City Attorney, City Auditor, or designated representative of these officers. Copies of such documents shall be provided to City for inspection at City Offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at County's address indicated for receipt of notices in this Agreement.

B. Payment:

1. For services provided herein, City agrees to pay County within thirty (30) days of receipt of each quarterly invoice from County. Each invoice shall represent twenty-five

percent (25%) of City's preliminary annual compensation amount as reflected in the written estimate provided to City as set forth in Article III A.1., until such time as the agreed-upon reconciliation occurs pursuant to the Article titled "Compensation for Services" herein.

2. County agrees to collect and account for County's fees and City's surcharge(s), as defined in Article I, Section D, imposed on City residents which raise total animal service fees for City residents above those adopted by the County. County shall retain any such surcharge amounts collected and shall apply surcharges collected Article titled "Scope of Services," herein, to the overall invoices submitted to City quarterly.

C. Meetings regarding compensation shall be held at the request of either County or City, as needed.

ARTICLE IV

HIPAA Compliance: If during the course of an investigation into an animal bite pursuant to Title 17 California Code of Regulations Section 2606 or similar situation, County receives any individually identifiable health information (Protected Health Information or PHI), County shall maintain the security and confidentiality of such PHI required by applicable laws and regulations, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the regulations promulgated thereunder.

ARTICLE V

Changes to Agreement: This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

ARTICLE VI

Assignment and Delegation: City engages Contractor for its unique qualifications and skills as well as those of its personnel. Contractor shall not subcontract, delegate or assign services to be provided, in whole or in part, to any other person or entity without prior written consent of City. In the event City agrees in writing that Contractor may subcontract for services under this Agreement, Contractor shall require that all subcontractors comply with all terms and conditions of this Agreement, and all pertinent Federal and State statutes and regulations.

ARTICLE VII

Independent Contractor/Liability: County is, and shall be at all times, deemed independent and shall be wholly responsible for the manner in which it performs services required by terms of this Agreement. County exclusively assumes responsibility for acts of its employees, associates, and subcontractors, if any are authorized herein, as they relate to services to be provided under this Agreement during the course and scope of their employment.

County shall be responsible for performing the work under this Agreement in a safe, professional, skillful, and workmanlike manner and shall be liable for its own negligence and negligent acts of its employees. City shall have no right of control over the manner in which work is to be done and shall, therefore, not be charged with responsibility of preventing risk to County or its employees.

ARTICLE VIII

Default, Termination, and Cancellation: Either party may terminate this Agreement in whole or in part upon ninety (90) calendar days written notice prior to its effect. If such prior termination is effected, City will pay County for satisfactory services rendered prior to the effective dates as set forth in the Notice of Termination and for such other services, which the parties hereto may agree to in writing as necessary for contract resolution. In no event, however, shall City be obligated to pay more than the total amount of the contract. Upon receipt of a Notice of Termination, County shall promptly discontinue all services affected, as of the effective date of termination set forth in such Notice of Termination, unless the notice directs otherwise.

ARTICLE IX

Audit by California State Auditor: City acknowledges that contracts involving the expenditure of public funds in excess of $10,000 are subject to examination and audit by the California State Auditor pursuant to Government Code Section 8546.7. City shall provide Federal, State, or County authorities with access to any books, documents, papers, and records of Contractor, which are directly pertinent to this specific Agreement for the purpose of audit, examination, excerpts, and transcriptions. In order to facilitate these potential examinations and audits, City shall maintain all books, documents, papers, and records necessary to demonstrate performance under this Agreement for a period of at least three (3) years after final payment or for any longer period required by law.

ARTICLE X

Change of Address: In the event of a change in address for City's principal place of business or Notices to City, City shall notify County in writing pursuant to the provisions contained in this Agreement under the Article titled "Notice to Parties." Said notice shall become part of this Agreement upon acknowledgment in writing by the County Contract Administrator, and no further amendment of the Agreement shall be necessary provided that such change of address does not conflict with any other provisions of this Agreement.

ARTICLE XI

Notice to Parties: All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid, and return receipt requested. Notices to County shall be addressed as follows:

COUNTY OF EL DORADO
HEALTH AND HUMAN SERVICES AGENCY
3057 BRIW ROAD, SUITE A
PLACERVILLE, CA 95667
ATTN: CONTRACTS UNIT

With a copy to:

COUNTY OF EL DORADO
PROCUREMENT AND CONTRACTS DIVISION
360 FAIR LANE, LOWER LEVEL
PLACERVILLE, CA 95667
ATTN: TERRI DALY, PURCHASING AGENT

Or to such other location as the County directs.

Notices to City shall be addressed as follows:

CITY OF SOUTH LAKE TAHOE
1901 AIRPORT ROAD
SOUTH LAKE TAHOE, CA 96150
ATTN: CITY MANAGER

Or to such other location as the City directs.

ARTICLE XII

Indemnity: City shall indemnify, defend and hold harmless County, its officers, agents, employees and representatives from and against any and all claims, losses, liabilities or damages, demands and actions including payment of reasonable attorney's fees, arising out of or resulting from the performance of this Agreement, caused in whole or in part by any negligent or willful act or omission of City, its officers, agents, employees, subcontractors, or anyone directly or indirectly employed by any of them regardless of whether caused in part by a party indemnified hereunder.

County shall indemnify, defend and hold harmless City, its officers, agents, employees and representatives from and against any and all claims, losses, liabilities or damages, demands and actions including payment of reasonable attorney's fees, arising out of or resulting from the performance of this Agreement, caused in whole or in part by any negligent or willful act or omission of County, its officers, agents, employees, subcontractors, or anyone directly or indirectly employed by any of them regardless of whether caused in part by a party indemnified hereunder.

ARTICLE XIII

Insurance: County is self-insured. The City accepts County's self-insurance program as adequate

for the purposes of this Agreement.

ARTICLE XIV

Conflict of Interest: The parties to this Agreement have read and are aware of the provisions of Government Code Section 1090 et seq. and Section 87100 relating to conflict of interest of public officers and employees. City attests that it has no current business or financial relationship with any County employee(s) that would constitute a conflict of interest with provision of services under this contract and will not enter into any such business or financial relationship with any such employee(s) during the term of this Agreement. County represents that it is unaware of any financial or economic interest of any public officer or employee of City relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement either party may immediately terminate this Agreement by giving written notice as detailed in the Article in the Agreement titled, "Default, Termination and Cancellation" herein.

ARTICLE XV

Administrator: The County Officer or employee with responsibility for administering this Agreement is Henry Brzezinski, Chief Animal Control Officer, or successor.

ARTICLE XVI

Authorized Signatures: The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein.

ARTICLE XVII

Partial Invalidity: If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

ARTICLE XVIII

Venue: Any dispute resolution action arising out of this Agreement, including, but not limited to, litigation, mediation, or arbitration, shall be brought in County of El Dorado, California, and shall be resolved in accordance with the laws of the State of California.

ARTICLE XIX

No Third Party Beneficiaries: Nothing in this Agreement is intended, nor will be deemed, to confer rights or remedies upon any person or legal entity not a party to this Agreement.

ARTICLE XX

Waiver: The waiver by one party of the performance of any term, provision, covenant, or condition shall not invalidate this Agreement, nor shall it be considered as a waiver by such party of any other term, provision, covenant, or condition. Delay by any party in pursuing any remedy or in insisting upon full performance for any breach or failure of any term, provision, covenant, or condition shall not prevent such party from later pursuing remedies or insisting upon full performance for the same or any similar breach or failure.

ARTICLE XXI

Conflict Prevention and Resolution: The terms of this Agreement shall control over any conflicting terms in any referenced document, except to the extent that the end result would constitute a violation of Federal or State law. In such circumstances, and only to the extent the conflict exists, this Agreement shall be considered the controlling document.

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ARTICLE XXII

Entire Agreement: This document and the documents referred to herein or exhibits hereto are the entire Agreement between the parties and they incorporate or supersede all prior written or oral Agreements or understandings.

REQUESTING CONTRACT ADMINISTRATOR CONCURRENCE:

By: _____ Dated: 8/1/14

Henry Brzezinski
Chief Animal Control Officer
Health and Human Services Agency

REQUESTING DEPARTMENT HEAD CONCURRENCE:

By: _____ Dated: 8/1/14

Don Ashton, M.P.A.
Director
Health and Human Services Agency

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement 008-F1511 on the dates indicated below.

--CITY--

CITY OF SOUTH LAKE TAHOE

By: Hal Cole
Hal Cole, Mayor
"City"

Dated: 7-15-14

APPROVED AS TO FORM

Tom Watson, City Attorney

ATTEST:
Susan Alessi, City Clerk

--COUNTY OF EL DORADO--

Dated: 8/26/14

By: Norma Santiago
Norma Santiago, Chair
Board of Supervisors
"County"

ATTEST:
James S. Mitrisin
Clerk of the Board of Supervisors

By: Marcie MacFarland
Deputy Clerk

Dated: 8/26/14

zmm

EXHIBIT A

COMPENSATION FOR SERVICES METHODOLOGY

City of South Lake Tahoe

A. Calculation of Share of Services Provided to City (based on workload):

1. For purposes of this Agreement, the share of services provided to City will be calculated based upon two primary workload indicators as recorded in the County Animal Services' Chameleon database (or any replacement database that may be implemented by County Animal Services during the term of this Agreement):
   a. Animal impounds, and
   b. Complaints, also referred to as "Activities."
2. Impounds and complaints are attributed to City or County, as applicable, based on the location of the animal owner's residence; or if the owner cannot be identified, the impound or complaint is attributed to either the City or County based on the activity/incident location (i.e., where the Animal Services staff pick up an animal or respond to a complaint/call). City will be deemed to include all areas within the City limits/boundaries and County will be deemed to include all unincorporated areas of the County in the Tahoe basin.
3. City's percentage share of workload, and associated services, will be calculated based on the latest complete fiscal year activities by dividing the combined total number of animal impounds and complaints attributed to City by the combined total number of animal impounds and complaints for the entire South Lake Tahoe basin (City and unincorporated County areas). The following sample table demonstrates this calculation using actual data for the period July 1, 2012 through June 30, 2013:

Type of Service	City of South Lake Tahoe	Percent of Total	Unincorporated Area of SLT	Percent of Total	Total
Animals Impounded July 2012 - June 2013	297	47.6726%	326	52.3274%	623
Complaints July 2012 - June 2013	1,246	62.2378%	756	37.7622%	2002
Total:	**1,543**	**58.7810%**	**1,082**	**41.2190%**	**2,625**

B. Calculation of Net Cost of Operations and Share Attributable to City.

1. By October 1 of each year, County will adopt an annual budget (expenditures and revenues) that shall address animal services operations for the entire South Lake Tahoe basin for the new fiscal year period (July 1 through June 30). The total expenditure budget, minus the total revenue budget (excluding anticipated revenue from City under this Agreement, and General Fund support provided by County), establishes the total net cost of operations to be shared by City and County. The total net cost of operations, multiplied by the City's percentage share of services (based on workload data for the most

recent completed fiscal year, using the methodology above), produces the City's full share of the cost of operations.

2. The following table demonstrates calculation of the City's estimated full share of the net cost of operations for County Fiscal Year 2013-2014:

Budgeted Expenditures	$742,394
Less Revenue (sources other than City or County funds)	(155,986)
Net Cost of Operations	$586,408
Multiplied by City's share for workload as calculated for FY 2012-13 (above)	58.7810%
Full Cost of estimated FY 2013-14 Operations attributable to City	$344,696

3. Development of the preliminary and final annual compensation amount applicable to each fiscal year will be pursuant to the Article titled "Compensation for Services" contained in this Agreement.
4. To the extent that the budgeted expenditures are increased in any Fiscal Year due to increases in budgeted expenses, including, but not limited to, retirement, medical or salary increases, the City may increase its fees, and the County agrees to collect any increased fees imposed by the City for services provided under this Agreement, and pursuant to Article I.D.2. of the Agreement.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: January 24, 2023
Agenda Item #: 8

Agenda Item: Lease Agreement at Lake Tahoe Airport for City Hall, Administrative Offices, and Public Safety Hangar

Executive Summary: This is a Non-Aeronautical lease agreement for the City at the Airport for a term of five (5) years. This agreement allows the City to continue operating at the Airport at fair market rate, based on the newly adopted fees effective Jan. 1, 2023. The City rents 10,300 square feet of City Hall and office space at $2.30/square foot and a 3,000 square-foot hangar at $0.96/square foot. The monthly rent would be $26,570.00, with a proportional fee covering utilities and janitorial services to be charged separately.

Requested Action / Suggested Motions: Pass a Motion authorizing and directing the Mayor to execute a Lease Agreement with the Lake Tahoe Airport for $26,570 per month for a term of five years to rent City Hall, administrative offices, and a hangar for use by the Fire and Police Departments.
Responsible Staff Member: John Dickinson, Airport Manager

Responsible Staff Member: John Dickinson, Airport Manager (530) 542-6182

Reviewed and Approved By:
Anush Nejad, Director of Public Works
Susan Blankenship, City Clerk
Olga Tikhomirova, Finance Director
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Lease Agreement for City Offices.docx
02-Lease Agreement for City Offices.docx

City of South Lake Tahoe
Report to **City Council**

Meeting Date: January 24, 2023

Title: City Lease at the Airport

Location: Lake Tahoe Airport

Responsible Staff Member: John Dickinson, Airport Manager (530) 542-6169

Background: The City's Lease for the Airport expired last year and is currently on a month-to-month lease clause. The new lease will be looking to take effect February 1, 2023, with a five-year agreement.

Issue and Discussion: The new lease will allow the city to operate out of the Lake Tahoe Airport at fair market rate, which is $2.30 a square foot for the terminal and $.96 a square foot for the hangar on the airport. The total square footage of the terminal for City Hall/City Offices is 10,300 and for Fire Station 4 is 3,000 square feet.

This lease needs to be put in place for the City to update its lease at the airport to the new rates established back in October 2022. The FAA requires a fair market rate for these terminal spaces and hangar use. With the current use of Fire Station 4 as a nonaeronautical user, the City needs to pay fair market rate for its use.

Financial Implications: The financial impact to the City is as follows:

- **Airport Rent: $26,570.00 a month, which includes the terminal and hangar**
- **Utilities: 30 Percent of terminal use.** Based on the 5-year historical average of water/sewer, electricity and natural gas payments, the utilities cost will be paid at a rate of $24,000 anually.
- **Janitorial: 50 Percent of the use,** $23,220 annually.

The total cost of the new lease is $366,060 and will be paid to the airport's enterprise fund quarterly. Funds will be transferred into the Airport Terminal Building revenue account 501-05120-35323. A budget amendment associated with the rent increase will be included in the mid-year budget adjustment process. The City's total annual cost increase associated with the new contract is $88,920.

Environmental Considerations: The execution of a Lease Agreement is not a project subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(5) (organizational or administrative activities that will not result in direct or indirect physical changes to the environment).

Policy Implications: New City lease will take place on February 1, 2023, to establish a fair market rate, which is needed to meet FAA requirements.

LEASE AGREEMENT

THIS LEASE (the "Agreement") is made and entered into, effective the February 1, 2023, by and between the **CITY OF SOUTH LAKE TAHOE, LAKE TAHOE AIRPORT**, an enterprise fund of the City of South Lake Tahoe, California ("Airport") and **CITY OF SOUTH LAKE TAHOE**, a municipal corporation ("Tenant").

RECITALS

A. WHEREAS, the City of South Lake Tahoe owns and the Airport operates the Lake Tahoe Airport located at 1901 Lisa Maloff Way in South Lake Tahoe, California, in accordance with grant assurances from the Federal Aviation Administration which require the Airport to maintain a fee and rental structure to make the Airport as self-sustaining as possible, and to expend all revenues generated by the Airport for capital or operating costs of the Airport; and

B. WHEREAS, Tenant's use of office space is deemed appropriate within the Airport Passenger Terminal, hereinafter referred to as "Terminal; and

C. WHEREAS, Airport desires to make said space available in the Terminal and Tenant has applied to use such office space;

D. WHEREAS, Tenant had a prior agreement to lease space in the Terminal with a term that ended on May 31, 2022, and with the prior agreement extended on a month-to-month basis since then; and

E. WHEREAS, on October 4, 2022, City Council adopted Resolution No. 2022-2022-132, which revised Airport fees for the City Master Schedule of Fees and Charges including increasing the fee for office space to $2.30/square foot and for hangar space to $0.96/square foot, effective January 1, 2023.

F. WHEREAS, the parties desire to enter into this Agreement such that Tenant pays rent in accordance with the increased fees, as of January 1, 2023.

G. NOW THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties agree, for themselves, their successors and assigns, as follows:

PREMISES

AIRPORT hereby leases to **TENANT** the floor space (the "Leased Area") of the structure located on that certain real property more particularly described in Exhibit A attached hereto and made a part hereof. The Leased Area consists of approximately 10,300 useable square feet of office area, which is in the Terminal located at 1901 Lisa Maloff Way, South Lake Tahoe, CA 96150, and 3000 square feet of hangar space. Tenant space does not include office areas used exclusively for Airport purposes. As the Airport is an enterprise fund of the City of South Lake Tahoe, the Airport office areas are excluded from this Agreement to maintain integrity of the enterprise fund and those of the City's General Fund which pays for the use of specific areas within the Terminal for City administrative functions.

AGREEMENT

1. Scope and Purpose of Lease. Subject to the provisions herein, the Airport hereby leases the Leased Area to Tenant for the following purpose(s):
    - City Hall Chambers
    - City Internal Services including but not limited to Human Resources, Finance, City Manager's Office, & City Attorney
    - City Records Storage and Information Technology Systems
    - City Emergency Operations Center
    - One hangar for storage of Fire Department and Police Department equipment to be available for emergency response at the Airport if needed.

2. The Leased Premises. The Leased Area is more specifically identified in **Exhibit A,** attached hereto and incorporated herein by reference, and is located at 1901 Lisa Maloff Way, South Lake Tahoe, CA 96150.

3. Term of Lease. The Term of this Agreement shall be **5 years**, commencing on **February 1, 2023** and ending on **January 31, 2028.**

   Upon the end of the term of this Agreement, as provided herein, or any extension thereof, or sooner termination of this Agreement, Tenant shall surrender to Airport the Leased Area, together with all improvements except as hereinabove provided, and any fixtures and equipment in good condition, reasonable wear and tear excepted.

   In the event Tenant holds over the term of this Agreement with the consent of the Airport, such holding over shall be deemed a tenancy from month-to-month, subject to all other provisions of this Agreement, and the rental rate paid by Tenant shall remain in effect throughout the holdover period.

4. Rent. Tenant agrees to pay to Airport on or before the first day of each calendar month during the term of this Agreement, retroactive to January 1, 2023, a monthly rent of **$ 26,570.00** . Beginning in April 2024 and thereafter on an annual basis in April, the monthly rent shall be subject to an annual increase based on the Consumer Price Index as set forth in the Master Fee Schedule. Such rent shall not include utilities, which shall be paid separately. Tenant shall pay said fee in the form of a check sent to the City's Finance Department located at 1901 Lisa Maloff Way, Suite 210, South Lake Tahoe CA 96150, and made out to: City of South Lake Tahoe, Lake Tahoe Airport Enterprise Fund.

    a. Extension of Lease Term. In the event the parties agree to extend the term of this Agreement, Tenant shall pay the next payment due on or before the date the additional term commences. Upon expiration of the term of this Agreement and at the expiration of any additional term(s),

Airport shall have the right to modify the monthly rent for the additional term(s).

b. Late Payment. If any monthly rent or other payment due from Tenant is not received by Airport within ten (10) days of the date upon which it is due, Tenant shall pay to Airport an additional late charge of $50.00.

c. Utilities and Janitorial Services.
Tenant agrees to pay before delinquency all charges for natural gas, electricity, water and sewer, telephone, internet, cable, including connection charges if the services are separated metered, and janitorial services for Leased Area. If the services are not separately metered or billed, Tenant agrees to pay within fifteen (15) days after being billed by Airport a prorated share of the bills for the Leased Area. Airport shall in no event be liable to Tenant for any interruption in the service of any utility or service furnished to the Leased Area howsoever caused, provided that such interruption is not caused by the intentional act or omission of Airport or its authorized representatives. This Agreement shall continue in full force and effect despite any such interruptions.

The tenant agrees to pay 30 percent of the utility cost, which will be $24,000.00 a year and 50 percent of the janitorial contract, which will be $23,220 a year.

d. Prorated Rents. If this Agreement begins on any day other than the first day of a month, the rent for the first month of the Agreement shall be prorated for the number of days remaining in the calendar month based on a 30-day month.

5. Expenses of Lessee. In addition to the monthly rent and utilities, Tenant shall pay the costs and expenses listed below:

a. Maintenance and Repairs.
Tenant agrees to maintain in good order and repair and in a clean and safe condition any and all structures, facilities, improvements, and equipment at the Leased Area, at Tenant's sole cost and expense, during the entire Term. Tenant shall perform any required maintenance except on the foundation, structure, plumbing, electrical and roof which shall be the responsibility of the Airport. Tenant shall repair any area damaged by Tenant, Tenant's agents, employees, invitees and visitors whether through active or passive negligence. Should Tenant fail, neglect or refuse to do so, Airport shall have the right, but not the obligation, to perform such maintenance or repairs for Tenant's account, and Tenant agrees to promptly reimburse Airport for the cost thereof, which the Airport shall track by time spent and fully burdened hourly rate in a spreadsheet or other document. Airport shall not be

obligated to make any repairs to or maintain any improvements on the Leased Area unless otherwise required by this Agreement.

Airport reserves the right of entry for its employees and agents to inspect the Leased Area as deemed necessary by Airport, and the right (but not obligation) to do any and all work of any nature necessary for preservation, maintenance and operation of the Leased Area.

Tenant shall be given reasonable notice when any such work may become necessary and will adjust operations to permit Airport to proceed expeditiously with such work. Airport shall not be liable to Tenant for injury or damage that may result from any defect in the construction or condition of the Leased Area, nor for any damage that may result from interruption of Tenant's use of the Leased Area during any repairs by Airport. Tenant waives any right to repair the Leased Area at the expense of Airport under any applicable law.

Airport shall have the obligation to repair or replace the Leased Area and the facilities thereon solely to the extent the damage or destruction is caused by the sole negligence of Airport.

b. Tenant shall remove all improvements installed by Tenant upon termination of this Agreement without cost to Airport, or such improvements will revert to the Airport, at the Airport's option. Such option shall only be effective if provided by Airport in writing to Tenant. All improvements and alterations require prior written approval of Airport.

6. Use. Tenant's right to use the Leased Area is nonexclusive, and Tenant and Airport, its agents, employees and contractors shall have the right to enter the Leased Area for any purpose that does not unreasonably interfere with the rights granted to Tenant under this Agreement. Such purposes may include but are not limited to Airport entering to: inspect the Leased Area; show the Leased Area to prospective tenants; determine whether Tenant is complying with the Agreement; or to make repairs, alterations or improvements.

Tenant hereby acknowledges that the use of the Leased Area consists of conducting day-to-day business of the Airport as it relates to helicopter tours and flight lessons. Tenant at its sole cost shall provide all other necessary supplies, equipment, furnishings and personnel necessary for the administration, staffing, operation and maintenance of the Leased Area.

a. Qualifications on Use.
Tenant's right to use the Leased Area shall be for **City of South Lake Tahoe administrative functions including a public venue for official City business and one hangar for storage of Fire Department and Police Department equipment that shall be available for emergency**

response at the Airport if needed. All other uses shall be considered a breach of this Agreement, and shall give the Airport authority to immediately terminate this Agreement.

b. Prior Encumbrances.
This Agreement is subject to all easements, leases, liens, conditions, restrictions, encumbrances and claims of title which may affect the Leased Area. Tenant accepts the Leased Area in its present condition.

c. Licenses, Permits, etc.

Tenant shall, at Tenant's own cost and expense, obtain and maintain all licenses, permits, certificates or other authorizations of any governmental authority having jurisdiction over the Leased Area and Tenant's use of the Leased Area; without limiting the generality of the foregoing, Tenant shall comply with all applicable laws, resolutions, codes, rules, orders, directions, ordinances and regulations of any department, bureau or agency or any governmental authority having jurisdiction over the operations, occupancy, maintenance and use of the Leased Area for the purposes hereunder, except for those requiring major alterations the Leased Area as distinguished from those relating to furniture, fixtures or equipment of Tenant therein. Tenant shall indemnify and save Airport harmless from and against any claims, penalties, losses, damages or expenses imposed by reason of Tenant's violation of any applicable law or the rules and regulations of governmental authorities having jurisdiction thereof.

d. Parking. Tenant employee parking shall be permitted without charge in assigned areas as designated by the Airport Manager. Employees shall obtain a parking permit from the Airport Administration office and display the permit in their vehicles at all times if required by the Airport Manager.

e. FAA Requirements. Tenant shall comply with applicable procedures which comply with the Federal Aviation Administration's requirements:

i. Lake Tahoe Airport Rules and Regulations
ii. Lake Tahoe Airport Minimum Standards
iii. Lake Tahoe Airport Policies and Procedures

f. Common Areas. Common areas of the Airport building and outside premises (located at 1901 Lisa Maloff Way, South Lake Tahoe, CA 96150) shall be used for ingress and egress purposes only unless permission is given by the Airport Manager for a temporary special use which shall not interfere with aeronautical use of the Airport.

7. Termination. This Agreement may be terminated by Airport or Tenant for cause or without cause upon thirty days (30) days written notice of termination.

Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation or expiration.

Upon termination, revocation or expiration of this Agreement, Tenant shall discontinue the use of the Leased Area and, upon written notice from Airport, remove from the Leased Area all personal property. Tenant shall restore the Leased Area as nearly as possible to the condition in which they existed immediately prior to the execution of this Agreement. Property of Tenant not removed from the Leased Area within 60 days after the termination, revocation, or expiration of this Agreement shall become the property of Airport.

If this Agreement is terminated, Airport shall have all of the rights and remedies of a landlord provided by Civil Code section 1951.2, in addition to any other rights and remedies Airport may have. The damages which Airport may recover shall include without limitation; (i) the worth at the time of award of the unpaid rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of the rental that Tenant proves cold have been reasonably avoided; (iii) the worth at the time of award computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%) of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss that Tenant proves could be reasonably avoided; (iv) all reasonable legal expenses and other related costs incurred by Airport following Tenant's default; (v) all reasonable costs incurred by Airport in restoring the Leased Area in good order and condition to re-lease the Leased Area; and (vi) all reasonable costs, including without limitation, any brokerage commissions incurred by Airport in re-leasing the Leased Area.

8. Indemnity. Tenant is a self-insured agency and will indemnify Airport, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all costs and expenses in connection therein), arising out of this Agreement or caused in any way by Tenant's use of the Leased Area, except for any such claims arising out of the negligence or willful misconduct of Airport.

9. Insurance Requirements.

   a. Tenant is self-insured and provides the minimum indemnification to Airport.

      i. Workers' Compensation Coverage. Tenant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Tenant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and

Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation of all Workers' Compensation policies must be received by City at least thirty (30) days prior to such change. Tenant shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against Airport, its officers, agents, employees and volunteers for losses arising from work performed by Tenant for Airport.

ii. General Liability Coverage. Tenant shall maintain commercial general liability insurance in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury and property damage. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Tenant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Tenant arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

v. Leasehold Improvements. During the Term, Tenant shall maintain in full force and effect on all leasehold improvements, interior and exterior signage, fixtures, merchandise, and other personal property from time to time in, on or upon the Leased Area, fire and extended coverage insurance in the amount of the full replacement value thereof containing sprinkler leakage, replacement cost and inflation endorsements, and providing for no deductible in excess of two thousand dollars ($2,000) per loss. All proceeds from the insurance required pursuant to this subsection shall be used for the repair or replacement of the property damaged or destroyed. Both Airport and Tenant shall be named as co-insured's as to coverage of leasehold improvements, and alterations, though not as to Tenant's personal property.

10. Hazardous Materials. Tenant, its agents, employees and contractors, at all times, shall keep the Leased Area and common areas free of Hazardous Materials (as hereinafter defined). Tenant shall not use, generate, manufacture, store, release, or dispose of Hazardous Materials in, on, or about the Leased Area or the common areas. "Hazardous Materials" shall include, but not be limited to, substances defined

as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 USC Sec,. 9601, et seq.; the hazardous Materials Transportation Act, 49 USC 1801 1 et seq.; the Resource Conservation and Recovery Act, 42 uses Sec. 6901, et seq.; and those substances defined as "hazardous wastes" in Section 25117 of the California Health & Safety Code or as "hazardous substances" in Section 25316 of the California Health & Safety Code and in the regulations adopted and publications promulgated pursuant to said laws.

11. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to Airport: City of South Lake Tahoe
Lake Tahoe Airport
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Tenant: City Manager
City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

12. Assignment and Subleasing. This Agreement is personal to Tenant. As such, Tenant has no right to assign this Agreement in whole or in part or sublease the Leased Area in whole or in part. Tenant may not grant concessions in or upon the Leased Area without the prior written approval of Airport. Neither this Agreement nor any interest in this Agreement shall be assignable without the prior written consent of Airport.

13. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

14. Dispute Resolution. Any dispute concerning this Agreement will be submitted to the City Manager and Airport Manager for resolution. The parties agree to make a good faith effort to resolve any dispute.

15. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

16. Non-Discrimination Clause.
Tenant assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This Provision obligates Tenant or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the Provision obligates Tenant or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors, this Provision binds the contractors from bid solicitation period through the completion of the contract. Tenant, for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Agreement for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

Tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

17. Drug-Free Workplace Certification. By signing this Agreement, Tenant hereby certifies under penalty of perjury under the laws of the State of California that the Tenant will comply with the requirements of the Drug-Free Workplace Act of 1990

(Government Code Section 8350, et seq.) and will provide a drug-free work place by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

   i. The dangers of drug abuse in the workplace;
   ii. The person's or organization's policy of maintaining a drug-free workplace;
   iii. Any available counseling, rehabilitation and employee assistance program; and
   iv. Penalties that may be imposed upon employees for drug abuse violations.

c. Provide, as required by Government Code Section 8355(c), that every employee who performs activities under this Agreement:

   i. Will receive a copy of Tenant's drug-free policy statement; and
   ii. Will agree to abide by the terms of Tenant's statement as a condition of employment on this Agreement.

Failure to comply with these requirements may result in termination of the Agreement.

18. Americans with Disabilities Act. By signing this Agreement, Tenant assures Airport that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et. seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

19. Amendments. This Agreement may be modified or amended only by a written document executed by both Tenant and Airport and approved as to form by the City Attorney.

20. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

21. Entire Agreement. This Agreement constitutes the complete and exclusive statement of agreement between Airport and Tenant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

22. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

23. Time is of the Essence. Time is of the essence for this Agreement.

24. Authority to Enter Agreement. Tenant has all requisite power and authority to execute, deliver, and perform under this Agreement. Each party warrants that the individuals who have signed this Lease Agreement have the legal power, right, and authority to make this Lease Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

LAKE TAHOE AIRPORT: TENANT:

By_____ By _____
John Dickinson, Airport Manager Cristi Creegan, Mayor

APPROVED AS TO FORM:

By_____
Heather Stroud, City Attorney

ATTEST:

By_____
Susan Blankenship, City Clerk

Attachments:

Exhibit A – Description of the Premises

EXHIBIT A

DESCRIPTION OF THE PREMISES (Terminal)

Total 10,300 Square Feet

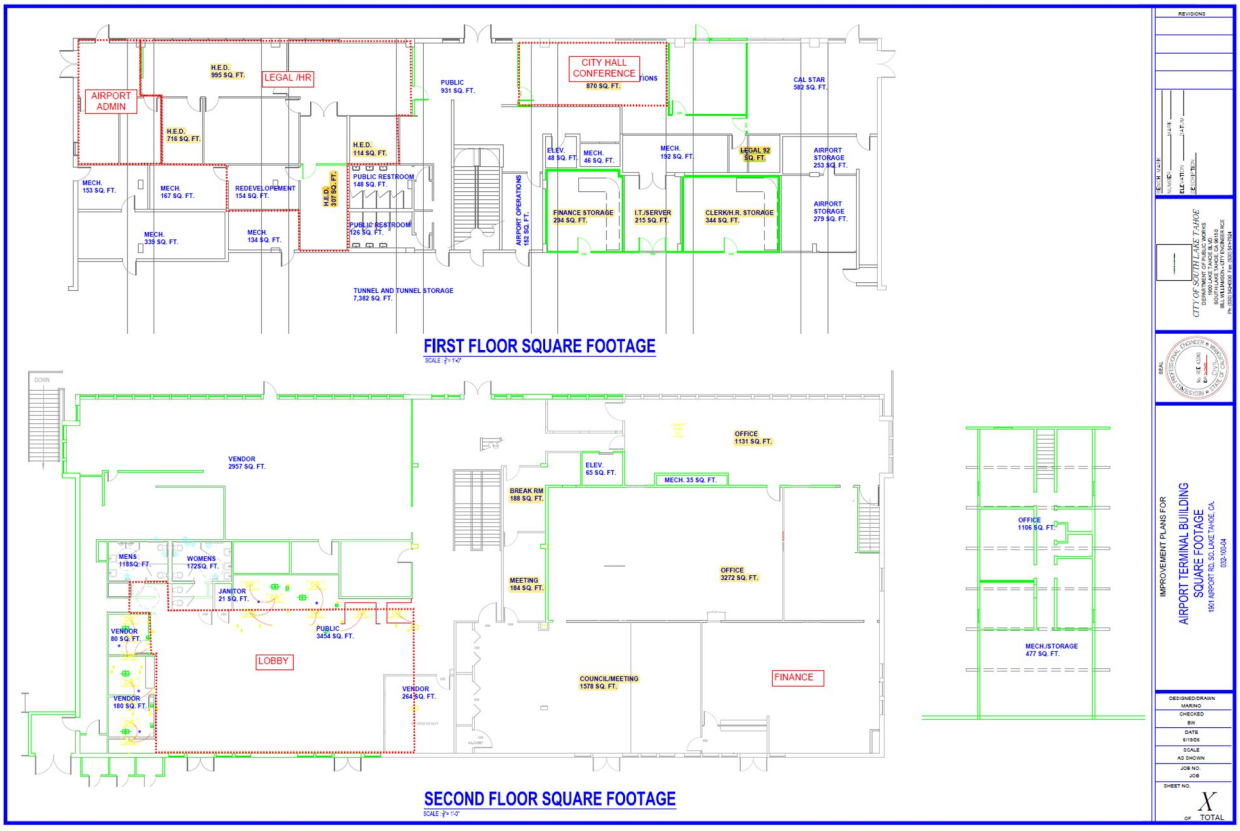
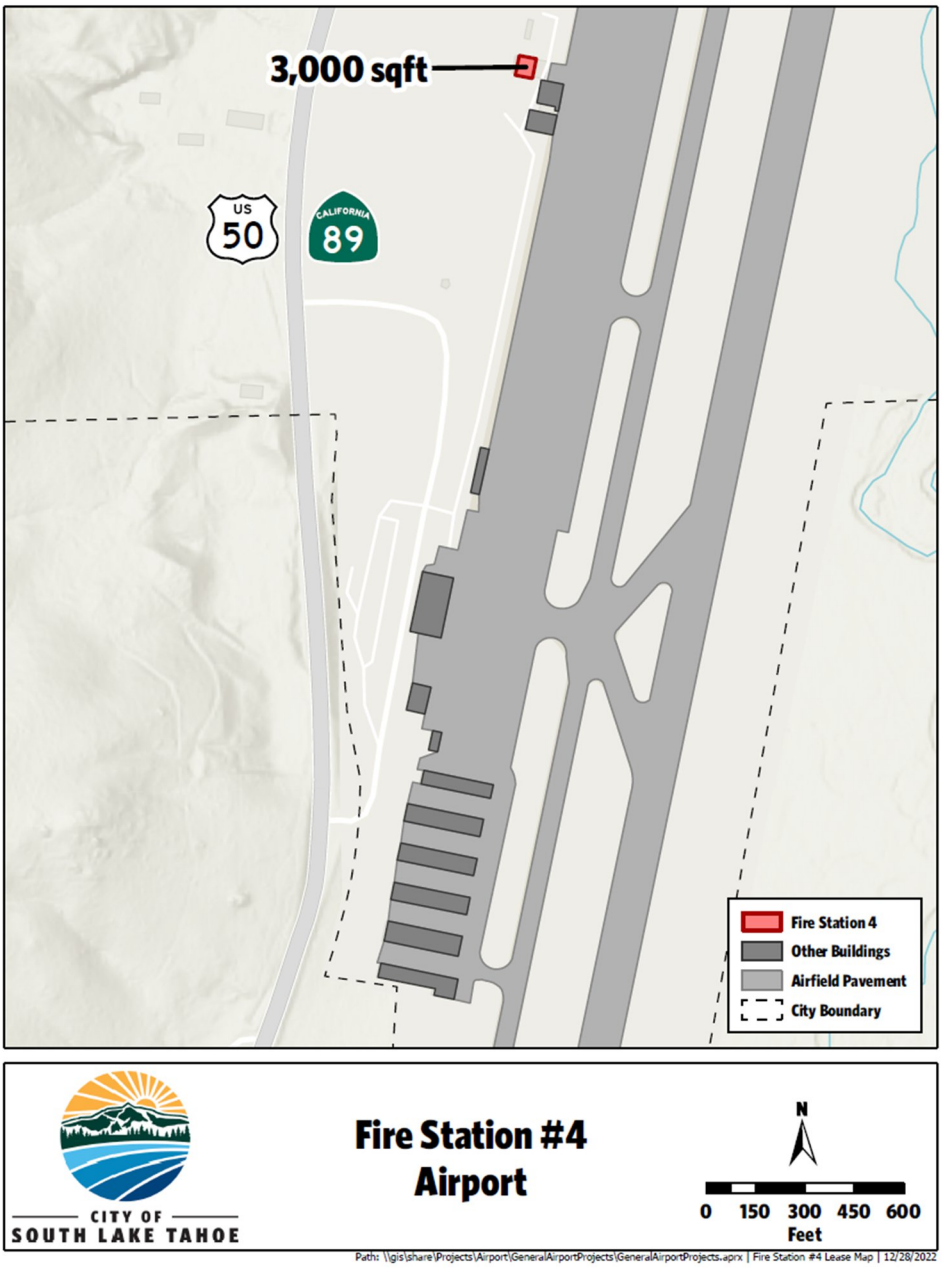


EXHIBIT B

DESCRIPTION OF THE PREMISES (Hangar)

Total 3,000 Square Feet



City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: January 24, 2023
Agenda Item #: 9

Agenda Item: Housing Initiatives Local Funding Source Study

Executive Summary: A study has been completed to analyze potential methods for generating revenue to fund the City's housing initiatives. The City currently uses existing program income from repayment of past housing loans and non-competitive grants to fund existing programs as well as local match for competitive grants. Using local money to leverage competitive grants is vital to the City's housing initiates, including the construction of new housing. However, as these local sources are depleted, the acquisition of the necessary competitive grants becomes more challenging. A reliable local funding source would provide the City a significant advantage to further efforts to address the housing crisis.

Requested Action / Suggested Motions: Receive presentation, discuss findings presented, and provide direction to staff regarding local funding source(s) for housing initiatives.
Responsible Staff Member: Zach Thomas, Housing Manager

Responsible Staff Member: Zach Thomas, Housing Manager

Reviewed and Approved By:
Hilary Roverud, Development Services Director
Susan Blankenship, City Clerk
Olga Tikhorimova, Director of Finance
Heather Stroud, City Attorney

Attachments:

01-Staff Report - Final Study Presentation.docx
02-Local Housing Funding Feasibility Study.pdf

City of South Lake Tahoe
Report to **City Council**

Meeting Date: January 24, 2023

Title: Housing Initiatives Local Funding Source Study

Location: City-wide

Responsible Staff Member: Zach Thomas, Housing Manager

Background: Consistent with the City Council's adopted 2021-2026 Strategic Plan (Plan), a robust set of housing programs are underway to address the spectrum of housing needs within the City of South Lake Tahoe (City). In order to fund this broad-spectrum approach, the Plan identified the need to explore the feasibility of a local discretionary funding source as an action item. This opportunity is intended to enhance the existing housing programs being implemented by the City while evaluating the revenue generation potential of a new city-wide funding source.

This funding study and assessment of options is intended to provide elected officials, staff and community members, initial data and guidance for housing policy development and program implementation. This effort has resulted in a thorough analysis of funding options that could be generated from a broad range of sources to address housing needs. In addition, the study considers local, regional, and state administrative and legislative processes that may be required for implementation as well as alignment with best practices and efforts underway in other jurisdictions.

The study was funded by a non-competitive grant. On August 3, 2021 the City Council adopted Resolution 2021-56 authorizing acceptance of the Regional Early Action Planning (REAP) Grant. The grant scope of work included hiring a consultant to conduct an analysis of a local discretionary funding source.

At its May 3, 2022 meeting, the City Council authorized the City Manager to enter into a Professional Services Agreement (PSA) with BAE Urban Economics to conduct the study. BAE Urban Economics was recommended to the City Council after a Request for Proposals (RFP) process was conducted during the spring. In addition to scoring highest on the selection criteria outlined in the RFP, BAE staff are familiar with the Tahoe Region through their experience on affordable and workforce housing issues in Truckee and the North Tahoe region.

Issue and Discussion: The City currently operates robust and diverse housing programs, the highlights of which include: New construction of Sugar Pine Village, Lease to Locals Rental Incentive Program, HomeKey Properties Rehabilitation Program, Riverside Parcel Donation, First-Time Homebuyer Program Initiation, MFD and SRO Inspection Program, Housing Issues Reporting Hotline, Housing Element update and maintenance and general ongoing efforts to revised relevant ordinances and work with partner agencies to streamline development.

Currently, a significant amount of program efforts are funded by program income from repayment of past housing loans and non-competitive grants which are then used to secure high-value competitive grants. For example, to ensure the development of the Sugar Pine Village affordable housing project, the City has committed approximately $2.4 million which has been used to leverage and secure approximately $65 million in grants and outside funding sources. The project is now under development. However, without additional local funds, it can become increasingly difficult to continue to leverage the high-value outside funding sources needed to develop new housing.

In other instances, non-competitive grants are used to fund specific programs such as the Lease to Locals Rental Incentive Program and the HomeKey Properties Rehabilitation Program. While using non-competitive grant sources to fund highly beneficial local programs is an efficient use of outside funding, non-competitive grants are not consistently available, are limited to program specified uses, and cannot be considered a guaranteed source of local revenue.

A local funding source would support local control of funding while enhancing additional opportunities to leverage greater amounts of money from outside grants and funding programs. In addition, a local funding source would encourage more innovation to build diverse housing projects and programs to benefit the community. As such, the study was designed to explore a wide range of funding sources, analyze the estimated revenue potential of each source and assess the stakeholder impact.

Housing staff worked closely with the consultant to generate a report that reflects the unique nature and circumstances of the City of South Lake Tahoe. Local revenue generation is a sensitive topic and earnest attempts were made to analyze the impacts to all stakeholders. While thorough, the study is not intended to be exhaustive in nature but rather be consistent with the strategic plan and provide a menu of options for a local discretionary funding source for the City Council to explore. The potential revenue sources analyzed include:

- Transient Occupancy Tax (TOT)
- Real Estate Transfer Tax
- Sales and Use Tax
- Real Estate Vacancy Tax
- Payroll Expense Tax
- Employee Headcount Tax
- Affordable Housing In-lieu Fee (Inclusionary housing)
- Business Linkage Fee

The report is organized in an easy to read format intended to facilitate discussion at a policy level. While the report discusses the likely process for implementing each of the revenue generating methods, it by no means is intended to provide a complete road map for the typically complex nature of implementation. Should the Council wish to further explore the implementation process of source(s), further analyses, planning, stakeholder outreach and consultation would likely need to occur.

The study makes every attempt to be data driven both by using all applicable available data as well as performing financial feasibility testing to assess the extent to which new development can support the establishment of new housing in-lieu or business linkage fees. Financial market conditions can change, and no study can perfectly predict the precise outcome of the

funding source being explored. However, deliberate effort was made to account for the unique market forces impacting the City of South Lake Tahoe and the surrounding region and therefore provide a reliable study on which to base sound policy discussion.

Staff recommends the City Council receive the funding study presentation and initiate discussion of the findings presented in the study. This should be done for the purpose of providing further direction to staff as to the City Council's desired direction for establishing a local funding source for housing initiatives.

Financial Implications: Under a noncompetitive funding process, the City received $150,000 in REAP grant funds. The funds have already been awarded and Resolution 2021-056 authorized acceptance of REAP grant funds from the Sacramento Area Council of Governments (SACOG). Depending on the final consultant contract cost, additional staff time (up to $7,500) directly related to the proposed grant activities may be charged to the grant

Environmental Considerations: The recommendation in this report is not a project under CEQA, because it does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Sections 15378(b)(2) and 15378(b)(4) and is, therefore, not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Policy Implications: The recommended action is consistent with the City Strategic Plan Action Item 1.3.5.

The recommended action is also consistent with the following adopted policies and programs:

City General Plan Housing Element

Presenting the Housing Initiatives Local Funding Source study for discussion by the City Council is consistent with pursuing the following Housing Element policies:

Policy 1-1 The City shall adopt programs, ordinances, incentives, land use plans and other regulatory mechanisms that provide opportunities for the private sector to address the housing needs of citizens of all economic levels.

Policy 2-5 The City recognizes that it will become difficult to attract employees if they cannot afford to purchase or rent housing in South Lake Tahoe. The City shall encourage and support programs and activities that create a robust local economy that provides residents with good paying employment and the means to purchase or rent housing in the City.

Analysis of Local Funding Source(s) for Housing Initiatives

Prepared for the City of South Lake Tahoe

January 13, 2023





January 13, 2023

Hilary Roverud, Development Services Director
Zachary Thomas, Housing Manager
Jessica Wackenhut, Associate Housing Planner
City of South Lake Tahoe
1052 Tata Lane
South Lake Tahoe, CA 96150

Dear Director Roverud:

We are pleased to provide the attached *Analysis of Local Funding Source(s) for Housing Initiatives*, prepared on behalf of the City of South Lake Tahoe. It has been a pleasure working with you and your staff on this important initiative.

We look forward continue working with the City of South Lake Tahoe to further understand the extent to which the funding sources analyzed here may assist the community in meeting its urgent community and housing needs.

If you have any questions or concerns, please do not hesitate to contact me by email at aaronnousaine@bae1.com or by phone at (530) 574-9285.

Sincerely,



Aaron Nousaine
Principal

BAE Urban Economics
13170 Stockholm Way
Truckee, CA 96161

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EXECUTIVE SUMMARY

The City of South Lake Tahoe is considering possibilities for establishing locally controlled, dedicated, and permanent funding sources that can be used to advance new programs and projects with the intent of making a meaningful impact on the state of the housing crisis. The local housing funding study report provides an overview of seven different potential local funding sources, including revenue generation potential, procedures for establishing each funding source, and a high-level assessment of potential impacts to stakeholders.

The funding sources considered for this research include five special taxes, including increases to existing rates for transient occupancy tax (TOT), real estate transfer tax, and sales and use tax. The analysis also considers the creation of new vacant real estate taxes, including for both residential and non-residential uses, as well as alternative business tax and license fee structures, including a business payroll expense tax and an employee headcount tax. In addition, the analysis also evaluates the potential for an inclusionary housing in-lieu fee and commercial linkage fee that may be imposed on new development projects, including consideration of the impact of such fees on the financial feasibility of new development.

The 2022-2027 Housing Element of the General Plan functions as the community's main strategic planning document for housing and outlines a variety of policies and programs that the City is committed to implementing. The cost associated with implementing the programs and actions may be covered in a variety of ways, including the use of General Fund revenues, special tax revenues, and one-time grand funding, among other approaches. According to City staff, there are seven categories of housing programs and actions that would benefit from creation of dedicated local funding sources with a total annual funding need of $3.35 million.

Exhibit A on the following pages provides a summary of key information pertaining to each of the potential funding sources evaluated as part of this research.

Exhibit 1: Summary of Potential Funding Sources (Page 1 of 2)

Funding Source Type	Voter Approval?	Existing Taxes in Nearby Jurisdictions	Evaluated Change	Revenue Generation	Stakeholder Impacts
Transient Occupancy Tax (TOT)	General - Simple Majority; Special - 2/3rds Majority	Placer County - 10% South Lake Tahoe 12%-14% El Dorado County - 14% Douglas County - 14%	2% Rate Increase	$2.8-$3.3 million per year	Overnight Visitors; Accommodations Providers
Real Estate Transfer Tax	Charter Cities Only; General - Simple Majority; Special - Not Authorized Under Prop. 13	$1.10 per $1,000 of assessed value, split betw een South Lake Tahoe and El Dorado County	Variable Rates Up To $15 per $1,000 of Assessed Value	Residential Uses - $164,340 (at existing $0.55 rate) to $4.5 million (at $15 per $1,000) Non-Residential Uses - $5,572 (at existing $0.55 rate) to $151,959 (at $15 per $1,000)	Buyers and sellers of real property; low er-income buyers (if not assumed by seller, as this is negotiable)
Sales and Use Tax	General - Simple Majority; Special - 2/3rds Majority	South Lake Tahoe - 8.75% Tow n of Truckee - 8.75% El Dorado County - 7.25% Placer County - 7.25% Carson City - 7.6% Douglas County - 7.1% Washoe County - 8.27%	0.5% Rate Increase	$2.5 Million Per Year	Low er-income resident households purchasing goods in South Lake Tahoe
Real Estate Vacancy Tax	Special - 2/3rds Majority; General Tax Authority Unsetttled Under Prop 218	Residential Vancouver - 3% of Ass. Value Oakland - $3,000 Flat Berkeley - $3,000 Flat on SFR $6,000 Flat on MFR San Francisco - $2,500 to $5,000 Flat; Escallates Commercial Oakland - $6,000 Flat San Francisco - $250 Per Linear Foot of Frontage; Escalates	Residential $3,000 Per Unit Held Vacant for Seasonal or Occasional Use Commercial $1,000 to $10,000 per 1,000 Square Feet of Gross Leasable Area	Residential $11.4 Million Per Year Commercial $335,000 to $3.4 Million Per Year	Residential Second Home Ow ners; Short-Term Rental Ow ners/ Managers; Other Ow ners of Seasonal Use Property Commercial Ow ners and Lessee's of Commercial Property

- Continued on Next Page -

Source: BAE, 2022

Exhibit 1: Summary of Potential Funding Sources (Page 2 of 2)

Funding Source Type	Voter Approval?	Existing Taxes in Nearby Jurisdictions	Evaluated Change	Revenue Generation	Stakeholder Impacts
Alternative Business Taxes	General - Simple Majority; Special - 2/3rds Majority	San Francisco - 0.38 Percent on Pay Santa Clara - $45 per employee and $15 per rental unit	Payroll Expense Tax 0.1 to 1.0 percent Employee Headcount Tax $25 to $75 Per Employee	Payroll Expense Tax $474,808 to $4.8 million Per year Employee Headcount Tax $238,125 to $714,375 Per Year	Business Owners and Operators; Employees
Inclusionary Housing In-Lieu Fee	Council Legislative Action; Voter Approval Not Required	Placer County - $2.45 Per Habitable Square Foot of Market Rate Town of Truckee - $134,413 Per Affordable Unit Required	Up to $59,000 Per Market Rate Unit Proposed; Does Not Limit Feasibility	Up to Between $1.2 and $1.5 Million Per Year (Applied to All New SFR Units); or $177,000 per Year (Applied to 5k SF Units)	Residential Real Estate Developers, Buyers, and Occupants
Commercial Linkage Fee	Council Legislative Action; Voter Approval Not Required	Placer County - $2.45 Per Habitable Square Foot of Market Rate Town of Truckee - $134,413 Per Affordable Unit Required	Retail/Restaurant Up to $239 Per Square Foot; Only Marginally Feasible at up to $9.38 Hotel/Motel Up to $99 Per Square Foot; Only Feasible at $5.00 per square foot with full retail linkage fee	Retail/Restaurant $1.8 Million at $90 per Leasable Square Foot for High-End Retail Projects; Up to $5.2 million for High-End Tourist Mixed-Use When Combined with Hotel Fee Hotel/Motel Up to $5.2 Million at $44 for Tourist Mixed-Use	Non-Residential Real Estate Developers, Buyers, and Occupants

Source: BAE, 2022

INTRODUCTION

The availability and affordability of housing for full-time residents and workers within the greater Lake Tahoe region has been an issue of increasing urgency for many years. The recent impacts of the Coronavirus pandemic have stretched many to a breaking point, with businesses struggling to remain in business/provide adequate services under the combined weight of housing induced worker shortages, supply chain disruptions, and increasing inflation. Recognizing these drivers, along with concern for the wellbeing of the community, the City of South Lake Tahoe is considering possibilities for establishing locally controlled, dedicated, and permanent funding sources that can be used to advance new programs and projects with the intent of making a meaningful impact on the state of the housing crisis.

The following report provides an overview of seven different potential local funding sources, including five special taxes, including increases to existing rates for transient occupancy tax (TOT), real estate transfer tax, and sales and use tax. The analysis also considers the creation of new vacant real estate taxes, including for both residential and non-residential uses, as well as alternative business tax and license fee structures, including a business payroll expense tax and an employee headcount tax. In addition to these seven special tax categories, the analysis also evaluates the potential for establishing an inclusionary housing in-lieu fee and commercial linkage fee that may be imposed on new development projects, including consideration of the impact of such fees on the financial feasibility of new development.

Please note that the revenue generation estimates provided in this report are point-in-time estimates, representing estimated revenue generation in a single given year versus over time. They are based on specific assumptions regarding tax rates and economic conditions. As a result, the figures presented in this report should be interpreted with caution. In addition to providing estimates of potential revenue generation, this memo also outlines key considerations for establishing or increasing each funding source, such as voter approval requirements. The evaluation also identifies stakeholder groups likely to be impacted by implementation of each funding source, such as property owners or businesses.

Projected Revenue Requirements

The City of South Lake Tahoe published the draft 2022-2027 Housing Element in December 2021, which was found in compliance with applicable state law by the California Department of Housing and Community Development (HCD) in August of 2022. The Housing Element of the General Plan functions as the community's main strategic planning document for housing and outlines a variety of policies and programs that the City is committed to implementing through 2027. The cost associated with implementing the programs and actions outlined in the Housing Element may be covered in a variety of ways, including the use of General Fund revenues, special tax revenues, and one-time grand funding, among other approaches.

According to City staff, there are seven categories of housing programs and actions that would benefit from identification of dedicated local funding sources, summarized in Table 1, below.

Table 1: Projected Annual Programmatic Funding Needs

Priority Housing Programs	Annual Funding Requirements
New Construction Program	$1,000,000
Locals Rental Incentive Program (Lease-to-Locals)	$300,000
Rental/Deposit Assistance Program	$200,000
Multifamily Acquisition and Rehab Program	$1,000,000
Rehabilitation Loan Program	$200,000
Housing Issues Hotline and Fair Housing Programs	$150,000
Special Needs Housing Programs	$500,000
Total, Priority Housing Programs	**$3,350,000**

Sources: City of South Lake Tahoe; BAE, 2022.

SPECIAL TAX REVENUE SOURCES

Under existing state law, local jurisdictions and special districts may levy a variety of special taxes, either for general or special purposes. The following section reviews the basic structure and procedures for establishing and changing local special tax rates and provides examples of how much revenue may be generated as a result of implementation in South Lake Tahoe.

Voter Approval of Tax Measures (Prop 13 and Prop 218)

Proposition (Prop) 218 was passed by voters in 1996, resulting in an amendment to the California Constitution that requires that new local property-related tax measures be approved by public vote.[1] A general tax, which generates revenues which are available for all general governmental purposes at the discretion of the governing body, must be approved by a simple majority vote of the electorate. Under Proposition 13, a special tax, which generates revenues that are reserved for a specified purpose, must be approved by a two-thirds vote. State law also requires that votes regarding new or increased general taxes must be "…consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body."[2] These requirements apply to all of the local taxes discussed below. Additional requirements may also apply and are identified, as appropriate, in the relevant subsections.

Transient Occupancy Tax (TOT)

California Revenue and Taxation Code, section 7280, authorizes cities and counties to levy a tax on the "privilege" of occupying a room, or rooms, in a hotel, inn, tourist home or house, motel, or other lodging establishment for less than 30 days, excluding the right of an owner of a time-share or membership camping contract to occupy their respective unit or space.[3]

Establishing or Changing a TOT

Transient Occupancy Taxes (TOTs) are typically structured as a percentage of the gross nightly room rent collected by the lodging provider. The California Revenue and Taxation Code authorizes all general law cities to institute a TOT.[4] The authority of a charter city to adopt a TOT is not preempted. While the Revenue and Taxation Code broadly defines the basic levy and exemption framework for a TOT, the specifics of the levy, any additional exemptions, and local administrative procedures are left to local government to define as part of the ordinance

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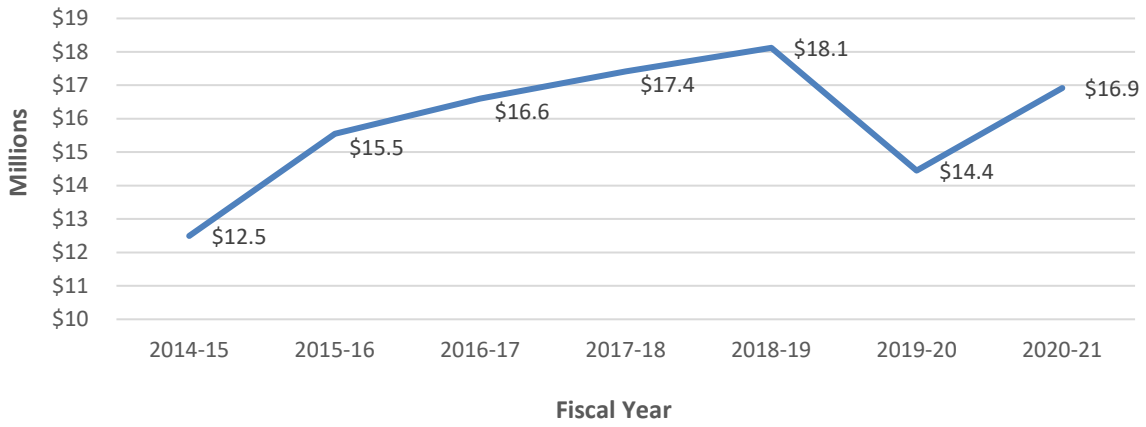
[1] California Legislative Analyst's Office. (December 1996). Understanding Proposition 218. Available at: https://lao.ca.gov/1996/120196_prop_218/understanding_prop218_1296.html
[2] California Constitution, Article XIIIC, Section 2. Available at: https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=CONS&division=&title=&part=&chapter=&article=XIII%20C.
[3] State of California. (August 2022). California Revenue and Taxation Code, Chapter 1, Section 7280. Available at: http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=RTC&sectionNum=7280.
[4] *Ibid.*

adoption process. The establishment, or increase, of a TOT is required to receive necessary voter approval.

Existing TOT in South Lake Tahoe

Data produced by the California State Controller and published by CaliforniaCityFinance.com indicate that TOT revenue accounts for around nine percent of total General Fund revenue among cities that impose a TOT levy within their jurisdiction.[5] Within the City of South Lake Tahoe, TOT revenues represent the single largest revenue source for the City, accounting for more than 35 percent of the total General Fund budget, followed by property tax and sales and use tax at 19 and 13 percent, respectively.[6]

Figure 1: Transient Occupancy Tax (TOT) Collections, FY 15-15 to FY 20-21 (a)



Note:
(a) Excludes audited collections and supplemental two percent Measure P collections.

Sources: City of South Lake Tahoe, Transient Occupancy Tax Report, Revenue Collected in January 2022 for the Month of December 2021; BAE, 2022.

As of the 2021-2022 fiscal year, the City budget assumed $16.97 million in total TOT revenue.[7] The City budget narrative also acknowledges that TOT revenue in a visitor-oriented economy like that of South Lake Tahoe can be quite volatile. For example, the City received $18.1 million in TOT revenue in the 2018-2019 fiscal year, which dropped to $14.4 million during the 2019-2020 fiscal year due to onset of the COVID-19 pandemic, as well as the ongoing impacts of Measure T,[8] which phased out vacation home rental (VHR) permits in residential areas and multifamily properties over three-years ending in December 2021. As of

[5] California State Controller. (2022). Transient Occupancy Tax Revenues as a Percentage of General Revenues – California Cities. Sacramento, CA: CaliforniaCityFinance.com Available at: http://californiacityfinance.com/TOT19p.xlsx
[6] Finance Department. (August 17, 2021). 2022 Annual Budget: Fiscal Year 2021-2022. South Lake Tahoe, CA: City of South Lake Tahoe. Available at: https://cityofslt.us/595/City-Budget
[7] *Ibid.*
[8] For more information on Measure T, please visit the City's website at: cityofslt.us/1157/Measure-T

fiscal year 2022, TOT revenue has not yet recovered to pre-pandemic levels.[9] Absent the impacts of the pandemic and restrictions on VHRs, however, TOT revenues accruing to the City of South Lake Tahoe have increased steadily since at least the 2014-2015 fiscal year, as illustrated in Figure 1.

The City of South Lake Tahoe has two different TOT rates. There is a base rate of 10 percent that applies throughout the city, with a rate of 12 percent applying to specific properties in the tourist core associated with past redevelopment activity.[10] Measure P, passed in November 2016, added an additional two percent, with revenue set aside for a new recreation complex.[11] This brings the combined TOT rate to 12 citywide and 14 percent in redevelopment areas.

Comparison with Nearby Jurisdictions

According to the California State Controller, TOT rates among jurisdictions in California in 2020 ranged from a minimum of only four percent to a maximum of 15.5 percent and an average of 10.2 percent.[12] The City of South Lake Tahoe falls towards the upper end of this range with 12 percent (citywide) to 14 percent (redevelopment only). TOT rates in surrounding Lake Tahoe Basin jurisdictions, including those in both California and Nevada, range from a low of 10 percent in Placer County to 14 percent in parts of South Lake Tahoe and in Douglas County. As of November 2022, voters in El Dorado County approved an increase in the TOT rate from 10 percent to 14 percent. Therefore a two percent increase of the general TOT rate in the City of South Lake Tahoe would bring the jurisdiction in line with the maximum for adjoining jurisdictions.

Estimated Revenue Potential

Evaluation of historical TOT collections data indicate that the City's base 10 percent TOT rate (excluding the Measure P enhancement) generated an average of $16.7 million in revenue per year over the last five fiscal years (i.e., 2016-2017 to 2020-2021).[13] [14] This translates to a

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[9] Finance Department. (2022). Transient Occupancy Tax Report: Revenue Collected in June 2022 for the Month of May 2022. South Lake Tahoe, CA: City of South Lake Tahoe. Available at: https://www.cityofslt.us/452/Transient-Occupancy-Tax#:~:text=The%20Transient%20Occupancy%20Tax%20(TOT,12%25%20at%20specific%20redevelopment%20properties.

[10] City of South Lake Tahoe. (2022). Transient Occupancy Tax and SLT Tourism Improvement District. Available at: https://www.cityofslt.us/452/Transient-Occupancy-Tax#:~:text=The%20Transient%20Occupancy%20Tax%20(TOT,12%25%20at%20specific%20redevelopment%20properties.

[11] City of South Lake Tahoe. (2022). Measure P Report. Available at: https://cityofslt.us/972/Measure-P-Report

[12] California City Finance. (November 2020). Transient Occupancy Tax by City. Available at: http://californiacityfinance.com/TOT19p.xlsx

[13] City of South Lake Tahoe. (April 2022). *Transient Occupancy Tax Report*. Available at: https://cityofslt.us/DocumentCenter/View/17109/TOT-Web-Pub-Apr-2022-PDF?bidId=.

[14] This includes the most recent market peak in the 2018-2019 fiscal year, when the City collected $18.2 million in base 10 percent TOT revenue, as well as the most recent trough in the market during the 2019-2020 fiscal year, when the City collected $14.4 million in base 10 percent TOT revenue.

five-year average of roughly $167 million in gross revenue to lodging providers. Assuming that the City were to adopt an additional two percent TOT add-on to the general TOT rate, in addition to Measure P, the City could expect to collect approximately $2.8 to $3.3 million in annual TOT revenues that could be dedicated to affordable and workforce housing programs. If the increase were limited to areas outside of the tourist core only (i.e., increasing the Tot rate to 14 percent citywide), the City could expect to receive approximately $1.8 to $2.2 million in additional TOT revenue per year.

Assessment of Stakeholder Impact

The burden associated with an increase in the effective TOT rate lays primarily with persons visiting from outside the area who are in need of short-term overnight accommodations. Local residents and employees will not be directly impacted, unless they need temporary short-term overnight accommodations in a local hotel, motel, or VHR. Local lodging businesses may be impacted to the extent that an increase in the local TOT rate increases the combined cost of lodging in South Lake Tahoe. To the extent that consumers set the price for lodging based on their willingness to pay (i.e., the intersection of pricing and vacancy), lodging providers may, in some cases, need to reduce their nightly rates to compensate; however, in instances where vacancy is low, the cost imposed by the increased TOT rate would be borne by the consumer. Also, to the extent that the cost of overnight accommodations impacts visitors' willingness to select South Lake Tahoe as a tourism destination, the increased TOT rate may also impact other businesses and employees that are reliant upon overnight visitor spending.

Real Estate Transfer Tax

The California Documentary Transfer Tax Act of 1967 authorized jurisdictions to impose an excise tax on the privilege of transferring ownership or leasehold rights to real property,[15] which is also commonly known as a real estate or property transfer tax or a documentary transfer tax. The maximum real estate transfer tax that may be levied under General Law is $1.10 per $1,000 of assessed value.[16] This is typically levied at the county level, though general law cities are entitled to share evenly in the proceeds resulting from transfers of real property located within their jurisdiction. Charter cities in California have the ability to impose additional real estate transfer or conveyance taxes without special authorizing legislation.

Changing the Real Estate Transfer Tax

To impose a supplemental real estate transfer tax, an incorporated jurisdiction must be, or become, a charter city. To become a charter city, the governing board of a jurisdiction, or an elected charter commission, must draft and adopt a charter, which must then be ratified by a

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[15] State of California. (August 2022). California Revenue and Taxation Code, Chapter 2, Section11911-11930. Available at: https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=RTC&division=2.&title=&part=6.7.&chapter=2.&article=.

[16] The California Revenue and Taxation Code identifies the maximum real estate transfer tax as being equal to $0.55 per $500 of assessed value, which is equal to $1.10 per $1,000 of assessed value. The higher denominator is commonly used, presumably, to simplify calculation of tax liabilities.

majority vote of the electorate.[17] A charter may be wide ranging in its scope, availing upon all of the rights afforded to cities to manage 'municipal affairs,'[18] or may be more limited.[19] While charter cities may enjoy broader taxation powers compared to general law cities, they are still subject to Proposition 218, Article XIIIC of the California Constitution, and any limitations imposed by their charter. This means that a new or increased tax must receive voter approval.

Charter City Real Estate Transfer Taxes

According to data published by CaliforniaCityFinance.com, 22 of the 125 charter cities in California imposed supplemental real estate transfer taxes as of March 2022.[20] The method for calculating the tax varies by jurisdiction. A flat tax per $1,000 of assessed value is most common, with tax rates ranging from $1.10 to $15.00 per $1,000 of value. Some jurisdictions alternatively structure the transfer tax on an ad valorem basis (i.e., as a percent of assessed or market value), with tax rates ranging from 0.45 to 4.45 percent. Some jurisdictions also apply different tax rates based on the assessed value of the property. For example, Oakland charges a one percent property transfer tax on properties valued at less than $300,000, which increases progressively up to 2.5 percent for properties valued at more than five million dollars.

Existing Transfer Tax in South Lake Tahoe

Based on data presented in Table 2, there were a total of 394 residential sales in South Lake Tahoe between January and December 15th of 2022, with an average sale price of just under $792,000. This overall sales volume is consistent with average annual sales documented in 2017, 2018, and 2019, but is notably below the annual sales volumes during the pandemic period, which included 625 sales in 2020 and 513 sales in 2021 (i.e., well above the historical average). The average sales price in 2022, however, remained well above the market average for the pre-pandemic period, and is more in line with the 2021 average.

Home sales in South Lake Tahoe in 2022 grossed approximately $312 million in sales revenue. At a rate of $0.55 per $1,000 of value, the existing real estate transfer tax

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[17] State of California. (2022). California Constitution, Article XI, Section 1-15. Available at: https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=CONS&sectionNum=SEC.%203.&article=XI

[18] The home rule provision of the California Constitution authorizes a charter city to exercise plenary authority over municipal affairs over which a city has sovereignty, free from any constraint imposed by general law and subject only to constitutional limitations. Whether a given activity is a municipal affair or a statewide concern is not clearly defined in the law and is therefore a legal determination that is settled by the courts on a case-by-case basis.

[19] For example, the City of San Bruno is pursing placement of a new city charter on the November 2022 ballot. The charter is specifically intended to allow the City the right to impose a real estate transfer tax on residential properties with five units or more, and on all non-residential property (e.g., commercial, industrial, etc.), at a rate of one percent of assessed value. The current draft charter was narrowly written using the following language:

> *"…Limitation on Powers. (a) The City shall exercise only the rights, powers and authority granted to a city under the general laws of the State of California, unless otherwise provided in this Charter…"*

[20] CaliforniaCityFinance.com. (July 2020). Property Transfer Tax / Documentary Transfer Tax Rates. Available at: http://californiacityfinance.com/PropTransfTaxRates.pdf

applicable in the City of South Lake Tahoe likely generated approximately $171,600 in gross tax revenue to the City.

Table 2: Residential Sales Activity, 2017 to 2022 YTD

All Residential Units	2017	2018	2019	2020	2021	2022 YTD (a)	All Sales
Number of Sales	348	341	389	625	513	394	2,610
Median Sale Price	$385,000	$420,000	$435,000	$500,000	$602,000	$642,500	$500,000
Ave. Sale price	$462,097	$514,954	$557,259	$624,223	$765,300	$791,868	$631,386
Ave. Size (sq. ft.)	1,494	1,495	1,552	1,626	1,561	1,548	1,556
Ave. Sale Price per sq.ft.	$311	$345	$365	$384	$493	$521	$408
Maximum Sale Price	$2,337,500	$2,450,000	$5,300,000	$5,200,000	$5,550,000	$5,300,000	$5,550,000
Minimum Sale Price	$71,000	$100,500	$46,000	$3,500	$50,000	$75,000	$3,500

Single Family Homes	2017	2018	2019	2020	2021	2022 YTD (a)	All Sales
Number of Sales	333	322	368	585	483	367	2,458
Median Sale Price	$389,000	$425,000	$440,000	$505,000	$613,000	$650,000	$505,000
Ave. Sale price	$462,217	$525,288	$563,064	$632,835	$783,050	$809,834	$641,131
Ave. Size (sq. ft.)	1,505	1,512	1,577	1,659	1,585	1,579	1,580
Ave. Sale Price per sq.ft.	$310	$349	$362	$381	$496	$522	$408
Maximum Sale Price	$2,200,000	$2,450,000	$5,300,000	$5,200,000	$5,550,000	$5,300,000	$5,550,000
Minimum Sale Price	$71,000	$100,500	$46,000	$3,500	$75,000	$75,000	$3,500

Condominiums	2017	2018	2019	2020	2021	2022 YTD (a)	All Sales
Number of Sales	15	19	21	40	30	27	152
Median Sale Price	$295,000	$265,000	$346,500	$354,250	$417,500	$480,000	$363,750
Ave. Sale price	$459,433	$339,816	$455,524	$498,275	$479,533	$547,667	$473,803
Ave. Size (sq. ft.)	1,236	1,203	1,106	1,144	1,171	1,118	1,156
Ave. Sale Price per sq.ft.	$328	$289	$421	$417	$445	$505	$414
Maximum Sale Price	$2,337,500	$799,000	$1,250,000	$2,700,000	$1,180,000	$1,349,000	$2,700,000
Minimum Sale Price	$180,000	$168,000	$97,500	$165,000	$50,000	$232,500	$50,000

Note:
(a) As of December 15, 2022.

Sources: ListSource; BAE, 2022.

Non-residential sales volumes in the South Lake Tahoe have been historically slow, with relatively low valuations, though there was a considerable uptick in sales volumes and pricing following onset of the pandemic and the VHR moratorium. As shown in Table 3, the period from 2017 to 2019 averaged 13 sales per year, which increased to 33 in 2020 and 43 in 2021. There were a total of 25 transactions between January 2st and December 15th of 2022. The average value per transaction also increased significantly over the past few years from only $226,233 in 2019 to $1.05 million as of December 2022. BAE estimates that as of 2019, non-residential sales generated approximately $1,866 in transfer taxes to the City. As of 2021, that value increased to an estimated $9,758. BAE estimates that non-residential sales in 2022 may gross the City upwards of $14,400 in calendar year 2022.

Table 3: Non-Residential Sales Activity, 2017 to 2022 YTD

All Non-Residential	2017	2018	2019	2020	2021	2022 YTD (a)	All Sales
Number of Sales	6	18	15	33	43	25	140
Median Sale Price	$6,250	$115,000	$85,000	$160,000	$209,000	$1,025,000	$204,500
Ave. Sale price	$305,000	$268,289	$226,233	$470,335	$412,581	$1,050,140	$496,916
Ave. Land Size (sq. ft.)	35,864	16,988	34,064	10,336	11,143	12,424	15,448
Ave. Sale Price per sq. ft.	$12	$19	$27	$113	$77	$355	$119
Ave. Land Size (acres)	0.82	0.39	0.78	0.24	0.26	0.29	0.35
Ave. Sale Price per acre	$501,156	$830,597	$1,159,517	$4,925,097	$3,334,407	$15,463,529	$5,198,903
Maximum Sale Price	$1,750,000	$1,200,000	$890,000	$3,550,000	$2,275,000	$2,200,000	$3,550,000
Minimum Sale Price	$3,500	$500	$3,000	$3,500	$13,000	$130,000	$500

Note:
(a) As of December 15, 2022.

Sources: ListSource; BAE, 2022.

Estimated Revenue Potential

Revenue generation associated with imposition of a local real estate transfer tax above and beyond that authorized under State law for general law cities is highly dependent on three key factors. These include the applicable tax rate(s), as well as the number and pricing of sales or transfers that occur within the jurisdiction, which can vary significantly from year to year. Table 4 and Table 5 report the estimated revenue that may be generated through imposition of an increased local real estate transfer tax, under specific sales volume and pricing assumptions, which is structured either as a flat rate per $1,000 of value or as a percent of the sale value.

For residential uses, the analysis assumes an average of 390 sales per year, which is consistent with the average sales volume in 2019 and 2022, both pre- and post-pandemic. This value is used to reflect a more 'typical' sales volume after accounting for the significant increase in activity experienced since the onset of the pandemic in 2020. The assumed average sales price is based on the average sale price for sales that occurred between January 1st to December 15th of 2022 to reflect the recent state of the market.[21] Based on these assumptions, the City may expect to gross around $171,600 in a typical year as a result of imposing the existing $0.55 transfer tax on residential sales. Table 4 then illustrates the potential revenue that could be generated through an increase to the real estate transfer tax in increments up to $15 per $1,000 of value, which is equal to the highest local real estate transfer tax currently in place in California. The table also identifies the estimated cost to the buyer of residential real estate on a per sale basis. Table 5 shows similar data, however the tax rate is expressed as a percent of the sale value.

[21] BAE anticipates that while sales volumes have already begun to slow due to the impacts of return to work and increasing interest rates, sales prices appear more resistant to rapid adjustment; though that does not preclude the possibility of a downward adjustment in the future due to changing macroeconomic conditions.

For non-residential uses, the analysis is based on the average number of sales per year from 2017 to December 2022, as well as the weighted average sale price per transaction. Note that this approach places greater weight on recent transactions compared to the assumptions used for the residential transfer tax revenue estimates. This is due to increased activity in the non-residential market resulting from imposition of the VHR moratorium and renewed investment activity in commercial real estate in the tourist core area.

Table 4: Estimated Revenue Generation from Increased Real Estate Transfer Tax, Flat Rate Per $1,000 of Value

	RESIDENTIAL		NON-RESIDENTIAL	
Ave. Number of Sales	360 (a)		23 (c)	
Ave. Sale Price	$830,000 (b)		$440,460 (d)	
Gross Sales Value	$298,800,000		$10,130,584	
Transfer Tax Rate	**Revenue**		**Revenue**	
(Per $1,000 of Value)	Gross	Add-On (e)	Gross	Add-On (e)
$0.55 (Existing)	$164,340	$0	$5,572	$0
$1.00	$298,800	$134,460	$10,131	$4,559
$2.00	$597,600	$433,260	$20,261	$14,689
$3.00	$896,400	$732,060	$30,392	$24,820
$4.00	$1,195,200	$1,030,860	$40,522	$34,951
$5.00	$1,494,000	$1,329,660	$50,653	$45,081
$10.00	$2,988,000	$2,823,660	$101,306	$95,734
$15.00	$4,482,000	$4,317,660	$151,959	$146,387
Transfer Tax	**Revenue**		**Revenue**	
(Ave. Per Sale)	Gross	Add-On (e)	Gross	Add-On (e)
$0.55 (Existing)	$457	$0	$242	$0
$1.00	$830	$374	$440	$198
$2.00	$1,660	$1,204	$881	$639
$3.00	$2,490	$2,034	$1,321	$1,079
$4.00	$3,320	$2,864	$1,762	$1,520
$5.00	$4,150	$3,694	$2,202	$1,960
$10.00	$8,300	$7,844	$4,405	$4,162
$15.00	$12,450	$11,994	$6,607	$6,365

Notes:
(a) Based on the average number of sales per year in 2019 and 2022, both pre- and post-pandemic. This equals a value that is higher than the historical average between 2017 and 2019, but below the pandemic induced highs in 2020 and 2021.
(b) Based on the average price per transaction from January to December of 2022.
(c) Based on the average sales per year from 2017 to December 2022.
(d) Based on the weighted average price per transaction 2017 to December 2022.
(e) Based on the difference between estimated gross receipts and gross receipts under the existing transfer tax.

Sources: ListSource; BAE, 2022.

Table 5: Estimated Revenue Generation from Increased Real Estate Transfer Tax, Percent of Sale Value

	RESIDENTIAL		NON-RESIDENTIAL	
Ave. Number of Sales	390 (a)		23 (c)	
Ave. Sale Price	$800,000 (b)		$500,000 (d)	
Gross Sales Value	$312,000,000		$11,500,000	
Transfer Tax Rate	**Revenue**		**Revenue**	
(Percent of Value)	Gross	Add-On (e)	Gross	Add-On (e)
0.055% (Existing)	$171,600	$0	$6,325	$0
0.10%	$312,000	$140,400	$11,500	$5,175
0.50%	$1,560,000	$1,388,400	$57,500	$51,175
1.00%	$3,120,000	$2,948,400	$115,000	$108,675
2.00%	$6,240,000	$6,068,400	$230,000	$223,675
3.00%	$9,360,000	$9,188,400	$345,000	$338,675
4.00%	$12,480,000	$12,308,400	$460,000	$453,675
5.00%	$15,600,000	$15,428,400	$575,000	$568,675
Transfer Tax Rate	**Revenue**		**Revenue**	
(Percent of Value)	Gross	Add-On (b)	Gross	Add-On (b)
$0.55 (Existing)	$440	$0	$275	$0
0.10%	$800	$360	$500	$225
0.50%	$4,000	$3,560	$2,500	$2,225
1.00%	$8,000	$7,560	$5,000	$4,725
2.00%	$16,000	$15,560	$10,000	$9,725
3.00%	$24,000	$23,560	$15,000	$14,725
4.00%	$32,000	$31,560	$20,000	$19,725
5.00%	$40,000	$39,560	$25,000	$24,725

Notes:
(a) Based on the average number of sales per year from 2017 to 2021.
(b) Based on the average price per transaction from January 1st to December 15th of 2022.
(c) Based on the average sales per year from 2017 to December 2022.
(d) Based on the weighted average price per transaction 2017 to December 2022.
(e) Based on the difference between estimated gross receipts and gross receipts under the existing transfer tax.

Sources: ListSource; BAE, 2022.

Assessment of Stakeholder Impact

The burden associated with an increase in the local real estate transfer tax rate would fall to the buyers and sellers of real property. It is customary in most markets, though not all, for the seller to pay the county portion of the real estate transfer tax and the buyer and seller to split the city portion. However, this division is negotiable, and in tight housing markets that favor sellers, such as the recent market in South Lake Tahoe, it is not uncommon for the buyer to pay most of the required taxes and fees. To the extent that the buyer must pay a portion, if not all, of the tax, a significant increase in the local real estate transfer tax rate may function to make home ownership less affordable (i.e., higher up-front cost) for existing and new residents. However, this risk may be mitigated to some extent through the use of a tiered rate structure, like that in use in communities like Oakland, Richmond, and San Francisco.

Sales and Use Tax

The Bradley-Burns Uniform Local Sales and Use Tax Law of 1955 formally authorized local jurisdictions to impose local sales and use taxes on the privilege of selling tangible property at retail, as well as on the storage, use, or other consumption of tangible personal property purchased from a retailer.[22] This authority was subsequently augmented by Senate Bill (SB) 566 in 2003.[23] While sales tax is imposed on retailers, and then often passed through to consumers, the use tax is imposed directly on the purchaser. The State of California imposes a sales and use tax rate of six percent and a supplemental uniform local tax of 1.25 percent that is split between the city and county, for a combined rate of 7.25 percent. SB 566 legally authorized all cities in California to levy additional local sales taxes, also known as district taxes, but established a cap on the combined value at two percent over the statutory 7.25 percent. While passage of SB 566 theoretically caps the combined sales and use tax rate at 9.25 percent, the California legislature has routinely allowed local governments to petition for special legislation authorizing local sales taxes above that authorized by SB 566.[24] [25]

Changing the Sales and Use Tax

Passage of a new local sales and use tax measure is subject to the same voter approval requirements as other local tax measures. Increasing the local sales tax rate beyond the statutory two percent requires the passage of special state legislation.

Existing Sales Tax in South Lake Tahoe

In November 2020, a new general sales tax measure was approved by voters in the City of South Lake Tahoe called Measure S. The measure increased the local sales and use tax by one percent from 7.75 to 8.75 percent. The measure went into effect on April 1, 2021 and is projected to generated between $5.9 and $6.2 million annually. The City Council began allocating these funds in the second half of the 2021 fiscal year for several critical projects, including Fire Station II Rehabilitation, Public Safety Radio Communication System Replacement, Road Rehabilitation and Computer Aided Dispatch System upgrades. Recognizing passage of Measure S, the City of South Lake Tahoe could increase the local sales tax by up to 0.5 percent before reaching the statutory limit of 9.25 percent.

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[22] State of California. (August 2022). California Revenue and Taxation Code, Chapter 1, Section 7200-7212. Available at: https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=RTC&division=2.&title=&part=1.5.&chapter=1.&article=.

[23] State of California. (2022). Revenue and Taxation Code, Chapter 1, Sections 7251.1-7251.4. Available at: https://www.cdtfa.ca.gov/lawguides/vol1/tutl/transactions-and-use-tax-law-ch1-all.html

[24] According to the California Department of Tax and Fee Administration (CDTFA), there are 328 jurisdictions, out of 1,786 reported, or around 18 percent, that have combined sales tax rates of more than 9.25 percent with a maximum of 10.75 percent. Most of these jurisdictions are located in large metropolitan areas, including jurisdictions located in the counties of Alameda, Contra Costa, Los Angeles, Monterey, San Mateo, Santa Clara, Santa Cruz, and Sonoma.

[25] California Department of Tax and Fee Administration. (April 1, 2022). California City and County Sales & Use Tax Rates. Available at: https://www.cdtfa.ca.gov/taxes-and-fees/rates.aspx

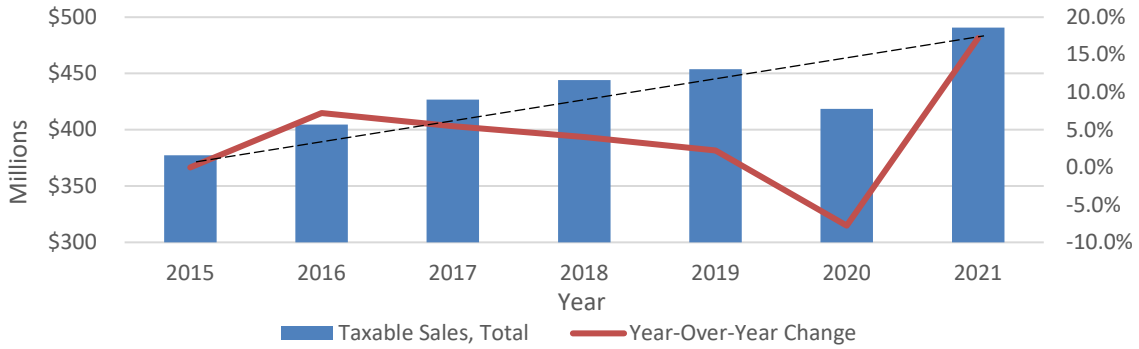
Comparison with Nearby Jurisdictions

According to data published by the California Department of Tax and Fee Administration (CDTFA), the City of South Lake Tahoe and the Town of Truckee are the only jurisdictions in the Lake Tahoe region to levy supplemental sales taxes.[26] All other jurisdictions in the counties of Alpine, Placer, and El Dorado charge the statewide base rate of 7.25 percent. Communities located in the unincorporated area of Nevada County charge 7.5 percent, while the incorporated cities of Nevada City and Grass Valley charge 8.38 and 8.5 percent, respectively. The applicable rates in nearby parts of Nevada range from 7.1 percent in Douglas County to 7.6 percent in Carson City, and 8.27 percent in Washoe County, including Incline Village.

Estimated Revenue Potential

According to the CDTFA, taxable sales originating with outlets located in the City of South Lake Tahoe totaled $489 million in 2021. Figure 2 illustrates the overall trend in taxable sales in South Lake Tahoe from 2015 to 2021. The figure clearly shows the decrease in taxable sales experienced in 2020 as a result of decreased tourist visitation; however, the data indicate that as of 2021, taxable sales had nearly returned to the growth trend indicated during the 2015 to 2019 period. More specifically, the average growth rate in taxable sales from 2015 to 2019 was 3.1 percent, while the average growth rate between 2019 and 2021 was 4.0 percent. This suggests that taxable sales have largely recovered from pandemic induced impacts. At current taxable sales levels (i.e., $490.7 million per year), the imposition of an additional 0.5 percent sales tax would generate approximately $2.5 million per year in revenue to the City.

Figure 2: Total Taxable Sales, City of South Lake Tahoe 2015-2021



Sources: California Department of Taxation and Fee Administration (CDTFA), Taxable Sales – Cities by Type of Business (Taxable Table 4); BAE, 2021.

Assessment of Stakeholder Impact

Sales tax measures are generally considered regressive in that they proportionately impact lower-income households to a greater extent than higher income households. This is because lower-income households spend a greater proportion of their total income each year and

[26] The current sales tax rate in the Town of Truckee is 8.25 percent. The data indicate that Nevada City and Grass Valley also impose supplemental sales taxes with effective rates of 8.38 and 8.5 percent, respectively.

subsequently pay more of their income to taxes. In the case of an increased sales and use tax in a visitor-oriented market like South Lake Tahoe, a majority of the burden would fall to out of town visitors (both overnight and day-trippers) who account for a greater proportion of the local taxable sales. However, to the extent that full-time residents and workforce households purchase retail goods and services within the community (e.g., persons with more limited access to transportation), versus in other nearby consumer markets like Minden or Carson City, these households would be impacted by increased taxation.

Real Estate Vacancy Tax

As the severity of California's housing crisis continues to escalate, cities like Berkeley and San Francisco have recently joined the likes of Oakland and Vancouver, B.C., with imposition of real estate vacancy taxes. Vacancy taxes may target residential or non-residential uses, or both. The ordinances establishing vacancy taxes clearly specify procedures for identifying properties that were unoccupied during the fiscal year for a specified length of time (often 60 to 90 days) and impose a financial penalty on the property owner. The intent of a vacancy tax is to encourage the active use of vacant property and, as a secondary objective, to generate revenue that can be used for specific purposes. Vancouver, British Columbia, and Oakland, California, are two examples of jurisdictions that have successfully implemented residential vacancy tax policies. New residential vacancy taxes were also recently approved by voters in San Francisco and Berkeley. Non-residential vacancy taxes are much less prevalent, with San Francisco currently being the only jurisdiction known to implement such a policy.

Establishing a Vacancy Tax

Vacancy tax policies are most often structured as excise or flat taxes but are in some cases levied on an ad valorem basis. For example, the residential vacancy tax model being used in Oakland, as well as those recently approved by voters in Berkeley and San Francisco, applies a flat fee per housing unit per year, while the Vancouver residential vacancy tax is based on assessed value. San Francisco's commercial vacancy tax is also structured as an excise tax that is set at a flat rate per linear foot of frontage. Under California law, the ordinance implementing a vacancy tax must identify relevant exemptions. Passage of a vacancy tax measure would be subject to the same voter approval requirements as other local taxes.

Vacancy Taxes in Other Jurisdictions

Vancouver B.C. (Residential) - In 2018, the City of Vancouver in British Columbia instituted the first real estate vacancy tax in North America. In Vancouver, the vacancy tax is ad valorem (i.e., assessed value in the previous tax year). The rate was initially set at 1.0 percent between 2017 and 2019, then stepped up to 1.25 percent in 2020 and 3.0 percent in 2021.[27] Under

[27] City of Vancouver. (2022). Empty Homes Tax FAQ. Available at: https://vancouver.ca/home-property-development/empty-homes-tax-frequently-asked-questions.aspx#:~:text=The%20Empty%20Homes%20Tax%20is,Homes%20Tax%20rate%20is%203%25.&text=For%20more%20information%2C%20review%20the,)%20PDF%20file%20(127%20KB)

the ordinance, properties are vacant if they are unoccupied for more than six months during the tax year. Property owners must file a property status declaration each year or be deemed vacant and subject to the tax. According to the City of Vancouver, the tax generated approximately $106 million in revenue to the municipal government between 2017 and 2021 (i.e., between $21 and 34 million per year).[28] The program reportedly cost $7.5 million in one-time startup costs, as well as $2.5 million per year in ongoing operating costs. The remaining proceeds are used for multi-year housing capital grants and other housing initiatives. The City of Vancouver reports an overall five percent increase in the number of residential units in the city between 2017 and 2020, with a 20 percent increase in the number of tenanted properties, a 26 percent decrease in the number of vacant properties, and a 23 percent decrease in the number of exempt properties.

Oakland, CA (Residential and Commercial) - In November 2018, voters in the City of Oakland approved Measure W, which instituted a special use vacant property tax of $3,000 for residential units and vacant ground floor commercial spaces, and $6,000 for non-residential and undeveloped parcels. According to Measure W, the City of Oakland estimated in 2018 that, once implemented, the tax would generate roughly $10 million per year in revenue. The measure authorized the tax for a 20-year term. Revenue from the tax is deposited into a vacant property tax fund. Key authorized uses of funds include code enforcement and remediation of illegal dumping, homeless service provision, preservation and production of affordable housing, and administrative costs from implementation of the vacancy tax.

A property is "vacant" if it is "in use less than fifty days in a calendar year." The exact method that the City uses to determine use status is unclear. For parcels with multiple units, the parcel is not vacant if at least one unit is occupied; however, condominium, duplex, and townhome units under separate ownership are treated as separate parcels for the purposes of the vacancy tax. There are ten categories of exemption under the ordinance, including:

- Very low-income owner
- Low-income senior owner
- Disabled owner
- Non-profit organization owner
- Property otherwise exempt from ad valorem tax
- Substantially complete planning application
- Active construction
- Demonstrated financial hardship
- Demonstrated other hardship (unrelated to finances)
- Exceptional specific circumstances

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[28] City of Vancouver. (November 1, 2021). *Empty Homes Tax Annual Report: 2020 Vacancy Reference Year (January 1, 2020 to December 31, 2020).* Available at: https://vancouver.ca/files/cov/vancouver-2021-empty-homes-tax-annual-report.pdf

The City of Oakland began distributing notices of vacancy to property owners in February of 2022. Property owners are then offered the opportunity to submit a Petition of Vacancy if they believe the property was incorrectly identified as vacant, or if they believe that the property is eligible for one of the ten allowable exemptions.

Berkeley, CA (Residential) - The ballot initiative approved by Berkeley voters in November 2022 imposes a $3,000 to $6,000 tax on single-family and apartment units, respectively, which sit vacant for at least six months. The tax doubles in the second tax year. Owners of apartments with fewer than five units who live on the property (and don't own other homes), will be exempt. The city expects roughly 700 homes to be returned to the rental market in the first year, with the tax generating between $3.9 and $5.9 million per year in general tax revenue.

San Francisco, CA (Residential) - The San Francisco ballot measure approved by voters in November 2022 is based on those adopted in Vancouver and Oakland, but controversially excludes single-family homes. The new vacancy tax will apply a tiered structure that imposes a $2,500 flat tax on smaller units and $5,000 flat tax for larger units, which escalates to $10,000 and $20,000, respectively, over three years if the unit(s) remains vacant.[29] The City projects that the tax could bring 4,500 units back onto the rental market and generate as much as $38 million per year in revenue to the City.[30]

San Francisco, CA (Commercial) – Voters in the City and County of San Francisco approved a commercial vacancy tax in March 2020, which went into effect as of January 1, 2022. For most entities, filing ad payment of the commercial vacancy tax will begin in 2023. The tax applies to ground floor commercial (i.e., non-residential) space that is vacant for 182 days or more in the calendar year. Spaces must be located in one of the Named Neighborhood Commercial Districts (NCDs) or Named Neighborhood Commercial Transit Districts (NCTs) that are adjacent or tangent to a public right of way. The cost associated with the tax is to be paid by the property owner, or may be passed through to the lessee or sublessee. The tax is unsecured with rates starting at $250 per linear foot of frontage on the public right of way, which escalates to $500 in year two and $1,000 per year thereafter.

Other Jurisdictions – Recognizing the escalation of the housing crisis that has occurred in recent years, a variety of communities throughout California placed vacancy tax measures on November 2022 ballots, including Berkeley, San Francisco, and Santa Cruz. Vacancy tax measures were approved by voters in both Berkeley and San Francisco, but failed to garner necessary voter approval in Santa Cruz. Additional communities elected not to place vacancy

[29] Schneider, B. (February 28, 2022). S.F.'s plan to tax 40,000 empty homes under scrutiny. *San Francisco Examiner*. Available at: https://www.sfexaminer.com/the_fs/fixes/s-f-s-plan-to-tax-40-000-empty-homes-under-scrutiny/article_386da20e-0215-59a9-96a4-7c4396c17cc6.html

[30] City of San Francisco, Budget and Legislative Analyst's Office. (January 31, 2022). *Policy Analysis Report: Residential Vacancies in San Francisco.* Available at: https://sfbos.org/sites/default/files/BLA.Residential%20Vacancies.013122_final.pdf

tax measures on the ballot in 2022, including Napa County and the City of Los Angeles. New York State also considered statewide legislation during the 2021-2022 legislative session that would allow jurisdictions with more than one million residents to institute commercial vacancy taxes, though the legislation remains under committee review.

Estimated Revenue Potential

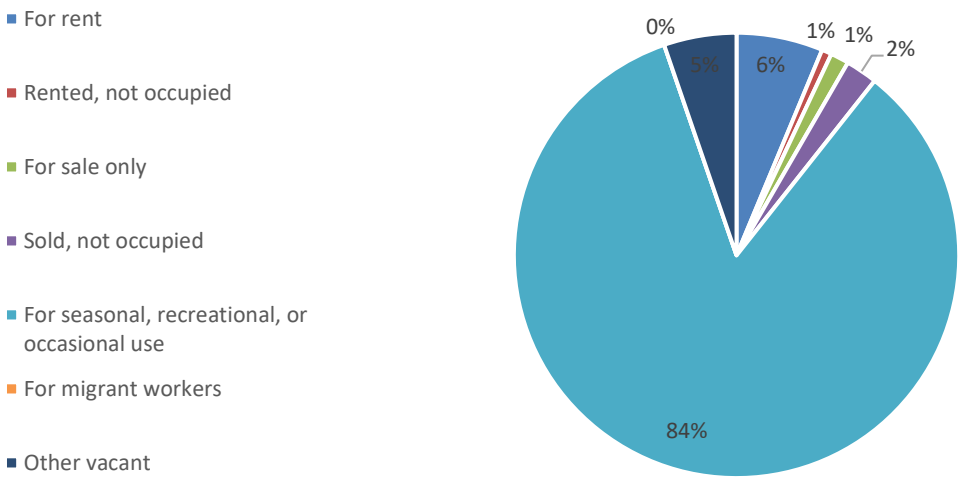
The revenue generation potential of a possible vacancy tax within the City of South Lake Tahoe is contingent on the way that the tax is structured and the properties to which it applies.

Residential Vacancy Tax

BAE assumes that a residential tax would exempt properties that are vacant as a result of being actively sold or rented, or held vacant for later occupancy by seasonal workers, and would be targeted towards properties held vacant for seasonal or occasional use.

To estimate the number of vacant units in the City of South Lake Tahoe, BAE applied the distribution of housing units by vacancy status reported in the 2020 five-year American Community Survey (ACS), illustrated in Figure 3, with the total number of vacant housing units reported in the 2020 Census.[31] Additional data on vacancy by unit type indicates that 67 percent of all vacant housing units in the city (inclusive of those vacant but for lease or sale, or vacant and intended for seasonal workforce occupancy) were detached single-family homes.

Figure 3: Housing Vacancy by Type, 2020 5-Year ACS



Source: U.S. Census Bureau, 2020 American Community Survey 5-Year, Table B25004; BAE, 2022.

[31] While these estimates fail to capture the impacts of the coronavirus pandemic, they represent the most recent available data on residential vacancy. Using this approach, BAE estimates that as of 2020 there were approximately 5,629 housing units held vacant for seasonal or occasional use.

To estimate the possible order of magnitude of the revenue that may be generated under a likely residential vacancy tax scenario, BAE assumed a tax of $3,000 per vacant unit, which is generally consistent with the tax being charged in Oakland. Assuming that all housing units held vacant for seasonal or occasional use would be subject to the tax, BAE estimates that a vacancy tax could theoretically generate up to around $16.8 million per year.

Table 6: Housing Units by Vacancy Status and Tenure, 2020

		Occupied		
Units in Structure	**Vacant**	Renter	Owner	**Total**
1, detached	4,507	1,751	3,314	9,609
1, attached	175	396	73	636
2	292	526	162	971
3 or 4	566	729	17	1,315
5 to 9	397	750	3	1,144
10 to 19	161	575	13	738
20 to 49	197	319	21	536
50 or more	296	89	34	428
Mobile home	103	254	240	585
Boat, RV, van, etc.	0	0	0	0
Total, All Units	**6,695**	**5,390**	**3,876**	**15,961**
Percent	*42%*	*34%*	*24%*	*100%*

Source: U.S. Census Bureau, 2020 Decennial Census, Table H1; U.S. Census Bureau, 2020 American Community Survey 5-Year, Tables B25024 and B25032; BAE, 2022.

This report also considered applying the residential vacancy tax only to single-family properties held for seasonal or occasional use. While the Census Bureau does not specifically report the required statistic, the available data does indicate that there were around 4,500 single-family homes that were vacant for any reason as of the 2020 Decennial Census (i.e., roughly 47 percent of the single-family housing stock).[32] Assuming that the vacancy tax applies to single-family properties only, that are vacant for any reason, the tax could yield roughly $13.5 million per year in revenue.

Applying the citywide seasonal vacancy rate of 84 percent (i.e., the percent of vacant units held for seasonal or occasional use) to the 2020 vacant single-family inventory produces a conservative estimate of around 3,800 single-family units held for seasonal or occasional use. If the vacancy tax is applied only to single-family units held vacant for seasonal or occasional use, the tax may generate approximately nearly $11.4 million per year in revenue.

[32] Preliminary estimates published as part of the 2021 5-year American Community Survey (ACS) suggest a nine percent increase in overall residential vacancy between 2020 and 2021, which was likely induced by the COVID-19 pandemic. It is not clear how this development will translate into future residential vacancy rates in South Lake Tahoe; however a significant increase in residential vacancy would theoretically translate into increase revenue from a residential vacancy tax.

Commercial Vacancy Tax

The only known contemporary example of a commercial vacancy tax is in San Francisco, which applies the tax on vacant commercial frontage on a per square foot basis. This makes sense in San Francisco, which features a dense urban streetscape. The goal of the tax is to encourage property owners to maintain active streetscapes to avoid the appearance of urban blight. This model does not translate easily to the South Lake Tahoe context, which features an urban fabric that is much less dense. Therefore, BAE recommends that the City consider applying a potential vacancy tax not on commercial street frontage, but rather based on the gross square footage of the vacant commercial property.

Table 7: Commercial Vacancies, City of South Lake Tahoe, December 2022 (a)

Former Occupant	APN	Address	Estimated Vacant Sq. Ft. (b)	Source
Winters Electric	23251008	2280 Lake Tahoe Blvd.	3,073	City of South Lake Tahoe
Unknown	27040007	Unknown	25,089	City of South Lake Tahoe
Carrows	31290039	2375 Lake Tahoe Blvd.	24,050	City of South Lake Tahoe
Teps	27090022	3450 Lake Tahoe Blvd.	11,520	City of South Lake Tahoe
Runnels	23523013	986 Emerald Bay Rd.	1,568	City of South Lake Tahoe
Ahern Rentals	31091005	2724 Lake Tahoe Blvd.	5,275	City of South Lake Tahoe
Verizon	23251017	2230 Lake Tahoe Blvd.	5,841	City of South Lake Tahoe
Lily's Tire	31258019	2635 Lake Tahoe Blvd.	6,472	City of South Lake Tahoe
Sunray	31257007	2659 Lake Tahoe Blvd.	20,996	City of South Lake Tahoe
Hair Salon	31241011	2634 Lake Tahoe Blvd.	850	City of South Lake Tahoe
Bagan Toyota	31041009	2296 Lake Tahoe Blvd.	288	City of South Lake Tahoe
Chevy's	27071030	3678 Lake Tahoe Blvd.	10,114	City of South Lake Tahoe
Avalon Lodge	29041061	4075 Manzanita Ave.	8,084	City of South Lake Tahoe
Don Cheepo	27010002	3349 Lake Tahoe Blvd.	240	City of South Lake Tahoe
Ambassador	29051020	4130 Manzanita Ave.	22,794	City of South Lake Tahoe
Chateau	29690002	4139 Lake Tahoe Blvd.	15,247	City of South Lake Tahoe
Kmart Garden Center	32299102	1030 Tata Ln.	12,852	City of South Lake Tahoe
Kmart	23430032	1020 Lake Tahoe Blvd.	144,117	City of South Lake Tahoe
Sato Japanese Rest.	27090006	3430 Lake Tahoe Blvd.	8,215	City of South Lake Tahoe
Humane Society	23182005	884 Emerald Bay Rd.	1,139	City of South Lake Tahoe
Unknown	27361005	3331 Sandy Way	3,000	CoStar
Unknown	32291023	1030 Tata Ln.	1,200	CoStar
Unknown	27361005	3331 Sandy Way	3,000	CoStar
		Total Est. Vacant Sq. Ft.	**335,024**	

Notes:
(a) Based on anecdotal observations made by City staff, as well as a review of current listings on CoStar. Data may exclude vacant properties not current listed for-sale or for-lease.
(b) Based on reported gross building square footage, as reported by the El Dorado County Assessor and CoStar.

Sources: City of South Lake Tahoe; El Dorado County Assessor; CoStar; BAE, 2022.

Only limited information currently exists regarding the prevalence of vacant commercial property in South Lake Tahoe (See Table 7). City staff provide BAE with a list of assessor's parcel numbers (APNs) associated with vacant commercial properties that were identified by City staff on an anecdotal basis. To supplement this data, BAE also reviewed data from CoStar regarding commercial properties that are currently listed for-lease or for-sale to identify

properties with no existing tenant (i.e., did not add properties to the vacant commercial inventory if they were listed for-lease or for-sale but had identifiable tenants already occupying the space). Please note that the inventory reported in Table 7 may exclude some properties that are vacant but which are not actively being listed for-lease or for-sale. Based on this approach, BAE estimates that there is roughly 335,000 square feet of vacant commercial real estate in South Lake Tahoe.

As there are no known commercial vacancy taxes applied on the basis of gross leasable area, there are no comparable tax rates to use as the basis for estimating potential revenue generation. Table 8 illustrates the hypothetical revenue that could be generated through imposition of a commercial vacancy tax at various tax rates ranging from $1,000 to $10,000 per 1,000 square feet of vacant gross leasable area. At these rates and estimated current vacancy levels, a commercial vacancy tax could potentially generate anywhere from $335,000 to upwards of $3.35 million per year in revenue to the City of South Lake Tahoe.

Table 8 also highlights the estimated tax burden that would accrue to each identified vacant property. Even at the lowest estimated tax rate, some properties may be subject to a very high relative tax burden. For example, the 144,117 square foot former Kmart space on Lake Tahoe Boulevard could be subject to an annual commercial vacancy tax burden of upwards of $144,000, which could increase to more than $1.4 million per year under the higher tax rate scenarios. For this reason, BAE would recommend placing a cap on the gross tax amount that may apply to any given property, though such a cap may limit revenue generation.

Table 8: Estimated Revenue Generation, Commercial Vacancy Tax

Former Occupant	APN	Address	Estimated Vacant Sq. Ft. (b)	Revenue Generation by Tax Rate (Per 1,000 Sq. Ft.)(c) $1,000	$2,500	$5,000	$7,500	$10,000
Winters Electric	23251008	2280 Lake Tahoe Blvd.	3,073	$3,073	$7,683	$15,365	$23,048	$30,730
Unknown	27040007	Unknown	25,089	$25,089	$62,723	$125,445	$188,168	$250,890
Carrows	31290039	2375 Lake Tahoe Blvd.	24,050	$24,050	$60,125	$120,250	$180,375	$240,500
Teps	27090022	3450 Lake Tahoe Blvd.	11,520	$11,520	$28,800	$57,600	$86,400	$115,200
Runnels	23523013	986 Emerald Bay Rd.	1,568	$1,568	$3,920	$7,840	$11,760	$15,680
Ahern Rentals	31091005	2724 Lake Tahoe Blvd.	5,275	$5,275	$13,188	$26,375	$39,563	$52,750
Verizon	23251017	2230 Lake Tahoe Blvd.	5,841	$5,841	$14,603	$29,205	$43,808	$58,410
Lily's Tire	31258019	2635 Lake Tahoe Blvd.	6,472	$6,472	$16,180	$32,360	$48,540	$64,720
Sunray	31257007	2659 Lake Tahoe Blvd.	20,996	$20,996	$52,490	$104,980	$157,470	$209,960
Hair Salon	31241011	2634 Lake Tahoe Blvd.	850	$850	$2,125	$4,250	$6,375	$8,500
Bagan Toyota	31041009	2296 Lake Tahoe Blvd.	288	$288	$720	$1,440	$2,160	$2,880
Chevy's	27071030	3678 Lake Tahoe Blvd.	10,114	$10,114	$25,285	$50,570	$75,855	$101,140
Avalon Lodge	29041061	4075 Manzanita Ave.	8,084	$8,084	$20,210	$40,420	$60,630	$80,840
Don Cheepo	27010002	3349 Lake Tahoe Blvd.	240	$240	$600	$1,200	$1,800	$2,400
Ambassador	29051020	4130 Manzanita Ave.	22,794	$22,794	$56,985	$113,970	$170,955	$227,940
Chateau	29690002	4139 Lake Tahoe Blvd.	15,247	$15,247	$38,118	$76,235	$114,353	$152,470
Kmart Garden Center	32299102	1030 Tata Ln.	12,852	$12,852	$32,130	$64,260	$96,390	$128,520
Kmart	23430032	1020 Lake Tahoe Blvd.	144,117	$144,117	$360,293	$720,585	$1,080,878	$1,441,170
Sato Japanese Rest.	27090006	3430 Lake Tahoe Blvd.	8,215	$8,215	$20,538	$41,075	$61,613	$82,150
Humane Society	23182005	884 Emerald Bay Rd.	1,139	$1,139	$2,848	$5,695	$8,543	$11,390
Unknown	27361005	3331 Sandy Way	3,000	$3,000	$7,500	$15,000	$22,500	$30,000
Unknown	32291023	1030 Tata Ln.	1,200	$1,200	$3,000	$6,000	$9,000	$12,000
Unknown	27361005	3331 Sandy Way	3,000	$3,000	$7,500	$15,000	$22,500	$30,000
		Total Est. Vacant Sq. Ft.	**335,024**	**$335,024**	**$837,560**	**$1,675,120**	**$2,512,680**	**$3,350,240**

Notes:
(a) Based on anecdotal observations made by City staff, as well as a review of current listings on CoStar. Data may exclude vacant properties not current listed for-sale or for-lease.
(b) Based on reported gross building square footage, as reported by the El Dorado County Assessor and CoStar.
(c) The reported tax rates are intended to be representative only. Additional analysis and community outreach may be necessary prior to establishing the applicable tax rate.

Sources: City of South Lake Tahoe; El Dorado County Assessor; CoStar; BAE, 2022.

Assessment of Stakeholder Impact

The burden associated with imposition of a vacancy tax would fall on owners and lessees of real property.

Residential property owners that occupy the subject property as their primary residence or rent out the unit for more than the minimum statutory time period would be exempt from a residential vacancy tax. The City may identify other categories of exemption, like in Oakland (lower-income property owners) and San Francisco (single-family homes). The property owners most likely to be impacted include owners of second homes that do not rent out their property for at least the minimum term. The extent to which short-term rental and multifamily property owners would be impacted is contingent on how the tax is structured.

Owners and lessees of commercial property would be subject to an applicable commercial vacancy tax in cases where the vacancy exceeded the allowable timeframe. The tax may be particularly onerous for owners of properties that are significantly dilapidated, and which would require significant renovation to make them attractive to new prospective occupants. The financial penalty may induce some property owners to make the sites available for redevelopment, or other forms of reinvestment; though the ability to pass the tax penalty through to lessee's who aren't currently occupying the space may mute this effect.

In either taxation scenario, residential or commercial, allowances should also be considered for properties that are actively being leased, sold, renovated, or redeveloped, with limitations imposed on those exemptions to discourage bad actors (e.g., applying for a building permit only to never complete the described renovations as a way to defer payment of the tax).

Alternative Business Taxes

Local jurisdictions in California apply various approaches to generating revenue through taxation of local business activity. Some local governments shy away from taxes that expressly penalize revenue generation and/or jobs creation, others more open recognize the relationship between business activity, employment generation, and local efforts to address workforce housing and related infrastructure needs. As a result, some local governments levy minimal business license fees intended to offset administrative costs associated with license issuance and compliance monitoring, while others levy other supplemental business taxes.

El Dorado and Placer counties currently only administer nominal flat rate business license fees. Douglas Counties in Nevada does not issue business licenses, while Carson City charges a nominal flat fee based on the type of business. The City of South Lake Tahoe currently levies

business license fees based on gross receipts using a graduated rate scale ranging from $1.07 to $2.69 per 1,000 of gross receipts.[33] Washoe County uses a similar model.

Other jurisdictions utilize still other taxation models. The City of Santa Clara, for example, levies a tax of $45 per employee, and $15 per rental unit for landlords. Until recently, San Francisco levied both a gross receipts tax and what is known as a payroll expense tax.

The City of South Lake Tahoe, therefore, has the option of updating the business license fee ordinance to include alternative revenue models. The following subsection reviews revenue generation potential associated with a potential payroll expense or employee headcount tax.

Establishing a Payroll or Headcount Tax

Business license fees levied by local jurisdictions with the express goal of offsetting the cost of providing services to businesses in the form of license issuance and compliance monitoring are considered administrative fees, rather than taxes, and may be instituted by ordinance without a public vote. Supplemental business taxes intended to generate general or special purpose revenue to a jurisdiction, such as a business payroll or employee headcount tax, are subject to the same voter approval requirements as other local taxes.

Existing Payroll and Headcount Taxes

San Francisco, CA - As noted above, prior to 2020 the City and County of San Francisco levied both a gross receipts and a payroll expense tax. Under the Business and Tax Regulations Code, 'payroll expense' was defined to include all salaries, wages, bonuses, commissions, stock options, and other compensation for services to owners of pass-through entities.[34] There were a variety of business categories that were exempt based on applicable state and federal law, including for non-profits, skilled nursing facilities, and certain banks, insurance companies, and financial corporations, among other categories. There were also local exclusions and incentives aimed at facilitating economic development and job creation, including for businesses active in clean technology and film production, as well as for businesses located in the Central Market Street and Tenderloin area. The applicable payroll expense rate as of 2018 was 0.38 percent. With passage of Proposition F in November 2020, voters repealed the payroll expense tax and increased the gross receipts tax rate across most industries, while providing more relief to small businesses.

Santa Clara, CA – The City of Santa Clara hosts offices for a variety of large tech companies, including Applied Materials, Intel, Advanced Micro Devices, and Nvidia, among others. Prior to

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[33] City of South Lake Tahoe. (FY 2022-2023). *City of South Lake Tahoe Business and Professions Tax: New Application Form*. Available at: https://www.cityofslt.us/DocumentCenter/View/16968/BLN-Packet-22-23-PDF?bidId=

[34] For more information on the San Francisco payroll expense tax prior to it's repeal in 2020, please visit: https://sftreasurer.org/media/513/download?attachment and https://sftreasurer.org/files/ 2019-08/BT_Payroll%20Expense%20Tax%20Rate%20Memeo_07.01.19.pdf

voter approval of new business tax reforms in late 2022, the City's business license structures had not been updated since 1992. The existing tax structure charged between $15 and $500 based on a business's industry sector and number of employees. With the maximum payment for businesses with 500 or more employees capped at $500, local tax reform advocates argued that the existing tax structure did not require the city's largest companies to pay their fair share for City services and infrastructure. With voter approval of Measure H in November 2022, the business license tax was increased to $45 per employee and $15 per rental unit for landlords. The revised tax structure is projected to generate around six million dollars per year until ended by voters, with periodic independent financial audits.

Estimated Revenue Potential

Table 9 reports the estimated number of business establishments, as well as average annual employment and annual average wages by industry sector for the City of South Lake Tahoe, as reported in the Quarterly Census of Employment and Wages (QCEW) published by the California Employment Development Department (EDD).

Table 9: Establishments, Jobs, and Annual Wages by Industry Sector, South Lake Tahoe, 2021

Industry Sector	Establishments	Jobs	Annual Wage
11 Agriculture, Forestry, Fishing and Hunting	2	(a)	(a)
22 Utilities	8	151	$138,057
23 Construction	80	262	$52,060
31 Manufacturing	12	60	$45,994
42 Wholesale Trade	18	108	$51,193
44 Retail Trade	122	1,433	$36,405
48 Transportation and Warehousing	11	174	$44,628
51 Information	11	56	$56,066
52 Finance and Insurance	28	137	$50,592
53 Real Estate and Rental and Leasing	59	306	$47,913
54 Professional, Scientific, and Technical Services	58	152	$51,812
55 Management of Companies and Enterprises	2	(a)	(a)
56 Administrative and Support and Waste Management	55	488	$64,248
61 Educational Services	4	(a)	(a)
62 Health Care and Social Assistance	154	1,198	$76,657
71 Arts, Entertainment, and Recreation	22	(a)	(a)
72 Accommodation and Food Services	164	2,706	$30,583
81 Other Services (except Public Administration)	72	366	$42,422
92 Public Administration	15	1,343	$73,274
Total, All Industries	**895**	**9,525**	**$49,849**

Note:
(a) Data for this sector was suppress by the California Employment Development Department (EDD) to protect against disclosure of potentially confidential employment and wage information.

Source: California Employment Development Department (EDD), Quarterly Census of Employment and Wages (QCEW); BAE, 2022.

According to this data, there were 895 business establishments in 2021 which employed an annual average of 9,525 persons. Average annual wages vary by industry, ranging from $30,583 per year in the Accommodation and Food Services industry to $138,057 in the Utilities industry, with an average of $49,849 per year across all industry sectors.

The four reported industry sectors with the most employees on average include Accommodation and Food Services (2,706 jobs; average annual wage of $30,583), Retail Trade (1,433 jobs; average annual wage of $36,405), Public Administration (1,343 jobs; average annual wages of $73,274); and Healthcare and Social Assistance (1,198 jobs; average annual wages of $76,657). Please note that data for some sectors is suppressed.

Payroll Expense Tax Revenue

Table 10 reports the estimated revenue that could potentially be generated through institution of a payroll expense tax at rates ranging from 0.1 to 1.0 percent of total annual wages.

Table 10: Estimated Revenue from Payroll Expense Tax, 0.1-1.0 Percent Rates

Industry Sector	Total Annual' Wages	Payroll Expense Tax Revenue (a) 0.1%	0.5%	1.0%
11 Agriculture, Forestry, Fishing and Hunting	(b)	(b)	(b)	(b)
22 Utilities	20,846,556	20,847	104,233	208,466
23 Construction	13,639,665	13,640	68,198	136,397
31 Manufacturing	2,759,633	2,760	13,798	27,596
42 Wholesale Trade	5,528,821	5,529	27,644	55,288
44 Retail Trade	52,168,360	52,168	260,842	521,684
48 Transportation and Warehousing	7,765,243	7,765	38,826	77,652
51 Information	3,139,723	3,140	15,699	31,397
52 Finance and Insurance	6,931,057	6,931	34,655	69,311
53 Real Estate and Rental and Leasing	14,661,337	14,661	73,307	146,613
54 Professional, Scientific, and Technical Services	7,875,412	7,875	39,377	78,754
55 Management of Companies and Enterprises	(b)	(b)	(b)	(b)
56 Administrative and Support and Waste Management	31,353,066	31,353	156,765	313,531
61 Educational Services	(b)	(b)	(b)	(b)
62 Health Care and Social Assistance	91,834,540	91,835	459,173	918,345
71 Arts, Entertainment, and Recreation	(b)	(b)	(b)	(b)
72 Accommodation and Food Services	82,757,252	82,757	413,786	827,573
81 Other Services (except Public Administration)	15,526,345	15,526	77,632	155,263
92 Public Administration	98,406,808	98,407	492,034	984,068
Total, All Industries	474,808,424	**474,808**	**2,374,042**	**4,748,084**

Notes:
(a) These figures illustrate the potential revenue that may be generated through institution of a payroll expense tax at rates ranging from 0.1 to 1.0 percent of total annual wages.
(b) Data for this sector was suppress by the California Employment Development Department (EDD) to protect against disclosure of potentially confidential employment and wage information.

Source: California Employment Development Department (EDD), Quarterly Census of Employment and Wages (QCEW); BAE, 2022.

At a rate of 0.1 percent, the tax would generate nearly 475,000 in annual revenue. If increased to 0.5 percent, the tax would generate almost $2.4 million per year. If set at 1.0 percent, the tax would generate $4.7 million per year. For comparison, the 2018 payroll expense rate for the now repealed payroll expense tax in San Francisco was 0.38 percent, which would yield around 1.8 million per year if instituted in South Lake Tahoe.

These estimates are based on total annual wages paid to persons employed in the City of South Lake Tahoe in 2021. The data notably exclude self-employed persons. To the extent that a payroll expense tax excludes certain types of businesses or industry sectors, the revenue generation potential would decrease accordingly. Table 10 provide additional estimates by industry to facilitate additional analysis. Resulting revenues may also be less in the event that the total tax payment assigned to any given business is capped.

Employee Headcount Tax Revenue

Table 11 reports the estimated amount of revenue that could potentially be generated through creation of an employee headcount tax, similar to that recently instituted in Santa Clara.

Table 11: Estimated Revenue from Employee Headcount Tax, $25-$75 Rates

Industry Sector	Average Employment	Employee Headcount Tax Revenue (a) $25	$50	$75
11 Agriculture, Forestry, Fishing and Hunting	(b)	(b)	(b)	(b)
22 Utilities	151	$3,775	$7,550	$11,325
23 Construction	262	$6,550	$13,100	$19,650
31 Manufacturing	60	$1,500	$3,000	$4,500
42 Wholesale Trade	108	$2,700	$5,400	$8,100
44 Retail Trade	1,433	$35,825	$71,650	$107,475
48 Transportation and Warehousing	174	$4,350	$8,700	$13,050
51 Information	56	$1,400	$2,800	$4,200
52 Finance and Insurance	137	$3,425	$6,850	$10,275
53 Real Estate and Rental and Leasing	306	$7,650	$15,300	$22,950
54 Professional, Scientific, and Technical Services	152	$3,800	$7,600	$11,400
55 Management of Companies and Enterprises	(b)	(b)	(b)	(b)
56 Administrative and Support and Waste Management	488	$12,200	$24,400	$36,600
61 Educational Services	(b)	(b)	(b)	(b)
62 Health Care and Social Assistance	1,198	$29,950	$59,900	$89,850
71 Arts, Entertainment, and Recreation	(b)	(b)	(b)	(b)
72 Accommodation and Food Services	2,706	$67,650	$135,300	$202,950
81 Other Services (except Public Administration)	366	$9,150	$18,300	$27,450
92 Public Administration	1,343	$33,575	$67,150	$100,725
Total, All Industries	**9,525**	**$238,125**	**$476,250**	**$714,375**

Notes:
(a) These figures illustrate the potential revenue that may be generated through institution of a employee headcount tax at rates ranging from $25 to $75 per employee per year.
(b) Data for this sector was suppress by the California Employment Development Department (EDD) to protect against disclosure of potentially confidential employment and wage information.

Source: California Employment Development Department (EDD), Quarterly Census of Employment and Wages (QCEW); BAE, 2022.

At a rate of $25 per employee, the employee headcount tax could generate approximately $238,000 per year in revenue. If the rate were increased to $75 per employee, the revenue would similarly increase to approximately $714,400 per year. For comparison, the City of Santa Clara employee headcount tax rate is $45 per employee, which would yield around $476,250 per year in revenue if instituted in South Lake Tahoe.

These estimates are based on average annual employed in the City of South Lake Tahoe in 2021. The data notably exclude self-employed persons. To the extent that an employee headcount tax excludes certain types of businesses or industry sectors, the revenue would decrease accordingly. Table 11 provides additional estimates by industry to facilitate analysis. Resulting revenues may also be less in the event that the total tax payment assigned to any given business is capped, as is the case in some jurisdictions.

Assessment of Stakeholder Impact

The burden associated with imposition of a payroll expense or employee headcount tax would fall to business owners and operators. A payroll tax would impact businesses with large number of employees, as well as smaller businesses with higher paying jobs. An employee headcount tax would be more targeted, having a larger impact on businesses with more employees. As a tourism-based economy, many of the businesses in South Lake Tahoe with the largest employee counts are associated with lower margin and lower wage industries like Accommodations and Food Service and Retail Trade. Institution of payroll expense and employee headcount taxes function to increase the relative cost of labor. This may limit businesses' ability to increase wages in response to changes in the cost of living (e.g., housing costs, consumer inflation, etc.) and may induce some businesses to reduce staffing levels.

DEVELOPMENT DEPENDENT REVENUE SOURCES

Under California law, local governments may establish requirements that new housing developments set aside a specified share of the total housing inventory for occupancy by households with incomes at or below specified thresholds. These requirements are exercised under a jurisdiction's general police power to regulate land use and development to promote the public welfare. Jurisdictions are required to provide alternative means of compliance, which often includes the option to pay a fee in-lieu of building the required housing units. These requirements are legally differentiated from housing impact fees intended to mitigate the specific impacts of a project. Inclusionary housing requirements, as they are known, are alternatively designed to serve a constitutionally permissible public purpose other than mitigating the impact of the proposed development project. As such, California law no longer requires inclusionary housing policies to be based on an essential nexus or to reflect rough proportionality between the requirement and the estimated impact on the community.

Alternately, many jurisdictions also impose housing impact fees on non-residential development. These requirements are legally differentiated from inclusionary housing requirements in that they are functionally designed to mitigate a projects' estimated impacts on the community at large. Commercial linkage fee requirements, as they are often termed, must be based on an established essential nexus between the proposed project and the impacts being mitigated. The law also requires that the actions being taken to mitigate the impacts of the project must be roughly proportional to the impact being mitigated. Therefore, a commercial linkage fee for housing must be based on the workforce housing demand generated by the project as well as the relative cost of providing that housing.

The following section reviews the basic structure and procedures for establishing inclusionary housing policies (including in-lieu fees) and commercial linkage fees and provides examples of how much revenue may be generated as a result of implementation in South Lake Tahoe.

Inclusionary Housing In-Lieu Fee

California law authorizes jurisdictions to impose requirements that new residential developments set aside a specified share of the total new housing inventory for occupancy by households with incomes at or below specified thresholds. The ordinance specifies the expected term of affordability and outlines alternative options for complying with the ordinance, such as paying an in-lieu fee.

Applicable Legal Framework (AB 1505 and Related Legal Precedent)

The 2009 California Court of Appeals decision in *Palmer/Sixth Street Properties, L.P., et al. v. City of Los Angeles* affirmed a Superior Court decision that struck down elements of the City of Los Angeles inclusionary housing policy that required residential and mixed-use projects with

10 or more dwelling units per lot to set aside a portion of the units for occupancy by low-income households. The Court of Appeals found that requiring a newly constructed rental housing project to provide affordable housing units at restricted rents conflicted with the rights afforded to developers under the Costa-Hawkins act, which sets limits on municipal rent control ordinances and enshrined a developers' right to establish the initial rental rate for a new housing unit.

Assembly Bill (AB) 1505 was drafted and approved by the legislature in 2017 in response to the Palmer decision. The legislation authorizes local governments to adopt ordinances that require, as a condition of development of residential rental units, that the development set aside a specified share of the total housing inventory for occupancy by households with incomes at or below specified thresholds. AB 1505 requires jurisdictions to provide alternative compliance options, potentially including in-lieu fees, land dedication, off-site construction, or acquisition and rehabilitation of existing units. In cases where the applicable jurisdiction has not submitted their annual housing element report(s), or has not met at least 75 percent of their regional housing needs allocation (RHNA), AB 1505 authorizes the California Department of Housing and Community Development (HCD) to review ordinances that require more than 15 percent of the total housing inventory in a project to be affordable. Jurisdictions may adopt requirements in excess of 15 percent, but must provide an economic feasibility study that demonstrates that the ordinance does not "unduly constrain" housing production.

Prior to the passage of the 'Palmer Fix' in 2017, the 2015 ruling in the *California Building Industry Association (CBIA) v. City of San Jose* by the Supreme Court of California determined that the adopted inclusionary housing requirement on for-sale housing was designed "to serve a constitutionally permissible public purpose other than mitigating the impact of the proposed development project." As a result, the Court concluded that the ordinance was neither an exaction, nor a taking, under the Nolan/Dolan line of decision and, therefore, need not demonstrate that an essential nexus or rough proportionality exists between the requirement and the projected impact of the proposed land use.

Establishing an Inclusionary Housing Ordinance

The authority of local governments to establish inclusionary housing policies, as codified by AB 1505, is grounded in a jurisdictions constitutional police power which permits local governments to regulate the use of land in such a way as to advance the public welfare. Establishment of an inclusionary housing policy may, therefore, be accomplished through legislative action of the applicable governing body and does not require a voter approval.

Comparison with Nearby Jurisdictions

Neither the City of South Lake Tahoe, nor El Dorado County, currently have inclusionary housing ordinances.

Placer County adopted an updated *Affordable Housing and Employee Accommodation Ordinance* and fee as of April 19, 2022.[35] [36] The ordinance requires projects with more than 100 units to set aside at least 10 percent of the units for sale or rent at affordable prices. Projects with between eight and 200 units have the option to pay an in-lieu fee of $2.45 per habitable square foot of each market rate housing unit. The ordinance also establishes a commercial linkage fee, which is discussed in more detail in a later section.

The Town of Truckee applies a 15 percent inclusionary housing requirement.[37] For inclusionary units offered as rental housing, either 100 percent of the units must be affordable to low-income households, or one-third may be very low-income, one-third may be low-income, and one-third may be moderate-income. For inclusionary housing units offered for-sale, all units maybe affordable to moderate-income households, or one-third may be low-income, one-third may be moderate-income, and one third may be above moderate-income. Projects with fewer than eight units, the developer may elect to pay the in-lieu fee of $134,413 per required affordable housing unit at their discretion without additional review or approval from either staff or the Town Council. There are also a variety of exemptions, including for individual single-family dwelling units on single-family lots.

Establishing an Inclusionary Housing Percentage

As discussed above, AB 1505 and applicable case law eliminated the requirement for local governments to establish a nexus between the impacts created by a project and any mitigating requirements, such as the creation of affordable and workforce housing units. While AB 1505 authorizes HCD to review inclusionary housing policies with percentages greater than 15 percent, it does not prohibit jurisdictions from establishing higher rates, but rather imposes a requirement that the jurisdiction potentially demonstrate that such a rate does not unduly hinder the financial feasibility of new development. Therefore, the City of South Lake Tahoe may establish an inclusionary housing percentage at the discretion of the City Council.

Appendix A provides the results of an abbreviated affordable and workforce housing nexus analysis for residential development. The analysis found that development of a typical newly constructed single-family home priced at $815,000 would generate demand for 0.9 workforce housing units, including 0.03 units at low- to extremely low-incomes, 0.02 at moderate incomes, and 0.02 at achievable incomes. Excluding the highest income category (i.e., greater than single-family achievable at 180 percent of AMI), the effective multiplier is 0.06. The

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[35] County of Placer. (July 1, 2020). *Affordable Housing and Employee Accommodation Ordinance and Fee*. Available at: https://www.placer.ca.gov/DocumentCenter/View/62116/AH-and-EH-Accommodation-Ordinance-and-Fee-Fact-Sheet-Updated-070122

[36] County of Placer. (October 6, 2020). *An Ordinance to repeal and replace Placer County Code, Chapter 15, Article 15.65 (Affordable Housing)*. Available at: https://www.placer.ca.gov/DocumentCenter/View/48557/Ord-6050-B_BOS-approved-10-27-20?bidId=

[37] Town of Truckee. (May 3, 2007). *Ordinance 2007-05*. Available at: https://portal.laserfiche.com/Portal/DocView.aspx?id=36704&repo=r-6a91ddbc

analysis also found that for high-end luxury single-family homes, the impacts are higher at 0.17 across all income levels, or 0.12 covering extremely low-income through single-family achievable (i.e., up to 180 percent of AMI)

Equivalent Fee In-Lieu of Development

There are different philosophies regarding identification of a justifiable fee to be applied in-lieu of developing required inclusionary housing units. Some jurisdictions, seeking to limit the potential impact on development feasibility, limit the in-lieu fee to be equivalent to the anticipated contribution from local government in support of affordable housing development. Other jurisdictions set the in-lieu fee amount based on the full cost, more or less, of providing the required housing unit, recognizing that the in-lieu fee is intended to be equivalent to construction of the unit on-site as part of the planned market rate development.

According to an October 4, 2022, staff report to City Council, the City of South Lake Tahoe contributed $2.44 million towards construction of the Sugar Pine affordable housing development, which began site preparations in fall 2022. With a total of 248 units planned, this equals a subsidy amount of $9,845 per unit in direct city subsidy.

Alternatively, Table 12 identifies the approximate financing gap associated with low-income housing units built with the use of low-income housing tax credit (LIHTC) equity, excluding the remaining funding sources used in projects like Sugar Pine. The intent of these calculations is to illustrate the financing gap that the City may need to help close in the event that other special funding programs, such as Multifamily Housing Program (MHP), Affordable Housing and Sustainable Communities (AHSC), Infill Infrastructure Grant (IIG), and other similar programs, are no longer available. The calculations illustrate that affordable multifamily housing projects using tax credits without supplemental subsidy sources may have funding gaps ranging from more than $395,000 per low-income unit (i.e., 80 percent of AMI) to nearly $552,000 per extremely low-income unit (i.e., 30 percent of AMI).

Table 13 highlights the potential funding gap that may exist for non-tax credit rental housing restricted to occupancy by households in the moderate-income (i.e., 120 percent of AMI) and multifamily achievable (125 percent of AMI) categories. The cost basis for these units is much less compared to tax credit projects due to reduced regulation, but nonetheless range from nearly $42,000 per multifamily achievable unit to almost $59,000 per moderate-income unit.

The analysis summarized in Appendix A indicates that the minimum in-lieu fee that would align with estimated workforce housing demand induced by new single-family development, as documented in the nexus analysis would range from just under $15,000 to nearly $29,000 per unit. That assumes an inclusionary percentage of between nine and 12 percent and that each project proportionately accounts for its impacts across all income levels. However, under state law, the City may establish a percentage up to 15 percent, which if requiring delivery of all low-income housing could justify an in-lieu fee of up to $59,300 per market rate unit.

Table 12: Financing Gap Analysis, Tax Credit Affordable Multifamily

	Income Level		
	Extremely Low Income (30% AMI)	Very Low Income (50% AMI)	Low Income (80% AMI)
Household Income Limit (a)	$27,400	$45,600	$72,950
Maximum Affordable Monthly Rent Per Unit (b)	$554	$1,009	$1,693
Monthly Operating Expenses (c)	$529	$529	$529
Vacancy (d)	5%	5%	5%
Net Operating Income Per Unit (e)	($2)	$430	$1,079
Net Operating Subsidy from Other Sources (f)	$2	$0	$0
Permanent Financing			
Monthly Supportable Debt Service Per Unit (g)	$0	$374	$939
Loan Amount (h)	$0	$62,356	$156,566
LIHTC Equity (i)	$273,315	$273,315	$273,315
Affordable New Unit Development Cost (j)	$825,227	$825,227	$825,227
Financing Gap Per New Unit (k)	($551,912)	($489,556)	($395,346)

Notes:
(a) Based on a 3-person Household
(b) Affordable rents equal to 30 percent of gross monthly income, minus a utility allowance.
(c) Data from 2018 tax credit funding applications for affordable housing projects in Placer and Sacramento Counties.
(d) Based on the standard required assumption for affordable housing financing and tax credit applications.
(e) Affordable monthly rent minus operating expenses and vacancy.
(f) Operating subsidy is necessary for units with a negative net operating income based on the restricted rent level.
(g) Net operating income plus operating subsidy, divided by the debt coverage ratio: 1.15
(h) Assumes an interest rate of 6.0 percent and a 30-year loan term.
(i) Assumes 90% of total cost are eligible for LIHTC. Assumes the 4-percent LIHTC program. Assumes $0.92 per tax credit.
(j) Based on the Sugar Pine Affordable Housing average construction cost.
(k) Total development cost per unit minus the per unit supportable loan amount.

Sources: CTCAC, 2022; City of South Lake Tahoe, 2022; BAE, 2022.

Table 13: Financing Gap Analysis, Non-Tax Credit Workforce Multifamily

	Income Level	
	Moderate Income (120% AMI)	MF Achievable (125% AMI)
Household Income Limit (a)	$110,400	$115,000
Maximum Affordable Monthly Rent Per Unit (b)	$2,629	$2,744
Monthly Operating Expenses (c)	$868	$906
Vacancy (d)	5%	5%
Net Operating Income Per Unit (e)	$1,630	$1,701
Capitalization Rate	5.00%	5.00%
Market Value (f)	$391,195	$408,307
Affordable New Unit Development Cost (g)	$450,000	$450,000
Financing Gap Per New Unit (h)	($58,805)	($41,693)

Notes:
(a) Based on a 3-person Household
(b) Rents are equal to 30 percent of gross monthly income, minus a utility allowance.
(c) Assumes operating costs are equal to 33 percent of gross income.
(d) Based on the standard assumption by market-rate developers.
(e) Monthly rent minus operating expenses and vacancy.
(f) Estimates the market value by dividing the Net Operating Income by the market capitalization rate.
(g) Based on the estimated development cost for market-rate multifamily developments in the Tahoe area.
(h) Total development cost per unit minus the per unit supportable loan amount.

Sources: City of South Lake Tahoe, 2022; BAE, 2022.

Financial Feasibility Testing

Appendix B provides detailed static proforma financial worksheets outlining the costs and revenues associated with construction of a luxury single-family residential property valued at approximately $3.125 million. Based on this analysis, such a project would have no difficulty absorbing the highest identified potential in-lieu fee amount of $59,000 per market rate unit, without overly impacting the developers anticipated return requirements.

Estimated Revenue Potential

Based on the nexus analysis calculations provided in Appendix A, the City should consider setting an in-lieu fee amount(s) of not less than $15,000 per median priced single-family unit or $29,000 per luxury unit.[38] These values represent the minimum that the City should consider to ensure that new developments are required to offset their estimated impacts on the community at large. If adopted at these levels, the residential in-lieu fee could generate somewhere between $300,000 and $720,000 per year in revenue to the City of South Lake Tahoe, assuming between 20 and 25 new single-family homes per year. If the City elects to pursue a more rigorous inclusionary housing policy (i.e., at least a 15 percent inclusionary requirement) and an in-lieu fee of no less than $59,000 per market rate unit, the residential in-lieu fee could generate between $1.2 and $1.5 million per year, assuming 20 to 25 new single-family homes built per year on average (i.e., equal to the average number of newly completed single-family homes per year over the past five years). If the City elects to apply a policy that only applies to large luxury single-family homes over 5,000 square feet in size, the City may reasonably expect to receive around $177,000 per year in revenue, assuming an average of three new luxury single-family homes over 5,000 square feet per year.

Assessment of Stakeholder Impact

The burden associated with imposition of a new inclusionary housing requirement is primarily borne by the development community and by buyers of newly built residential properties. Inclusionary housing requirements and associated in-lieu fees effectively increase the cost of new development by either requiring a developer to build units that require subsidy (i.e., for rental or sale at below market rates) or to pay a fee in-lieu. The increased cost increases the price point at which the unit must be sold or rented in order for the developer to achieve the same return. Therefore, either the developer must accept a lesser return, or the price is increased to the extent that the market will bear. However, as is noted in the financially feasibility analysis later on in this report, it appears likely that higher-end luxury single-family development may readily absorb the added cost imposed by a new inclusionary requirement.

[38] Figures are rounded to the nearest $1,000.

Commercial Linkage Fee

Many jurisdictions also impose housing impact fees on non-residential development. These requirements are legally differentiated from inclusionary housing requirements in that they are functionally designed to mitigate a projects' estimated impacts on the community at large. Commercial linkage fee requirements, as they are often termed, must be based on an established essential nexus between the proposed project and the impacts being mitigated. The law also requires that the actions being taken to mitigate the impacts of the project must be roughly proportional to the impact being mitigated.

Establishing a Commercial Linkage Fee Ordinance

Unlike inclusionary housing policies, which are permitted under local police powers, business linkage fees are intended to offset the estimated impact(s) imposed on the community by a newly proposed non-residential development project. Such policies are, therefore, subject to the provisions of the California Mitigation Fee Act (Government Code Section 66000 et seq.), which requires local governments to prepare a nexus study that demonstrates a reasonable relationship between the impacts of new development, the facilities needed to address those impacts, and the fees that the jurisdiction intends to charge. Assembly Bill (AB) 602 further requires that nexus studies "identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate."[39] Therefore, prior to adopting a business linkage fee, the City would need to go through the exercise of documenting the level of service, which in this case would be equal to the current inventory of publicly-assisted affordable and workforce housing in South Lake Tahoe and must demonstrate that construction of new non-residential space creates additional demand for affordable and workforce housing that cannot be met with existing resources (e.g., very low vacancy rates). Once the nexus study is completed, the commercial linkage fee may be adopted by the governing body by ordinance and does not require a vote.

Comparison with Nearby Jurisdictions

Neither the City of South Lake Tahoe, nor El Dorado County, currently have commercial linkage fee ordinances. Placer County imposes an "Employee Accommodation" fee of $2.45 per net building square foot which applies to all new non-residential (i.e., commercial) development in the Sierra Nevada and Lake Tahoe Basin. The Town of Truckee requires that non-residential developments construct housing equivalent to accommodate between 3.5 and 14 percent of the estimated employment generated directly by the project itself, with units being rented directly by persons employed at the development or to low-income households in the community. In Truckee, developers may also pay a fee in-lieu of building required units of $134,413 per housing unit required.

[39] See Government Code Section 66016.5(a)(2).

Table 14: Induced Demand for Workforce housing and Equivalent Linkage Fee

Land Use Type	Estimated Household Income as a Percent of AMI (a) Extremely Low (30% AMI)	Very Low (50% AMI)	Low (80% AMI)	Moderate (120% AMI)	MF Achievable (125% AMI)	SF Achievable (180% AMI)	Higher Income (>180% AMI)	Total, All
Retail/Restaurant								
Proportion of Total Jobs (b)	6.3%	7.9%	17.7%	24.5%	0.1%	14.9%	28.5%	**100%**
Estimated Jobs Per 1,000 Sq. Ft. (c)	0.13	0.16	0.35	0.49	0.00	0.30	0.57	**2.00**
Worker Households Per 1,000 Sq. Ft. (d)	0.12	0.12	0.24	0.28	0.00	0.17	0.30	**1.22**
Net Cost Per Unit Provided (e)	$551,912	$489,556	$395,346	$58,805	$41,693	20,200.00	n.a.	**n.a.**
Equivalent Fee Amount	$64,092	$60,443	$94,366	$16,602	$65	$3,352	n.a.	**$238,920**
Per Square Foot	$64	$60	$94	$17	$0.06	$3.35	n.a.	**$239**
Hotel/Motel								
Proportion of Total Jobs (b)	6.1%	16.4%	17.1%	21.7%	1.6%	10.6%	26.5%	**100%**
Estimated Jobs Per 1,000 Sq. Ft. (c)	0.04	0.11	0.11	0.14	0.01	0.07	0.18	**0.67**
Worker Households Per 1,000 Sq. Ft. (d)	0.04	0.09	0.08	0.08	0.01	0.04	0.09	**0.42**
Net Cost Per Unit Provided (e)	$551,912	$489,556	$395,346	$58,805	$41,693	$20,200	n.a.	**n.a.**
Equivalent Fee Amount	$20,859	$42,199	$30,333	$4,906	$246	$790	n.a.	**$99,333**
Per Square Foot	$21	$42	$30	$4.91	$0.25	$0.79	n.a.	**$99**

Notes:
(a) Based on the 2022 Tahoe Regional Planning Agency (TRPA) Residential Bonus Unit Program income limits.
(b) As calculated based on data reported in the U.S. Census Bureau's Public Use Microdata Sample (PUMS) dataset.
(c) Based on an assumed 500 square feet per employee for retail uses and 1,500 square feet per employee for tourist accommodation use, distributed based on the proportion of total jobs at each income level reported in the line above.
(d) Based on the estimated jobs per 1,000 sq. ft. reported for each land use divided by the estimated average number of workers per workforce household by income level.
(e) Based on the net cost to provide housing at each income level as reported in Tables 12 and 13.

Sources: Census, American Community Survey Public-Use Microdata Sample (PUMS) 2016-2020; California Department of Housing and Community Development (HCD), Section 8 Income Limits; Tahoe Regional Planning Agency (TRPA), Residential Bonus Unit Program income limits; BAE, 2022.

Essential Nexus and Maximum Justifiable Fee

Table 14, above, identifies induced employment associated with retail/restaurant and hotel/motel type uses in South Lake Tahoe. The analysis assumes an average of 500 square feet per employee for retail/restaurant uses and 1,500 square feet per employee for hotel/motel uses. The induced employment per 1,000 square feet of development is distributed by income level and household size based on analysis of information contained in the U.S. Census Bureau's Public Use Microdata Sample (PUMS) dataset. The analysis then applies the net cost to provide housing at each income level to identify the equivalent fee amount per 1,000 square feet of new development and subsequently per square foot of new development. Based on this approach, BAE estimates that the maximum legally justifiable commercial linkage fee that may be applied to retail/restaurant uses is $239 per square foot, and $99 per square foot for hotel/motel uses.

As discussed in the following section, it is unlikely that new developments can absorb the full legally justifiable fees. Recognizing that linkage fees are "ride along" fees (i.e., are only generated as a result of new development), most jurisdictions adjust the applicable fee downwards as to not unduly constrain desirable new development. There are two approaches that the City may consider to identify an acceptable fee level. First, the City may consider whether they want to craft the ordinance to only require mitigation for workforce housing demand that falls into specific income categories, such as extremely low- through low-income, or whether the ordinance should account for all induced demand. Second, the City may simply consider the fee that may be reasonably absorbed by new development, regardless of whether it covers the full impacts within a given income category.

Financial Feasibility Testing

Appendix B provides detailed static proforma financial worksheets outlining the costs and revenues associated with construction of stand-alone retail, hotel, and tourist mixed-use developments in South Lake Tahoe.

Overall, the financial feasibility testing exercise found that neither of the pure hotel prototypes are likely to be able to absorb much in the way of an additional linkage fee burden.

The retail prototype may likely be able to absorb imposition of a linkage fee, though only because it's positioned at the top of the local retail real estate market. Retail projects that are less well positioned are unlikely to be able to absorb imposition of a commercial linkage fee.

The tourist mixed-use prototype is likely to be able to absorb imposition of a potentially significant commercial linkage fee, with options available for how the fee is applied across the various retail versus condotel project components.

Tourist Mixed-Use

The development type with the greatest potential for feasibility is the high-density tourist mixed-use prototype, which includes 72 hotel units and 66 for-sale condominium units, with 18,400 square feet of ground floor retail and structured parking on 1.5 acres of land. Based on current listings for land available for purchase in the tourist core, the project may face land costs between $3.5 and $5.0 million per acre. With a residual land value of nearly $8.1 million per acre, BAE estimates that a project of this type could potentially support imposition of a hotel linkage fee of up to $44 per square foot, or the retail linkage fee of $239 plus a hotel linkage fee of $7 per square foot. In either scenario, the City would be imposing a fee burden equal to approximately $5.2 million. Note however, that the retail component of the project is likely being subsidized by the condotel component; therefore, an impact fee imposed on the condotel component would be more efficient and less likely to be impacted by adjustments in the ancillary aspects of the project design. In terms of revenue generation potential, the potential value capture is significant, though projects such as this are relatively infrequent.

Traditional Hotel Uses

This analysis includes evaluation of two different hotel prototypes. The first is a smaller boutique hotel, similar to the Desolation property, while the second is based roughly on the Hampton Inn redevelopment. The analysis indicates that the smaller boutique hotel prototype is marginally feasible without imposition of linkage fees, while the larger hotel prototype is more challenged (i.e., only feasible with minimal land use commodity costs and relatively aggressive assumptions regarding occupancy and average daily rates). At current land prices, neither project is likely able to absorb much in the way of additional linkage fee burden. While economic theory suggests that imposition of fees would put downward pressure on land values, land values tend to be resistant to such forces in practice and it can often take numerous economic cycles to realize the anticipated effects.

Lifestyle Retail Center

The financial feasibility analysis included one retail prototype, which was modelled off the Building A retail pad located on part of the Whole Foods shopping center property at 3640 Lake Tahoe Boulevard. This represents a premium new build retail property. The proforma model assumes a 12,000 square foot standalone building on 1.6 acres. Based on an evaluation of the subject property, the analysis assumes relatively high rents and an aggressive capitalization rate, which nets a residual land value of approximately $3.6 million per acre, which notably above the $2.8 million that was paid for the land in 2019. As such, the retail prototype is expected to be feasible under current market conditions, with the potential to absorb a small commercial linkage fee of up to $90 per square foot, equal to approximately $1.08 million in total additional project cost. However, please note that this represents a very high-end retail project and that less well positioned projects may not be able to absorb the same additional impact fee burden. Also, the city may be challenged to apply

linkage fees to existing buildings undergoing tenant improvements (TI), as an argument can be made that the impacts of the development have already accrued within the community.

Estimated Revenue Potential

Based on the financial feasibility analysis, as described above on pages 36 and 37 and in Appendix B, BAE does not expect that the City could feasibly impose a hotel linkage fee on smaller to medium sized hotel projects without impacting development feasibility, though the tourist mixed-use could likely absorb an impact fee up to $44 per square foot for the hotel component only, or $239 per square foot for the retail component plus up to $7 per square foot for the hotel component.

It is also likely feasibly impose a linkage fee on new retail uses, except for projects positioned at the very highest-end of the market. For example, the retail prototype used for this analysis could potentially absorb a linkage fee of up to $90 per square foot, or approximately $1.08 million for a 12,000 square foot building. Also, the city may be challenged to apply linkage fees to existing buildings undergoing tenant improvements (TI), as an argument can be made that the impacts of the development have already accrued within the community.

It is likely that the City may impose either a retail linkage fee or a hotel linkage fee on high-end tourist mixed use development in the tourist core. Assuming a land cost of $3.5 million per acre, the modeled development could potentially absorb roughly $5.2 million in total linkage fees, applied to the hotel component only or divided between the retail and hotel project components respectively, as discussed on page 36.

Assessment of Stakeholder Impact

The burden associated with imposition of a new commercial linkage requirement is primarily borne by the development community and potentially by tenants of the new project. Commercial linkage fees effectively increase the cost of new development, which must either be absorbed by the developer in terms of a reduced return or passed on to tenants in the form of higher rental rates (to the extent that the market will absorb such an increase without a commensurate increase in vacancy).

APPENDIX A: RESIDENTIAL NEXUS ANALYSIS

The following represents an abbreviated nexus analysis that identifies the minimum inclusionary housing percentage that would offset the impacts imposed by new single-family housing development. This information is provided to help inform potential deliberations regarding an appropriate inclusionary housing percentage and should not be interpreted as legal direction recognizing that state law does not require establishment of an essential nexus. Rather, BAE recommends that the City use this information to inform the minimum inclusionary percentage that can be expected to offset the direct impacts of a project and that a higher percentage may be considered to provide a supplemental benefit to the community.

Establishing an Informational Nexus

To provide a representative analysis illustrating the impact of new single-family development on demand for local workforce housing in South Lake Tahoe, BAE evaluated two alternative scenarios. The first scenario considers the workforce housing demand that is induced based on household spending associated with full-time occupancy of a typical newly constructed single-family home. The second scenario considers the impacts of a high-end luxury property.

Under both scenarios, BAE reviewed the available information on assessed value for properties with building permits issued within the last five years with construction having been completed in 2022. BAE's assessment indicates that an average new build single-family home is valued at approximately $815,000, while a typical luxury housing unit is valued at roughly $3.125 million. Exhibits A1 and A2 roughly illustrate the income needed to purchase properties at these price points, indicating that the purchase of a median priced newly built unit would require an income of roughly $205,000 per year, while a luxury property would require an income of roughly $786,000 per year, assuming the properties were financed.[40]

Based on the estimated household incomes needed to afford newly constructed single-family housing in South Lake Tahoe, either at the median price or a luxury unit, BAE then estimated the number of jobs that would be supported based on household spending associated with the occupant household. This analysis assumes that the units are occupied full time. This is a simplifying assumption recognizing the observed variation in how second homes are used; however, it reflects the likely high-end potential impacts associated with a property that may be used as a primary residence or as a second home with varying occupancy levels.

[40] Incomes associated with buyers of second homes in South Lake Tahoe likely exceed these estimates, recognizing that these households would also own a primary residence. However, it is not possible to estimate the actual household income of second home buyers without having access to private income tax data, which is not available. Therefore, this analysis uses the minimum income needed to purchase the properties, which is likely conservative.

Exhibit A1: Household Income Required to Purchase a Typical New Single-Family Home in South Lake Tahoe, 2022

Estimated Sale Price, New Units (a)	$815,000
Monthly Housing Cost, New units (b)	$5,122
Annual Housing Cots	$61,460
Household Income Required (c)	$204,867

Notes:
(a) Represents the estimated value of a typical newly constructed single-family home in South Lake Tahoe in 2022.
(b) Monthly ownership costs are based on the following assumptions:

Annual Interest Rate	6.6%
Loan Term (Years)	30 years
Down Payment (% of Sale Price)	20%
Property Tax (Annual)	1.0%
Homeowners Insurance (% of Sale Price)	0.4%

(c) Assumes that housing costs do not exceed 30 percent of household income.

Sources: ListSource; Local Mortgage Brokers; California Department of Insurance, Homeowners Premium Survey; BAE, 2022.

Exhibit A2: Household Income Required to Purchase a New Luxury Single-Family Home in South Lake Tahoe, 2022

Estimated Sale Price, New Units (a)	$3,125,000
Monthly Housing Cost, New units (b)	$19,638
Annual Housing Cots	$235,660
Household Income Required (c)	$785,534

Notes:
(a) Represents the estimated value of a newly constructed luxury single-family homes in South Lake Tahoe as of 2022.

(b) Monthly ownership costs are based on the following assumptions:

Annual Interest Rate	6.6%
Loan Term (Years)	30 years
Down Payment (% of Sale Price)	20%
Property Tax (Annual)	1.0%
Homeowners Insurance (% of Sale Price)	0.4%

(c) Assumes that housing costs do not exceed 30 percent of household income.
(d) This assumes that the hypothetical development project contains a total of 10 units. This assumption provides for ease of analysis and does not impact the results of the analysis.

Sources: ListSource; Local Mortgage Brokers; California Department of Insurance, Homeowners Premium Survey; BAE, 2022.

Exhibit A3 reports the estimated induced employment generated by occupancy of new single-family homes in South Lake Tahoe within both the median and luxury markets. The estimates were generated using the Impacts for Planning (IMPLAN) economic impact model. Due to the limited impacts per household, the analysis calculates impacts assuming a total of 100 households at each income level, then coverts the estimates to reflect the total impact per

household. Based on this approach, BAE estimates that occupancy of a typical newly built single-family home in South Lake Tahoe may generate demand for 15 new jobs for every 100 households, which represents a jobs multiplier of 0.15 per household. Occupancy of 100 luxury single-family homes would generate demand for 28 new jobs, or .28 jobs per household. To the extent that these units are occupied less than full-time, the impacts would be reduced.

Exhibit A3: Estimated Economic Impacts Per 10 New Households

Typical New Single-Family Homes (a)

Impact Type	Employment	Labor Income	Value Added	Output
Direct	0.0	$0	$0	$0
Indirect	0.0	$0	$0	$0
Induced	15	$729,648	$1,261,719	$2,114,969
Total	**15**	**$729,648**	**$1,261,719**	**$2,114,969**
Per Job	*1*	*$49,081*	*$84,871*	*$142,267*
Per Unit	*0.15*	*$7,296*	*$12,617*	*$21,150*

New Luxury Single-Family Homes (b)

Impact Type	Employment	Labor Income	Value Added	Output
Direct	0	$0	$0	$0
Indirect	0	$0	$0	$0
Induced	28	$1,271,001	$2,345,086	$3,807,455
Total	**28**	**$1,271,001**	**$2,345,086**	**$3,807,455**
Per Job	*1*	*$44,925*	*$82,889*	*$134,578*
Per Unit	*0.28*	*$12,710*	*$23,451*	*$38,075*

Notes:
(a) Based on estimated household spending associated with 100 households earning approximately $204,867 per year.
(a) Based on estimated household spending associated with 100 households earning approximately $785,534 per year.

Sources: Impacts for Planning (IMPLAN) Economic Impact Model; BAE, 2022.

Exhibit A4, on the following page, further breaks down the induced jobs estimates from Exhibit A3 by income level and convers jobs to workforce households based on the average number of workers per household within each income category. Based on this data, occupancy of newly constructed single-family homes in South Lake Tahoe likely generates demand for approximately one new workforce housing unit for every ten median priced units constructed. Excluding higher income workforce housing demand (i.e., greater than 180 percent of AMI), this ratio decreases to one workforce unit for every 15 median priced market rate units. Meanwhile, occupancy of newly constructed luxury single-family homes likely generates demand for one new workforce housing unit for every six new luxury properties, or for every eight luxury properties if excluding higher income (i.e., greater than 180 percent of AMI) workforce housing demand. Note that if the City of South Lake Tahoe were to establish an inclusionary policy at these levels, it would be well below the allowable 15 percent.

Based on the distribution of workforce housing demand by income level illustrated in Exhibit A4, BAE then calculated the estimated cost associated with bringing those units to market. Exhibit A5 reports the estimated total cost associated with building housing units at each income level as well as the net funding gap that would need to be closed to bring these units to market.[41]

Exhibit A4: Induced Employment and Workforce Housing Demand by Income Level

Typical New Single-Family Homes (a)

Household Income Level	Jobs (b)	Ave. Workers Per Household (c)	Est. Worker Households	*Per New unit*
Extremely Low (30% AMI)	0.7	1.1	0.6	*0.01*
Very Low (50% AMI)	1.0	1.3	0.8	*0.01*
Low (80% AMI)	2.3	1.5	1.6	*0.02*
Moderate (120% AMI)	3.4	1.7	2.0	*0.02*
MF Achievable (125% AMI)	0.3	1.8	0.1	*0.00*
SF Achievable (180% AMI)	2.6	1.8	1.4	*0.01*
Higher Income (>180% AMI)	4.6	1.9	2.4	*0.02*
Total, All Income Levels	**14.9**	**1.7**	**8.9**	*0.09*
Per New Unit	*0.15*	*0.02*	*0.09*	

New Luxury Single-Family Homes (d)

Household Income Level	Jobs (a)	Ave. Workers Per Household (b)	Est. Worker Households	*Per New unit*
Extremely Low (30% AMI)	1.3	1.1	1.2	*0.01*
Very Low (50% AMI)	1.9	1.3	1.5	*0.02*
Low (80% AMI)	4.6	1.5	3.1	*0.03*
Moderate (120% AMI)	6.5	1.7	3.8	*0.04*
MF Achievable (125% AMI)	0.5	1.8	0.3	*0.00*
SF Achievable (180% AMI)	4.8	1.8	2.7	*0.03*
Higher Income (>180% AMI)	8.7	1.9	4.5	*0.05*
Total, All Income Levels	**28.3**	**1.7**	**17.0**	*0.17*
Per New Unit	0.28	0.02	0.17	

Notes:
(a) Based on estimated household spending associated with 10 households earning approximately $204,867 per year.
(b) Based on the distribution of induced jobs industry sector, as reported by IMPLAN, combined with the distribution of workers by industry and household income, as reported in the Public Use Microdata Sample (PUMS) for the greater South Lake Tahoe area.
(c) Based on the distribution of workers by industry sector and household income level, as reported in the PUMS.
(d) Based on estimated household spending associated with 10 households earning approximately $785,534 per year.

Sources: IMPLAN; U.S. Census Bureau, Public Use Microdata Sample (PUMS); BAE, 2022.

[41] The analysis assumes that housing targeted towards households earning less than 80 percent of the area median income (AMI) would be funded in part by state and federal tax credits. As such, the cost to deliver those units is quite elevated at more than $825,000 per unit. Housing targeted towards moderate income households (i.e., 81-120 percent of AMI) and multifamily achievable (i.e., 120-125 percent of AMI) are assumed to be market rate multifamily rental units, with an estimated total development cost of $450,000 per unit. Housing targeted towards households in the single-family achievable income (i.e., 125-180 percent of AMI) category are assumed to be detached single-family homes. Where the analysis assumes new construction for units serving the multifamily achievable income category and below, BAE assumes that households in the single-family achievable income category would be purchasing existing housing units at market rates.

Exhibit A5: Estimated Funding Gap and Equivalent In-Lieu Fee Amount

Typical New Single-Family Homes (a)

Household Income Level	New Workforce *Housing Demand Per New Market Rate Unit* (b)	Estimated Cost Per Workforce Unit (c) Total Cost	Net Gap	Equiv. In-Lieu Fee Per Market Rate Unit (d)
Extremely Low (30% AMI)	*0.01*	$825,227	$551,912	$3,333
Very Low (50% AMI)	*0.01*	$825,227	$489,556	$3,718
Low (80% AMI)	*0.02*	$825,227	$395,346	$6,228
Moderate (120% AMI)	*0.02*	$450,000	$58,805	$1,167
MF Achievable (125% AMI)	*0.00*	$450,000	$41,693	$62
SF Achievable (180% AMI)	*0.01*	$642,500 (e)	$20,200	$286
Higher Income (>180% AMI)	*0.02*	n.a.	n.a.	n.a.
Total, All Income Levels	*0.09*			**$14,794**
Excluding Higher Income (>180% AMI)	*0.06*			

New Luxury Single-Family Homes (e)

Household Income Level	New Workforce *Housing Demand Per New Market Rate Unit* (b)	Estimated Cost Per Workforce Unit (c) Total Cost	Net Gap	Equiv. In-Lieu Fee Per Market Rate Unit (d)
Extremely Low (30% AMI)	*0.01*	$825,227	$551,912	$6,380
Very Low (50% AMI)	*0.02*	$825,227	$489,556	$7,355
Low (80% AMI)	*0.03*	$825,227	$395,346	$12,181
Moderate (120% AMI)	*0.04*	$450,000	$58,805	$2,207
MF Achievable (125% AMI)	*0.00*	$450,000	$41,693	$123
SF Achievable (180% AMI)	*0.03*	$642,500	$20,200	$536
Higher Income (>180% AMI)	*0.05*	n.a.	n.a.	n.a.
Total, All Income Levels	*0.17*			**$28,782**
Excluding Higher Income (>180% AMI)	*0.12*			

Notes:
(a) Based on estimated household spending associated with 10 households earning approximately $204,867 per year.
(b) Represents the estimated new workforce housing demand by income level generated by household spending associated with a newly constructed single-family housing unit.
(c) Reflects the estimated total cost and net financing gap associated with providing housing at each income level. Housing targeted for occupancy at 80 percent of AMI or below is assumed to be new construction funded using state and federal tax credits. Housing occupied by households in the moderate-income (81-120 percent of AMI) and multifamily achievable (121-125 percent of AMI) income categories is assumed to be newly constructed market rate multifamily rental housing. Housing occupied by households in the single-family achievable (126-180 percent of AMI) income category is assumed to be existing single-family resale inventory.
(e) Based on estimated household spending associated with 10 households earning approximately $785,534 per year.

Sources: IMPLAN; U.S. Census Bureau, Public Use Microdata Sample (PUMS); BAE, 2022.

Estimated Revenue Potential

Based on the nexus analysis discussed above, BAE recommends that the minimum inclusionary housing percentage that the City might consider as part of a potential inclusionary housing policy would range from six percent for typical newly built single-family homes to 12 percent for newly built luxury single-family homes. Note that state law permits establishment of an inclusionary housing percentage up to 15 percent without HCD review and that jurisdictions may set requirements even higher if it can be demonstrated that it would not overly inhibit the financial feasibility of new development. Based on the nexus analysis calculations provided in Exhibits A1 through A5, the City should consider setting in-lieu fee amounts of not less than $15,000 per median priced single-family unit and $29,000 per luxury unit.[42] These values represent the minimum that the City should consider to ensure that new developments are required to offset their estimated impacts on the community at large. If the City were to set an inclusionary requirement at 15 percent, a fee up to approximately $59,000 may also be justifiable (i.e., 15 percent of $395,000, which is equal to the net financing gap for multifamily rental units affordable to low-income households).

[42] Figures are rounded to the nearest $1,000.

APPENDIX B: PROFORMA FINANCIAL FEASIBILITY TESTING

Building on previous sections of this report, this Appendix presents an analysis of the potential financial feasibility of five real estate development prototypes for the purposes of identifying linkage fee amounts that would not negatively affect the feasibility of new development projects in South Lake Tahoe.

Prototype Formulation

For the purposes of this research, City staff requested analysis of five unique development prototypes which are generally representative of the types of development the city has experienced in the recent past and/or expects to see in the near future. Summarized in Exhibit B1 below, the development prototypes include:

Hotel Prototype #1 – Luxury/Boutique

The first of the two hotel prototypes is a small-scale luxury boutique hotel development, similar in scale and finish to the Desolation hotel property. While the Desolation Hotel is a unique condo style hotel, the prototype project would be of similar scale and finish but differs in room design and count. It would be located on a 0.69-acre site, with a 16,640 square foot three story building, with 40 rooms with an average of 300 square feet. This represents a land coverage ratio of 76 percent. The project includes a 1,040 square foot restaurant space that is considered incidental to the primary hotel use on the site. The project is assumed to be surface parked.

Hotel Prototype #2 – Upper Mid-Scale

The second hotel prototype is an upper mid-scale offering with 120 rooms, compared to the 40 in hotel prototype number one. The project includes an approximately 60,000 square foot three story building, located on a 2.3-acre site, which equals a coverage ratio of 73 percent. The project includes a 2,000 square foot retail/restaurant space that is again considered incidental to the primary hotel use. The project is assumed to be surface parked. This prototype is roughly modelled on the Hampton Inn project, which represented redevelopment of a previously existing hotel property. Therefore, as part of the analysis, BAE tested the extent to which reusing existing land use commodities improved feasibility.

Retail Prototype – Stand-Alone Retail Pad

City staff requested analysis of a stand-alone retail pad development similar to Building A at the Bijou Marketplace at 3640 Lake Tahoe Boulevard. The project includes a 12,000 square foot building located on a 1.6-acre site. Including significant surface parking and hard landscaping, the project has an estimated coverage ratio of 81 percent. The project is assumed to be located in a premium location and subsequently includes premium rental rates and is expected to absorb what is effectively a premium land cost.

Tourist Mixed-Use Prototype – Condotel and Retail

The fourth commercial prototype is loosely based on the Zalanta project, located in the tourist core. The prototype assumes a 136,750 square foot building on a 1.5-acre site. The project mostly relies on structured parking, though some surface parking is also provided. Including hard landscaping, the approximate coverage ratio is 79 percent. The project includes 72 dedicated hotel rooms, as well as 66 condominium properties. The condominium units are assumed to be used by owners for an average of 90 days per year, with the units being available for rent as tourist accommodations for the remaining 275 days per year. The project assumes 18,400 square feet of retail space on the ground floor fronting the main roadway.

Residential Prototype – Luxury Single-Family

The fifth and final prototype represents a luxury single-family residential project consisting of a single 6,250 square foot home on 0.65 of an acre. Based on a review of recently completed properties in South Lake Tahoe, this project is valued at approximately $3.125 million. As such, the proformas assume relatively high-end finishes. Land costs appear to vary significantly for this type of product and can range from $300,000-$500,000 per acre to upwards of two or three million dollars per acre, depending on the location of the property.

Exhibit B1: Development Prototype Specifications

Project Type	Parcel Size		Building Size				Hotel	Parking Spaces	
	Acres	Sq. Ft.	Gross Sq. Ft.	Hotel	Retail	Condos	Rooms	Structured	Surface
Hotel Prototype #1: Luxury/High End Hotel	0.69	30,056	16,640	15,600	1,040	0	40	0	42
Hotel Prototype #2: Upper Mid-Scale Hotel	2.3	100,188	60,800	58,800	2,000	0	120	0	124
Retail Prototype	1.61	70,132	12,000	0	12,000	0	n.a.	0	100
Tourist Mixed-Use/Condotel	1.5	65,340	136,750	35,280	18,400	66	72	120	0
Luxury Residential	0.65	28,314	6,250	0	0	6,250	1	0	0

Sources: City of South Lake Tahoe; BAE, 2022.

Development Cost Assumptions

BAE estimated development costs for each prototype based upon information collected from a variety of sources including research conducted by BAE for other similar projects and key stakeholder interviews, as well as published secondary sources like RS Means. The development costs reported in Exhibit B3, which form the basis for the proformas, represent the middle- to high-end range of comparable costs, meaning that the cost estimates are likely to be conservative and, if anything, overstate the likely costs of development. Key components of the total estimated development cost include:

Site Preparation Costs

Site preparation costs include costs associated with grading, utility connections, paving and surface parking, and landscaping, among other items. Based on feedback from local developers and real estate professionals active in the greater Lake Tahoe region, this analysis assumes a site preparation cost of $15-$20 per site square foot depending on the prototype. It should be noted that this analysis assumes the sites to be vacant and relatively flat. This analysis also assumes that all necessary infrastructure is in place to service the prototypes.

Land Use Commodity Acquisition

Projects proposed for development within the Lake Tahoe Basin must acquire necessary land use commodities issued and managed by the Tahoe Regional Planning Agency (TRPA). These include development rights (i.e., tourist accommodation units, commercial floor area, residential units of use, etc.), residential allocations, site coverage, etc. The proformas generally assume that new development will have to acquire necessary development rights and coverage at full market value, without use of multipliers, or reuse of existing rights. However, in the case of the mid-scale hotel prototype, the analysis does include some sensitivity testing recognizing that recent development of this type reused existing development rights that were previously associated with the site. Pricing for development rights is based on an appraisal conducted by the City of South Lake Tahoe in April 2020.

Planning, Building and other Permit Fees.

Exhibit B2 reports building permit and building permit fee estimates for each of the five prototypes provided by City staff, as well as information on water and sewer connection fees provided by the South Tahoe Public Utility District (STPUD). Fees charged by TRPA were excluded from the analysis at the request of City staff due to the extreme variability that exists in the fees charged based on unique project characteristics. For example, two projects with similar specifications may be proposed on two different sites with fee estimates ranging from the tens of thousands to many millions of dollars.

Soft Development Costs

Soft costs include architecture, engineering, some permit and plan check fees, pre-entitlement costs such as preparation of necessary studies and Environmental Impact Reports, legal costs, permanent financing costs, and miscellaneous developer overhead costs, among others. For all five prototypes, soft costs are estimated at 20 percent of hard costs.

Hard Construction Costs

Hard costs include primarily labor and materials costs and are based both on RS Means and on BAE's experience with comparable recent projects constructed within the Tahoe region.

Podium Parking Hard Construction Costs

Based on BAE's professional experience, this analysis assumes podium parking costs of $50,000 per space for a single-level podium structure.

Exhibit B2: Estimated Planning, Building, and Connection Fees by Prototype

			Prototype #1 Boutique Hotel	Prototype #2 Upper Mid Hotel	Prototype #3 Retail Center	Prototype #4 Mixed Use Condotel	Prototype #5 Luxury SFR
Planning Permits							
Design Review			$2,921	$2,921	$2,921	$2,921	$2,921
CEQA			$74	$74	$74	$74	$74
Subtotal Planning Permits			**$2,995**	**$2,995**	**$2,995**	**$2,995**	**$2,995**
Building Permit							
Administrative Fee	$	Hour	$0	$0	n.a.	$0	$0
Fire Plan Review			$3,332	$3,332	$3,332	$3,332	$3,332
Planning Plan Review			$232	$232	$232	$232	$232
Technology Fee			$11	$11	$11	$11	$11
General Plan Maintenance Fee	$1.00	Per $1,000 Value	$7,510	$24,293	$3,422	$63,001	$1,660
State Building Standards Fee	$1.00	Per $25,000Value	$300	$972	$137	$2,520	$66
SMIP Fee	$28.00	Per $100,000 Value	$6,802	$6,802	$958	$17,640	$465
Building Permit Fee	2.0%	of Value	$150,209	$485,850	$68,447	$1,260,011	$33,195
Lake Tahoe Unified School District Fee			$12,500	$62,000	$9,360	$89,700	$20,625
Subtotal Building Permit Fees			**$180,897**	**$583,491**	**$76,540**	**$1,436,447**	**$59,586**
PUD Water and Sewer Connection Fees							
Water & Sewer Fees			$117,979	$556,800	$116,831	$566,800	$34,008
Subtotal Water and Sewer Connection Fees			**$117,979**	**$556,800**	**$116,831**	**$566,800**	**$34,008**
Total Fees, All Types			**$301,871**	**$1,143,286**	**$196,366**	**$2,006,242**	**$96,589**

Sources: City of South Lake Tahoe; South Tahoe Public Utility District (STPUD); BAE, 2022.

Exhibit B3: Estimated Development Costs by Prototype

Project Type	Hard Costs	Site Costs	Soft Costs	Financing	Profit	Land Use Commodities/ Entitlements	Planning & Building Fees	Linkage Fees	Total Costs	Costs/ Sq. Ft.
Hotel Prototype #1: Luxury/High End Hotel	$5,657,600	$601,128	$1,251,746	$502,724	$1,362,748	$1,272,641	$301,871	$0	$10,950,458	$658
Hotel Prototype #2: Upper Mid-Scale Hotel	$18,240,000	$2,003,760	$4,048,752	$1,636,794	$3,099,806	$3,925,470	$1,143,286	$0	$34,097,868	$561
Retail Prototype	$1,800,000	$1,051,974	$570,395	$232,866	$956,348	$1,414,704	$196,366	$1,109,348	$7,332,000	$611
Tourist Mixed-Use/Condotel	$51,193,650	$1,306,800	$10,500,090	$4,394,458	$11,015,188	$4,033,350	$2,006,242	$0	$84,449,778	$618
Luxury Residential	$1,100,000	$283,140	$276,628	$61,077	$625,000	$22,500	$96,589	$59,000	$2,523,935	$404

Sources: City of South Lake Tahoe; BAE, 2022.

Developer Profit

Measured as a percentage of total development costs, developers typically seek a gross profit of between ten and 15 percent for commercial real estate projects. For single family residential projects, many developers aim for returns equal to 20 percent of gross sales.

Financing Costs

In terms of construction financing costs for commercial real estate projects, this analysis assumes a 65 percent loan-to-cost ratio, and a 7.0 percent annual interest rate over a 24-month period, an upfront 1.5 percent loan fee, and a 60 percent drawdown factor.

Land Acquisition and land residuals

The five proformas presented in this analysis do not include a land cost. Instead, the tables are structured with an assumed developer return and solve for the "land residual" as the bottom-line measure of feasibility after accounting for all other costs and developer profit.

Development Revenue Assumptions

BAE estimated revenue assumptions for each prototype based upon information from a variety of sources including research completed by BAE for other similar projects, stakeholder interviews, other proprietary developer development budgets, and CoStar.

Commercial Rental Revenues

Feedback from local business owners and real estate professionals indicates that premium retail NNN lease rates range from $3.00 to more than $4.00 per square foot depending on location and amenities for more newly developed and well-maintained properties.

Commercial Vacancy Rate

Due to potential turn over and perceived challenges in retrofitting built-out space, this analysis assumes a commercial vacancy rate of ten percent at stabilization.

Condominium Sales Price

Based on feedback from local developers and real estate professionals, this analysis assumes both the townhome-style and condotel condominiums could garner an average of $625 per square foot in sales revenue. Local real estate professionals indicate that the average per square foot sale prices could increase significantly depending on location and views of the lake or other scenic and lifestyle amenities.

Upper Mid-Scale Hotel Room Revenues

This analysis assumes that hotel rooms in the upper mid-scale hotel prototype will capture an average daily room rate (ADR) of $180. Recognizing that newer hotel product will likely capture higher room revenues than the area's relatively aged existing stock, this assumed rate is on the higher end of ADRs that CoStar reports for this class of properties in the market area.

Small Luxury/Boutique Hotel Room Revenues

This analysis assumes that hotel rooms in the small luxury/boutique prototype will capture an ADR of $240 per night. Once again, recognizing that newer hotel product will likely capture higher room revenues than the area's relatively aged existing stock, this assumed rate is generally higher than ADRs reported by CoStar for luxury/boutique hotels in the market area.

Full-Service Hotel Condo Rental Revenues

This analysis assumes that condominium units returned to the hotel pool managed by the hotel operator will capture an ADR of $350. This recognizes that these larger units that have more amenities than a traditional hotel room (i.e., kitchens, living rooms, multiple bedrooms, etc.). Once again, while local hotel developers generally confirmed this analysis' assumption, it should be noted that ADRs can range widely depending on depending on location and scenic/lifestyle amenities. The ADR used for this analysis does not assume a view premium.

Feasibility Results

Overall, the financial feasibility testing exercise found that neither of the pure hotel prototypes are likely to be able to absorb much in the way of an additional linkage fee burden.

The retail prototype may likely be able to absorb imposition of a linkage fee, though only because it's positioned at the top of the local retail real estate market. Retail projects that are less well positioned are unlikely to be able to absorb imposition of a commercial linkage fee.

The tourist mixed-use prototype is likely to be able to absorb imposition of a potentially significant commercial linkage fee, with options available for how the fee is applied across the various retail versus condotel project components.

The remainder of this section provides a more detailed discussion of the results of the financial feasibility analysis, with summary tables and detailed proforma worksheets provided as Exhibits B4 through B9.

Hotel Prototype #1: Luxury/Boutique

The feasibility analysis indicates that this prototype would likely be feasible before the addition of new linkage fees. Total residual land value for this property is estimated to be $1.86 million per acre compared to prevailing land cost of roughly $1.7 million for this type of property in the South Lake Tahoe tourist core. Sensitivity testing reveals that adjusting cost and revenue assumptions such as ADRs, the assumed capitalization rate, and other key inputs could significantly improve project performance and yield higher residual land value.

Hotel Prototype #2: Upper Mid-Scale

Of the five prototypes, this project yields the lowest overall residual land values assuming that the development would incur full land use commodity entitlement costs. Without the land use commodity entitlement costs, the prototype may be marginally feasible, yielding a positive land

value per acre of approximately $850,000 which may be sufficient to cover the cost of land in less prime locations on the edge of the tourist core or along outlaying commercial corridors.

Retail Prototype – Stand-Alone Retail Pad

Assuming premium rents, an aggressive cap rate and relatively modest overall development costs, this prototype would be feasible yielding approximately $3.6 million per acre in residual land value per acre compared to the prevailing market value of $2.8 million per acre for this property type use. At this level of profitability, the project could potentially absorb up to around $90 per square foot in additional commercial linkage fee burden, equal to approximately $1.08 million in total additional project cost. However, please note that this represents a very high-end retail project and that less well positioned projects may not be able to absorb the same additional impact fee burden.

Tourist Mixed-Use Prototype – Condotel and Retail

The preliminary feasibility analysis for the condotel prototype indicates that the project would likely be feasible before the addition of the retail and hotel linkage fees, yielding a positive residual land value of approximately of $8.1 million per acre compared to prevailing land costs of $3.5 to $5.3 million for this property type. It is important to note, however, that a large percentage of the value attributed to this prototype would be generated by very high assumed ADRs for the condotel portion of the project, and is thus highly dependent on the continued strength of this product type in the local lodging market.

With such a high residual land value, BAE estimates that a project of this type could potentially support imposition of a hotel linkage fee of up to $44 per square foot, or the retail linkage fee of $239 plus a hotel linkage fee of $7 per square foot. In either scenario, the City would be imposing a fee burden equal to approximately $5.2 million. Note however, that the retail component of the project is likely being subsidized by the condotel component; therefore an impact fee imposed on the condotel component would be more efficient and less likely to be impacted by adjustments in the ancillary aspects of the project design.

Residential Prototype – Luxury Single-Family

Of all of the prototypes considered in this analysis, the luxury single-family prototype would perform the strongest in terms of its ability to generate a substantial residual land value in excess of prevailing land costs for comparable properties. As shown below, this project would yield nearly in $900,000 per acre in land value per acre compared to an assumed land cost of approximately $500,000 per acre for a comparable parcel of single-family zoned land. This includes imposition of the recommended inclusionary housing in-lieu fee amount of $59,000.

Exhibit B4: Estimated Residual Value and Value Capture Potential

Project Type	Adjustments	Residual Land Value/Acre w/o Linkage Fee	Market Land Value/ Acre	Value Capture Potential	Value Capture Potential Per Sq. Ft./Unit	
Hotel Prototype #1: Luxury/High End Hotel	n.a.	$1,863,877	$1,700,000	$163,877	$10	(a)
Hotel Prototype #2: Upper Mid-Scale Hotel	w/ land use comm.	($1,321,704)	$1,700,000	($3,021,704)	($30)	
	w/o land use comm.	$850,714	$1,700,000	($849,286)	($14)	(b)
Retail Prototype	n.a.	$2,800,000	$2,800,000	$0	$0	(a)
Tourist Mixed-Use/Condotel	n.a.	$8,098,107	$3,500,000	$4,598,107	$34	
Luxury Residential	n.a.	$905,870	$500,000	$405,870	$405,870	

Notes:
(a) A residual value of this magnitude is likely within the margin of error of most proforma financial models.
(b) The assumed land cost is based on sites located within the tourist core. Sites on the periphery and some commercial corridors may be available at a lower cost which could prove feasible under some circumstances.

Source: BAE, 2023.

Exhibit B5: Prototype #1 Pro Forma - Small Luxury/Boutique Hotel

Development Program Assumptions

Lot Size (acres/sf)		0.7	30,056
Building			
	# of Keys	Avg. sf	Total sf
Hotel Room Characteristics	40	300	12,000
		%	sf
Circulation		20%	2,400
Walls and Shafts		10%	1,200
Hotel Gross Area			15,600
Retail			1,040
Gross Building Area			16,640
	#	Avg	Total
Parking Configuration (a)	Stalls	sf	Parking sf
Surface Parking	42	350	14,700
Operations			
Days Open per Year			365
Available Room Nights			14,600
Average Annual Occupancy			60.0%
Occupied Room Nights			8,760

Cost and Income Assumptions

Construction	
Site Preparation Costs (per site sf) (b)	$20
Hotel Hard Costs (per sq. ft.)	$340
Soft Cost, (% of Hard Costs)	20%
Revenues	
Average Daily Room Rate (per night)	$240
Room Revenues (% Total Rev.)	87.2%
Food and Beverage Revenues (% of Total Rev.)	8.4%
Other Operated Department Revenue (% of Total Rev.)	6.4%
Miscellaneous Income (% of Total Rev.)	2.8%
Retail NNN $/Sq/ Ft.	$3.00
Expenses	
Room Expenses (% of Room Revenues)	23.3%
Food Costs (% of Food Revenues)	77.0%
Other Operated Department Expenses	60.9%
Undistributed Operating Expenses (% of Total Rev.)(c)	27.3%
Management Fee (% of Total Rev.)	3.4%
Replacement Reserves (FF&E) (% of Total Hotel Rev.)	2.5%
Insurance (% Total Hotel Rev.)	0.9%
Real Estate Taxes (% of Project Costs Net Sales Rev.)	1.1%
Retail Operating Costs (Percent of Gross Rev)	35.0%
Financing	
Loan to Cost Ratio	65%
Initial Construction Loan Fee (points)	1.5%
Interest Rate	7.00%
Period of Initial Loan (Months)	24
Drawdown Factor	60%
Total Hard + Soft Costs + Land	$7,812,345
Total Loan Amount	$5,078,024

Development Cost Analysis

Fees and Exactions	
Linkage Fees	$0
Land Use Commodities Cost	$1,272,641
Construction Costs	
Site Prep Costs	$601,128
Hotel Hard Costs	$5,657,600
Permit and Impact Fees	$301,871
Soft Costs	$1,251,746
Subtotal Construction Costs	**$7,812,345**
Financing Costs	
Interest on Construction Loan	$426,554
Points on Construction Loan	$76,170
Subtotal Financing Costs	**$502,724**
Developer Profit (15%)	**$1,362,748**
Total Project Costs	**$10,950,458**

Residual Land Value Analysis

Revenues	
Room Revenues	$2,102,400
Food and Beverage Revenues	$176,097
Other Operated Department Revenues	$134,634
Miscellaneous Income	$57,858
Retail	$37,440
Total Revenues	**$2,508,430**
Expenses	
Room Expenses	($489,917)
Food Costs	($135,604)
Other Operated Department Expenses	($36,818)
Undistributed Operating Expenses (d)	($685,970)
Management Fee	($84,436)
Replacement Reserves	($63,556)
Insurance Costs	($22,012)
Real Estate Taxes	($120,455)
Retail Operating Costs	($13,104)
Total Expenses	**($1,651,872)**
Net Operating Income (NOI)	**$856,557**
Capitalized Total Project Value	**$12,236,533**
Residual Land Value	$1,286,075
Value per Acre	$1,863,877

Source: BAE, 2023.

Exhibit B6: Prototype #2 Pro Forma - Upper Mid-Scale Hotel

Development Program Assumptions

Lot Size (acres/sf)		2.3	100,188
Building			
	# of Keys	Avg. sf	Total sf
Hotel Room Characteristics	120	350	42,000
		%	sf
Circulation		25%	10,500
Walls and Shafts		15%	6,300
Hotel Gross Area			58,800
Retail			2,000
Gross Building Area			60,800
	#	Avg	Total
Parking Configuration (a)	Stalls	sf	Parking sf
Surface Parking	124	350	43,400
Operations			
Days Open per Year			365
Available Room Nights			43,800
Average Annual Occupancy			70.0%
Occupied Room Nights			30,660

Cost and Income Assumptions

Construction	
Site Preparation Costs (per site sf) (b)	$20
Hotel Hard Costs (per sq. ft.)	$300
Soft Cost, (% of Hard Costs)	20%
Revenues	
Average Daily Room Rate (per night)	$180
Room Revenues (% Total Rev.)	87.2%
Food and Beverage Revenues (% of Total Rev.)	8.4%
Other Operated Department Revenue (% of Total Rev.)	6.4%
Miscellaneous Income (% of Total Rev.)	2.8%
Retail NNN $/Sq/ Ft.	$2.00
Expenses	
Room Expenses (% of Room Revenues)	23.3%
Food Costs (% of Food Revenues)	77.0%
Other Operated Department Expenses	60.9%
Undistributed Operating Expenses (% of Total Rev.)(c)	27.3%
Management Fee (% of Total Rev.)	3.4%
Replacement Reserves (FF&E) (% of Total Hotel Rev.)	2.5%
Insurance (% Total Hotel Rev.)	0.9%
Real Estate Taxes (% of Project Costs Net Sales Rev.)	1.1%
Retail Operating Costs (Percent of Gross Rev)	35.0%
Financing	
Loan to Cost Ratio	65%
Initial Construction Loan Fee (points)	1.5%
Interest Rate	7.00%
Period of Initial Loan (Months)	24
Drawdown Factor	60%
Total Hard + Soft Costs + Land	$25,435,798
Total Loan Amount	$16,533,269

Development Cost Analysis

Fees and Exactions	
Linkage Fees	$0
Entitlement Commodities Cost	$0
Construction Costs	
Site Prep Costs	$2,003,760
Hotel Hard Costs	$18,240,000
Permit and Impact Fees	$1,143,286
Soft Costs	$4,048,752
Subtotal Construction Costs	**$25,435,798**
Financing Costs	
Interest on Construction Loan	$1,388,795
Points on Construction Loan	$247,999
Subtotal Financing Costs	**$1,636,794**
Developer Profit (15%)	**$2,707,259**
Total Project Costs	**$29,779,851**

Residual Land Value Analysis

Revenues	
Room Revenues	$5,518,800
Food and Beverage Revenues	$462,255
Other Operated Department Revenues	$353,415
Miscellaneous Income	$151,878
Retail	$48,000
Total Revenues	**$6,534,348**
Expenses	
Room Expenses	($1,286,031)
Food Costs	($355,962)
Other Operated Department Expenses	($96,647)
Undistributed Operating Expenses (d)	($1,786,920)
Management Fee	($219,953)
Replacement Reserves	($165,561)
Insurance Costs	($57,341)
Real Estate Taxes	($327,578)
Retail Operating Costs	($16,800)
Total Expenses	($4,312,793)
Net Operating Income (NOI)	**$2,221,555**
Capitalized Total Project Value	**$31,736,494**
Residual Land Value	$1,956,642
Value per Acre	$850,714
Value per SF	$32.18

Source: BAE, 2023.

Exhibit B7: Prototype #3 Pro Forma - Retail Center

Development Program Assumptions

Lot Size (acres/sf)	1.6	70,132
Total Building Area (sf)		12,075
Building		
Retail (sf)		12,000
Restaurant		0
Circulation Factor		0%
Comm'l Gross Area (sf)		12,000
Parking		
	#	Total
Parking Configuration (b)	Stalls	Parking sf
Surface Parking (Residential)	0	0
Surface Parking (Commercial)	100	37,500
Total Required Parking	100	37,500
Average sf per space	375	

Cost and Income Assumptions

Construction	
Site Preparation Costs (per site sf) (c)	$15
Retail Hard Costs (d)	$150
Restaurant Hard Costs (d)	$175
Soft Cost, (% of Hard Costs)	20%
Operations	
Average Rental Rate (per sf NNN)	$4.15
Operating Costs (35% of Gross)	35.0%
Vacancy Rate	10%
Financing	
Loan to Cost Ratio	65%
Initial Construction Loan Fee (points)	1.5%
Interest Rate	7.00%
Period of Initial Loan (Months)	24
Drawdown Factor	60%
Total Hard + Soft Costs + Land	$3,618,735
Total Loan Amount	$2,352,178

Development Cost Analysis

Fees and Exactions	
Linkage Fees	$0
Land Use Commodities Cost	$1,414,704
Construction Costs	
Site Prep Costs	$1,051,974
Retail Hard Costs	$1,800,000
Restaurant Hard Costs	$0
Planning and Building Permits	$196,366
Soft Costs	$570,395
Subtotal Construction Costs	**$3,618,735**
Financing Costs	
Interest on Construction Loan	$197,583
Points on Construction Loan	$35,283
Subtotal Financing Costs	**$232,866**
Developer Profit (15%)	**$789,946**
Total Project Costs	**$6,056,250**

Residual Land Value Analysis

Commercial	
Gross Scheduled Comm'l Rents	$597,600
Less Vacancy	($59,760)
Less Operating Expenses	($50,400)
Plus CAM Reimbursables	$45,360
Net Operating Income (NOI)	**$532,800**
Total Project Value	**$11,840,000**
Residual Land Value	**$5,783,750**
Residual Land Value/Acre	**$3,592,391**

Sources: BAE, 2023.

Exhibit B8: Prototype #4 Pro Forma - Mixed-Use Condotel

Development Program Assumptions

Lot Size (acres/sf)		1.5	65,340
Total Building Area (sf)			136,750
Hotel			
	# of Keys	Avg. sf	Total sf.
Hotel Room Characteristics	72	350	25,200
		%	sf
Circulation		25%	6,300
Walls and Shafts		15%	3,780
Hotel Gross Area			35,280
Hotel Operations			
Days Open per Year			365
Available Room Nights			26,280
Average Annual Occupancy			70.0%
Occupied Room Nights			18,396
Condo			
	# of Units	Avg. sf	Res. sf
Condo Unit Types			
1-Bed	23	800	18,400
2-Bed	33	1,000	33,000
3-Bed	10	1,250	12,500
Total	66		63,900
		%	sf
Circulation		20%	12,780
Walls and Shafts		10%	6,390
Condo Gross Area			83,070
Condo Operations			
Average Annual Occupancy			65.0%
Days Available per Year (Owner)			90
Available Room Nights Per Year (Owners)			5,940
Occupied Room Nights Per Year (Owner)			3,861
Days Available Per Year (Guest) (b)			275
% of Condo Units in Hotel Pool			80%
Available Room Nights Per Year (Guests)			14,520
Occupied Room Night Per Year (Guests)			9,438
Hotel Amenities			
Conference/Event Space (sf)			0
Restaurant (sf)			0
Commercial Space			
Gross Retail			18,400
Parking	#	Avg	Total
Parking Configuration	Stalls	sf	Parking sf
Surface Parking	0	375	0
Podium Parking	120	375	45,000
Total	120		45,000

Cost and Income Assumptions

Construction	
Site Preparation Costs (per site sf) (d)	$20
Hotel Hard Costs (per key)	$330
Condo Hard Costs (per sf)	$375
Restaurant Hard Costs (per sf)	$175
Conference Space Hard Costs (per sf)	$150
Parking Podium Hard Costs (per space)	$50,000
Soft Cost, (% of Hard Costs)	20%
Revenues	
Hotel Revenues	
Average Daily Room Rate (per night)	$240
Room Revenues (% Total Hotel Rev.)	64.0%
Food and Beverage Revenues (% of Total Hotel Rev.)	29.5%
Other Operated Department Revenue (% of Total Hotel Rev.)	3.6%
Miscellaneous Income (% of Total Hotel Rev.)	2.9%
Condo Revenues (e)	
Sale Price (per sf)	$625
Average Daily Room Rate (per night)	$350
Room Revenues (% of Total Condo Rev.)	60.5%
Food Revenues (% of Total Condo Rev.)	30.8%
Other Operated Department Revenue (% of Total Condo Rev.)	4.8%
Miscellaneous Income (% of Total Condo Rev.)	3.8%
Expenses	
Hotel Expenses	
Room Expenses (% of Room Revenues)	25.8%
Food Costs (% of Food Revenues)	68.9%
Other Operated Department Expenses (% or OODR)	64.8%
Undistributed Operating Expenses (% of Total Rev.)(g)	24.4%
Management Fee (% of Total Rev.)	2.9%
Replacement Reserves (FF&E) (% of Total Hotel Rev.)	1.9%
Insurance (% Total Hotel Rev.)	1.0%
Real Estate Taxes (% of Project Costs Net Sales Rev.)	1.1%
Retail Expenses	35.0%
Condo Expenses	
Sales Marketing (% of Room Revenues)	3.0%
Room Expenses (% of Room Revenues)	15.0%
Food Costs (% of Food Revenues)	68.9%
Owner's Revenue Share (% of Total Revenues)	50.0%
Financing	
Loan to Cost Ratio	65%
Initial Construction Loan Fee (points)	2.00%
Interest Rate	7.00%
Period of Initial Loan (Months)	24
Drawdown Factor	60%
Total Hard + Soft Costs + Land	$65,006,782
Total Loan Amount	$42,254,408

Development Cost Analysis

Fees and Exactions	
Linkage Fees	$0
Land Use Commodities Cost	$4,033,350
Construction Costs	
Site Prep Costs	$1,306,800
Hotel Hard Costs	$11,642,400
Condo Hard Costs	$31,151,250
Restaurant Hard Costs	$0
Conference Space Hard Costs	$0
Retail Hard Costs	$2,400,000
Parking Podium Hard Costs	$6,000,000
Permit and Impact Fees	$2,006,242
Soft Costs	$10,500,090
Subtotal Construction Costs	**$65,006,782**
Construction Financing Costs	
Interest on Construction Loan	$3,549,370
Points on Construction Loan	$845,088
Subtotal Const. Financing Costs	**$4,394,458**
Developer Profit (15%)	**$11,015,188**
Total Project Costs	**$84,449,778**
Less Condo Sales	($39,937,500)
Plus Marketing Costs	$1,198,125
Project Costs Net of Sales Revenue	**$45,710,403**

Feasibility Analysis

Revenues	
Hotel Revenues	
Room Revenues	$4,415,040
Food and Beverage Revenues	$2,034,403
Other Operated Department Revenues	$250,334
Miscellaneous Income	$263,199
Subtotal Hotel Revenues	**$6,897,285**
Condo Revenues	
Room Revenues	$3,303,300
Food Revenues	$1,681,256
Other Operated Department Revenues	$263,920
Miscellaneous Income	$208,227
Subtotal Condo Revenues	$5,456,703
Retail Revenues	$66,400
Total Revenues	**$12,420,389**
Expenses	
Hotel Expenses	
Room Expenses	($1,138,968)
Food Expenses	($1,400,821)
Other Operated Department Expenses	($162,264)
Undistributed Operating Expenses	($1,682,806)
Management Fee	($200,835)
Replacement Reserves	($132,478)
Insurance	($69,079)
Real Estate Taxes	($502,814)
Condo Expenses	
Room Expenses	($495,495)
Food Expenses	($1,157,656)
Owners' Revenues	($1,403,903)
Retail Expenses	($23,240)
Total Expenses	**($8,370,359)**
Net Operating Income (NOI)	**$4,050,030**
Project Value	**$57,857,565**
Residual Land Value	$12,147,161
Land Value/Acre	$8,098,107

Source: BAE, 2023.

Exhibit B9: Prototype #5 Pro Forma - Luxury Single Family Home

Development Program Assumptions		
Lot Size (acres/sf)	0.650	28,314
Residential Unit Type	Res. sf	
Luxury SFR	6,250	
Residential Gross Area (sf)	6,250	
Marketing Costs as a % of Sale Price	3%	
Financing		
Loan to Cost Ratio	65%	
Initial Construction Loan Fee (points)	1.5%	
Interest Rate	7.00%	

Cost and Income Assumptions	
Construction	
Site Preparation Costs (per site sf) (c)	$10
Residential Hard Costs (per sf)	$176
Soft Costs (% of Hard Costs)	20%
Operations	
Sale Price (per sf)	$500
Financing Costs	
Interest on Construction Loan	$43,953
Points on Construction Loan	$17,124
Subtotal Financing Costs	**$61,077**
Period of Initial Loan (Months)	12
Drawdown Factor	55%
Total Hard + Soft Costs	$1,756,357
Total Loan Amount	$1,141,632
Developer Profit (% of Sales Revenue)	20%

Development Cost Analysis	
Fees and Exactions	
Land Use Commodities Cost	$22,500
Linkage Fees	$0
Construction Costs	
Site Prep Costs	$283,140
Residential Hard Costs	$1,100,000
Permit and Impact Fees	$96,589
Soft Costs	$276,628
Subtotal Construction Costs	**$1,756,357**
Financing	**$61,077**
Total Project Costs	**$1,839,935**

Residual Land Value Analysis	
Revenues	
Residential Sales Revenue	$3,125,000
Less Marketing Costs	($93,750)
Total Project Value	**$3,031,250**
Less Total Project Costs	$1,839,935
Less Developer Profit	$625,000
Residual Land Value	$566,315
Residual Land Value/Acre	$871,254

Source: BAE, 2023.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: January 24, 2023
Agenda Item #: 10

Agenda Item: Agreement with PT Revolution Physical Therapy PC for Public Safety Employee Wellness & Injury Prevention Program

Executive Summary: In 2022, the City initiated a pilot program to provide specific and comprehensive wellness services to employees in the Police Department and Fire Department to improve the health of these employees and prevent work-related injuries. After soliciting proposals, the City Manager executed an agreement in May 2022 with PT Revolution for an amount not to exceed $50,000, which was subsequently amended to an amount not to exceed $60,000 to allow time to complete a formal Request for Proposals without interrupting the program. The program has been successful and well-utilized by public safety employees. In December 2022, the City issued a Request for Proposals and received three proposals. Following a review of the proposals, staff recommends awarding the contract to PT Revolution for a term of three years in an amount not to exceed $100,000 per year.

Requested Action / Suggested Motions: 1) Pass a Motion authorizing and directing the Mayor to execute a Professional Services Agreement with PT Revolution Physical Therapy PC for a term of three years with two one-year renewal options and for an amount not to exceed $100,000 per year; and, 2) Pass a Resolution appropriating $100,000 from General Fund Undesignated Excess Reserve to fund year one of the program.
Responsible Staff Member: Becky Penado, Risk Manager

Responsible Staff Member: Rebecca Penado, Risk Manager (530) 542-6064

Reviewed and Approved By:
Susan Blankenship, City Clerk
Olga Tikhomirove, Director of Finance
Heather Stroud, City Attorney

Attachments:

01 - Staff Report - Wellness Program Agreement.docx
02 - PT Revolution Professional Services Agreement.pdf
03 - Evaluation Scoresheet for RFP #2023-01-06.pdf
04_-_Resolution_Appropriating_Funds_for_Wellness_Program.docx

City of South Lake Tahoe
Report to City Council

Meeting Date: January 24, 2023

Title: Agreement with PT Revolution Physical Therapy PC for Public Safety Employee Wellness & Injury Prevention Contract

Location: Citywide

Responsible Staff Member: Becky Penado, Risk Manager - (530) 542-6064

Background:

In 2022, the City initiated a pilot program to provide specific and comprehensive wellness services to employees in the Police Department and Fire Department to improve the health of these employees and prevent work-related injuries. After soliciting proposals, the City Manager executed an agreement in May 2022 with PT Revolution for an amount not to exceed $50,000, which was subsequently amended to an amount not to exceed $60,000 to allow time to complete a formal Request for Proposals without interrupting the program. The program has been successful and well-utilized by public safety employees. In December 2022, the City issued a Request for Proposals and received three proposals. Following a review of the proposals, staff recommends awarding the contract to PT Revolution for a term of three years in an amount not to exceed $100,000 per year. Services to be provided include health risk appraisals, mental health services, physical training services, physical therapy services for non-work-related injuries, and lifestyle/nutritional health coaching for Police and Fire Department employees. The program and each of its services will be on an opt-in basis for staff.

The Wellness & Injury Prevention Program is to be year-round, with the goal of improving the overall physical and mental health of employees, and to reduce the number of work-related injuries. The Police and Fire Departments have historically had the highest rate of work-related injuries of all of the departments in the City because of the strenuous and taxing nature inherent to their job duties.

Issue and Discussion:

In December 2022, a Request for Proposals was initiated seeking a provider to offer specific and comprehensive wellness services to both the sworn and civilian staff of the South Lake Tahoe Police Department and South Lake Tahoe Fire Rescue via Planet Bid #2023-01-06. The bid closed on January 6, 2023, and the City received three proposals from the following providers:

- TrueCare24, Inc.
- PT Revolution Physical Therapy PC
- Barton Center for Orthopedics & Wellness

A selection panel comprised of Heather Stroud, City Attorney; Lori Marino, Finance Principal Management Analyst; Jim Drennan, Fire Chief; and Rebecca Penado, Risk Manager reviewed and scored the submittals based on the following criteria:

- Cover Letter (0-5 points)
- Executive Summary (0-10 points)
- Company History, Background, and Experience (0-20 points)
- Scope of Work/Implementation (0-30 points)
- Project Budget & Fee Proposal (0-30 points)
- Description of Recent Projects/References (0-5 points)

The scoring was as follows (average of scores from each evaluator):

- PT Revolution Physical Therapy PC 99.00
- TrueCare24, Inc. 52.00
- Barton Center for Orthopedics & Wellness 30.25

Based on the scores determined in the review process, staff recommends passing a motion to authorize and direct the Mayor to execute a Professional Services Agreement with PT Revolution Physical Therapy PC to provide specific and comprehensive wellness services to both the sworn and civilian staff of the South Lake Tahoe Police Department and South Lake Tahoe Fire Rescue for a term of three years in an amount not to exceed $100,000 per year, and passing a resolution appropriating $100,000 from General Fund Undesignated Excess Reserve to fund the program.

Financial Implications: The contract amount is not to exceed $100,000 per year. Staff is requesting allocation of money from the General Fund Undesignated Excess Reserve into account #100-01220-42020 – Risk Management Professional Services to be able to fund the program. Although it is too early to tell whether the pilot program initiated in 2022 has reduced work-related injuries and workers compensation claims, staff expects that consistent use of the program will have that effect.

Environmental Considerations: This action is not a “project” subject to review under the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15378(b)(5) (organizational or administrative activities that will not result in direct or indirect physical changes in the environment).

Policy Implications: The Public Safety Employee Wellness & Injury Prevention Program will help to improve the overall physical and mental health of all Fire and Police Department employees and reduce the number of work-related injuries.

CITY OF SOUTH LAKE TAHOE

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of the 24th day of January 2023 by and between the **City of South Lake Tahoe**, a municipal corporation ("City") and **PT Revolution Physical Therapy PC** ("Provider").

RECITALS

A. Provider is specially trained, experienced and competent to perform the special services which will be required by this Agreement.

B. Provider possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

C. City desires to retain Provider to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. Provider shall perform the services set forth in this agreement and shall provide said services at the time, place, and in the manner specified in this agreement. Provider shall have no power or authority by this Agreement to bind City in any respect.

   The Provider agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Contract is based on such independent investigation and research.

   All services provided by Provider pursuant to this Agreement will be provided in accordance with the terms set forth in the **Exhibit A, "Scope of Services,"** attached hereto and incorporated herein by reference. **Exhibit B, "Compensation Schedule,"** attached hereto and incorporated herein by reference, outlines the fees and compensation which shall be paid pursuant to this Agreement.

2. Term/Time of Performance. The services by Provider are to commence upon the execution of the Agreement and continue for three (3) years, with two (2) one (1) year renewal options.

3. Compensation. Compensation to be paid to Provider shall be in accordance with the Schedule set forth in **Exhibit B** which is attached hereto and incorporated herein by reference. In no event shall Provider's compensation, including travel and out-of-pocket expenses, exceed $100,000.00 per year without additional written authorization from City. Payment by City under this Agreement shall not be deemed a waiver of defects, even if such defects were known to City at the time of payment. Payment is contingent upon compliance with all terms and conditions of this Agreement, as set forth herein. Provider shall obtain prior written authorization from the City Project Manager for any costs in excess of budgeted amounts for each line item, task, or obligation under the Scope of Services.

4. Method of Payment. Provider shall submit monthly billings to City describing the work performed during the preceding month. Provider's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, the applicable hourly rate, and a description of any reimbursable expenditures. City shall pay Provider no later than 30 days after approval of the monthly invoice by City staff.

5. Extra Work. At any time during the term of this Agreement, City may request that Provider perform extra work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Provider shall not perform, nor be compensated for, extra work without prior written authorization from City.

6. Termination. This Agreement may be terminated by City or Provider immediately for cause or without cause upon thirty days (30) days written notice of termination. Upon termination, Provider shall be entitled to compensation for services performed up to the effective date of termination, and City shall be entitled to all work performed to that date.

   Termination, revocation, or expiration of this Agreement shall not release either party from liability resulting from an event which occurred prior to such termination, revocation or expiration.

7. Ownership of Documents.
   All plans, studies, documents and other writings, including working notes and internal documents, prepared by and for Provider, its officers, employees and

agents and subcontractors in the course of implementing this Agreement, shall become the property of City upon payment to Provider for such work, and City shall have the sole right to use such materials in its discretion without further compensation to Provider or to any other party. Provider shall, at Provider's expense, provide such reports, plans, studies, documents and other writings to City upon written request. All documents prepared by Provider are confidential and shall be maintained to preserve their confidential nature. Release of any such documents to third parties shall only be made upon written consent of City.

8. Provider's Books and Records.

a. Provider shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Provider for services provided pursuant to this Agreement.

b. Provider shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of three (3) years, or for any longer period required by law, from records shall be available at Provider's address indicated for the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City Auditor or a designated representative of these officers. Copies of such documents shall be provided to City for inspection at City offices when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the receipt of notices in this Agreement.

d. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Provider's business, City may, by written request by any of the above-named officers, require that custody of the records be given to City and that the records and documents be

maintained at City offices. Access to such records and documents shall be granted to any party authorized by Provider, Provider's representatives, or Provider's successor-in-interest.

9. Independent Contractor. It is understood that Provider, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of City. Provider shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Provider hereby expressly waives any claim it may have to any such rights. All employees, agents, contractors or subcontractors hired or retained by Provider are employees, agents, contractors or subcontractors of Provider and not of the City.

City is not required to make any deductions or withholdings form the compensation payable to Provider under the provisions of this Contract, and is not required to issue W-2 Forms for income and employment tax purposes for any of Provider's assigned personnel. Any third party persons employed by Provider shall be entirely and exclusively under the direction, supervision, and control of Provider. Provider hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.

10. Interest of Provider. Provider, (and principals, associates and professional employees of Provider) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Provider's services hereunder. Provider further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Provider is not a designated employee within the meaning of the Political Reform Act because Provider:

a. Will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of City or of any City official, other than normal agreement monitoring; and,

b. Possesses no authority with respect to any city decision beyond rendition of information, advice, recommendation or counsel. [FPPC Reg. 18700(a)(2)].

11. Professional Ability of Provider. City has relied upon the professional training and ability of Provider to perform the services hereunder as a material inducement to enter into this Agreement. Provider shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Provider under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Provider's field of expertise.

12. Compliance with Laws. Provider shall comply with all applicable federal, state, regional and local laws, codes, ordinances and regulations in carrying out his/her duties under this Agreement. Provider shall observe and comply with all applicable laws, ordinances, regulations and codes of federal, state and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Agreement. The City, its officials, officers, elected officials, appointed officials and employees shall not be liable at law or in equity as a result of any failure of Provider to comply with this section.

In the event it is determined that the Provider is required to pay prevailing wages for the work performed under this Agreement, the Provider shall pay all penalties and wages as required by law.

13. Licenses. Provider represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Provider to practice its profession. Provider represents and warrants to City that Provider shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Provider to practice its profession. Provider shall maintain a City of South Lake Tahoe business license at all times services are performed under this Agreement. Provider acknowledges that payments made pursuant to this Agreement may be withheld until this provision has been satisfied.

14. Indemnity. Provider hereby agrees to and shall indemnify and hold harmless City, its elected and appointed boards, officers, agents, employees and volunteers from and against any liability for any and all claims, demands, actions, losses, damages and injuries, direct or indirect (including any and all

costs and expenses in connection therein), arising out of this Agreement or caused in any way by Provider's negligent performance of this Agreement or its breach of its obligations contained in this Agreement, except for any such claims arising out of the negligence or willful misconduct of the City. Provider agrees to defend City from and against any and all losses, damages, claims costs and fees arising out Provider's negligent acts, errors, omissions, regarding this Agreement, the Provider's work under this Agreement, or the Provider's Scope of Work.

City does not, and shall not, waive any rights against Provider which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by City, or the deposit with City by Provider, of any of the insurance policies hereinafter set forth.

This hold harmless agreement by Provider shall apply to all damages and claims for damages, or alleged to have been suffered, by reason of any of the aforesaid operation of Provider or any subcontractor, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

Provider further waives any and all rights to any type of express or implied indemnity or right of contribution from the City for any liability, claims, demands, costs, charges and expenses and causes of action of whatsoever arising out of or in any way connected with this Agreement, and Provider's work under this Agreement.

15. Insurance Requirements.

a. Provider, at Provider's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies.

i. Workers' Compensation Coverage. Provider shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Provider shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation of all Workers' Compensation policies must be received by City

at least thirty (30) days prior to such change. Provider shall provide thirty (30) days written notice of nonrenewal of any Workers' Compensation policies. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Provider for City.

ii. Commercial General Liability Coverage. Provider shall maintain commercial general liability insurance no less broad than ISO form CG 00 01 in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury and property damage. Coverage must be made on the standard Occurrence form. Claims-Made forms are not acceptable without prior written consent of City. City of South Lake Tahoe must be endorsed as an additional insured for liability arising out of ongoing operation by on behalf of Provider. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

iii. Automobile Liability Coverage. Provider shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Provider arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence.

iv. Professional Liability Coverage. Provider shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors or omissions which may arise from Provider or by its employees, or subcontractors. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit per occurrence basis.

b. Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a AM Best's rating of no less than A:VII and shall be endorsed with the following specific language:

i. City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured's under Provider's General Liability and Automobile Liability policies with respect to liability arising out of this Agreement and/or work performed by or on behalf of the Provider, including materials, parts or equipment furnished in connection with such work or operations.

ii. This policy shall be considered primary insurance as respects City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and shall not contribute with it.

iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring Provider.

iv. The insurer waives all rights of subrogation against City except for Provider's Professional Liability and Employers' Liability policies, its elected or appointed officers, officials, employees or agents.

v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents or volunteers.

vi. No policies of insurance carried by Provider shall be suspended, voided, canceled, or changed in coverage or in limits except after thirty (30) days written notice to the City Attorney by Certified Mail.

c. Deductibles and Self-Insured Retentions. The Provider shall be responsible for all deductibles in all of Provider's insurance policies.

The amount of deductibles for insurance coverage required herein shall be reasonable and approved by the City Attorney.

d. Certificates of Insurance. Provider shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Provider shall not commence work under this contract until all insurance required under this section has been approved by City as to form, amount and carrier, nor shall Provider allow any subcontractor to commence work on any subcontract until all similar insurance required and reasonably consistent limits of the subcontractor has been so obtained and approved. Certificates of insurance shall contain no exclusions unless negotiated with the City Attorney and approved, in writing, by the City Attorney.

16. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: City of South Lake Tahoe
1901 Lisa Maloff Way
South Lake Tahoe, CA 96150

Provide a copy to: City Attorney's Office
City of South Lake Tahoe
1901 Lisa Maloff Way, Suite 300
South Lake Tahoe, CA 96150

If to Provider: PT Revolution
2038 Lake Tahoe Blvd
South Lake Tahoe, CA 96150

Provide a copy to: Jason Collin, President
PT Revolution
2038 Lake Tahoe Blvd
South Lake Tahoe, CA 96150

17. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Provider. Assignments of any or

all rights, duties or obligations of the Provider under this Agreement will be permitted only with the express consent of City. Provider shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of City. If City consents to such subcontract, Provider shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in the Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

18. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.

19. Dispute Resolution. Any dispute concerning this Agreement will be first submitted to the City Manager or his designee for resolution. If no resolution is reached, such dispute shall be submitted to the City Council. The decision of the City Council shall be final and shall be appealable only to the El Dorado Superior Court pursuant to California Code of Civil Procedure §1094.5, and as provided by law.

20. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in the Superior Courts in the County of El Dorado, South Lake Tahoe Division.

21. Prohibited Interests. Provider maintains and warrants that it has not employed nor retained any Provider or person, other than the independent contractors hired in accordance with Provider's standard business practice, to solicit or secure this Agreement. Further, Provider warrants that it has not paid nor has it agreed to pay any Provider or person, other than a bona fide employee working solely for Provider or an independent contractor hired as discussed above, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

22. Equal Opportunity Employment. Provider represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-discrimination shall

include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Provider shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

23. Drug-Free Workplace Certification. By signing this Agreement, Provider hereby certifies under penalty of perjury under the laws of the State of California that the Provider will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350, et seq.) and will provide a drug-free work place by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).

b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:

   i. The dangers of drug abuse in the workplace;
   ii. The person's or organization's policy of maintaining a drug-free workplace;
   iii. Any available counseling, rehabilitation and employee assistance program; and
   iv. Penalties that may be imposed upon employees for drug abuse violations.

c. Provide, as required by Government Code Section 8355(c), that every employee who performs grant activities under this Agreement:

   i. Will receive a copy of the Provider's drug-free policy statement; and
   ii. Will agree to abide by the terms of the Provider's statement as a condition of employment on this Agreement.

Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of the Agreement, or both, and Provider may be ineligible for award of any future City agreements if City determines that any of the following has occurred: the Provider (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

24. Anti-Lobbying Certification. Provider shall submit to City the Anti-Lobbying Certification contained in **Exhibit C**. Further, Provider shall require that the

language of the certification in **Exhibit C** be included in all contracts or subcontracts entered into in connection with this Agreement and that all Providers and contractors shall certify and disclose accordingly.

25. Debarment, Suspension, Ineligibility and Voluntary Exclusion. By signing this Agreement, Provider assures that neither it nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

26. Americans with Disabilities Act. By signing this Agreement, Provider assures the City that it complies with the American with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101, et. seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to ADA.

27. Amendments. This Agreement may be modified or amended only by a written document executed by both Provider and City and approved as to form by the City Attorney.

28. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

29. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between City and Provider. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

30. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

31. Time is of the Essence. Time is of the essence for this Agreement.

32. Authority to Enter Agreement. Provider has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF SOUTH LAKE TAHOE:

By_____
Cristi Creegan, Mayor

Date _____

PT Revolution Physcial Therapy PC:

By _____
Jason Collin, President

Date _____

Business License **# 011703**

APPROVED AS TO FORM:

By_____
Heather L. Stroud, City Attorney

Date _____

ATTEST:

By_____
Susan Blankenship, City Clerk

Date _____

Attachments:

Exhibit A – Scope of Services
Exhibit B – Compensation Schedule
Exhibit C - Anti-Lobbying Certification

EXHIBIT A

SCOPE OF SERVICES

First Responder Wellness & Injury Prevention Program

Proposal

Submitted To:

Rebecca Penado, Risk Manager

City of South Lake Tahoe

Submitted By:

PT Revolution

www.ptrevolution.com

PT Revolution

Dear Ms. Penado,

It is with great enthusiasm we submit this proposal for the First Responder Wellness & Injury Prevention Program. The work proposed herein shall remain valid for a period of not less than 120 calendar days from the date of submission.

PT Revolution
2038 Lake Tahoe Blvd
South Lake Tahoe, CA 96150
(530) 208-9910

Jason Collin, MSPT, CHPC
President, PT Revolution
2038 Lake Tahoe Blvd
South Lake Tahoe, CA 96150
(530) 208-9910

Signature _____

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Executive Summary

Proactively addressing the unique mental and physical demands of first responders is finally getting the attention it deserves. While the stress and strain inherent amongst this *heroic workforce* has been well identified, it is most often addressed after it has become a problem.

The First Responder Wellness & Injury Prevention Program being sought by the City of South Lake Tahoe demonstrates an *abundance of care and compassion* for the City employees who are putting *service above self*.

The alarming statistics around PTSD, suicide, divorce, burnout, sleep disorders, and cardiovascular disease amongst first responders is well documented. While the response to these issues is improving, we also know, as the adage goes, “an ounce of prevention is worth a pound of cure”.

By addressing mental and physical health before issues arise, our first responders are *more resilient* to these threats and are more likely to remain engaged to enjoy meaningful careers. Nonetheless, the nature of first responders’ work has inherent mental and physical demands which can not be eliminated.

PT Revolution is excited to bring a comprehensive wellness program to the City's First Responders to address *both the proactive and reactive aspects of healthcare and well-being*.

The cornerstones of the PT Revolution program are:

Optimizing Mental & Physical Performance

Increasing Resilience

Preventing Injuries

Our team of highly skilled and experienced practitioners accomplishes this through:

- **TACTICAL EXERCISE WITH WORLD CLASS STRENGTH AND CONDITIONING COACHES**
- **NUTRITIONAL COACHING WITH AN ELITE LEVEL REGISTERED SPORTS DIETITIAN**
- **MINDFULNESS & COUNSELING WITH A LICENSED THERAPIST EXPERIENCED IN WORKING WITH FIRST RESPONDERS**
- **HIGH PERFORMANCE COACHING WITH A CERTIFIED HIGH PERFORMANCE COACH**
- **PHYSICAL THERAPY WITH A TEAM OF REHABILITATION EXPERTS AND THE ONLY BOARD CERTIFIED SPORTS THERAPIST IN TAHOE**

PT Revolution is well-equipped to implement and succeed with the First Responder Wellness & Injury Prevention Program. We are currently executing the program for the Police and Fire Rescue teams as well as a similar program with Vail Resorts. Additionally, we have run similar successful programs with the California Conservation Corps and a cohort of Elite and Professional Skiers/Snowboarders.

MY OVERALL PHYSICAL FITNESS, MIND AND FOCUS IS ON THE NEXT LEVEL THANKS TO PT REVOLUTION!

Since we have been training at PT Rev, I feel faster, stronger, and healthier than ever before. Thanks to high performance coaching, my focus and clarity is now on track with my career goals and aspirations. Thanks to this program, I feel more active and less prone to injuries on and off the job which has created a healthier, happier life for myself.



BRENEN DAVIS
SOUTH LAKE TAHOE FIRE CAPTAIN
HAPPY HUSBAND & PROUD FATHER

The satisfaction data and biometric data of programs like ours show we are making a significant impact on the lives of first responders:

- **Improved physical, emotional, and spiritual resilience**
- **Reduced work-comp injuries and sick days**
- **Increased mental acuity**
- **Improved physical and emotional well-being and performance**
- **Improved sleep**
- **Decreased resting heart rate**
- **Decreased body fat**
- **Decreased cardiovascular risk**
- **Decreased stress**
- **Decreased frequency and incidence of suicide**

Executing a program of this magnitude is no small feat. It requires an operator who is *agile, responsive, and experienced.*

Our team exemplifies those qualities and has consistently demonstrated the ability to *fulfill expectations* during the First Responder Health & Wellness Services contract awarded to PT Revolution in 2022. The professionals on the PT Revolution Team have a *wealth of experience* implementing wellness and prevention programs and are eager to serve our first responders.

Company History, Background & Experience

Vison & Inspiration

PT Revolution was founded in 2020 by Jason Collin, Justin Dorn, Ian Anderson, and Angie Hagenah. The goal was simple: To become the hub for Tahoe's active population by providing world class rehabilitation and performance programs while ***improving access, decreasing cost, and exceeding expectations.***

That is exactly what we've done. PT Revolution has won ***Best Healthcare Facility*** in South Lake Tahoe each of our two years in operation and have ***untouchable google reviews***. We have a wide array of community partnerships including three of the largest employers in town: CSLT, Vail Resorts, and LTUSD.

There are eight core members on the PT Revolution team who support projects such as the First Responder Wellness & Injury Prevention Program. Collectively, this team has over 75 years of experience in health and wellness programming. Together, we have successfully implemented six comprehensive programs in just the past two years.

Tahoe Daily Tribune
BEST OF TAHOE™
2021, 2022

PT Revolution
5.0 ★★★★★ 52 reviews
Physical therapy clinic

Company History, Background & Experience

Excellence & Commitment

PT Revolution has assembled a team which is unrivaled in the Tahoe region. The breadth and depth of experience our practitioners bring to the First Responder Wellness & Injury Prevention Program is ***exactly what our local heroes deserve***.

Here are the resume highlights of our team:

JASON COLLIN, MSPT, CHPH
FOUNDER, PRESIDENT, CHIEF OFFICER OF AWESOMENESS
Jason has been immersed in high performance rehabilitation and performance for two decades. He has started two successful physical therapy and performance training centers, and was instrumental in building a number of hospital-based service lines including a medically-based fitness center and an integrated rehab and performance center. Jason is a dynamic leader who provides leadership development training to individuals and businesses seeking to achieve higher levels of performance.

Education

- BA, Kinesiology, University of Colorado Boulder
- MS, Physical Therapy, Regis University
- Selective Functional Movement Assessment Certificate, Functional Movement Systems (FMS)
- Executive & Health Coaching Certificate, International Coach Academy
- Certified High Performance Coach, High Performance Institute
- Leadership Lake Tahoe, Tahoe Chamber
- EdD, Organizational Leadership (in progress)

Experience

- 2000-2002 - North Hawaii Community Hospital
- 2002-2004 - Methodist Hospital
- 2004-2009 - The Physical Edge - Performance-based PT & Fitness
- 2009 - 2019 - Barton Health
- 2020 - Present - PT Revolution

JUSTIN DORN, DPT, EMT-B
FOUNDER, DIRECTOR OF REHABILITATION

Justin is an experienced Physical Therapist with extensive background in working both as a clinician/coach and manager with professional athletes as well as tactical teams including Fire Rescue and Police. He has in depth knowledge of the daily stressors, and physical/psychological demands of first responders. Justin has eight years of Emergency Medicine experience as a Sierra-at-Tahoe Ski Patroller, Training Director, and Assistant Snow Safety Director.

Education

- BS, Political Science, University of California Davis
- DPT, Physical Therapy, Chapman University
- EMT-B, Lake Tahoe Community College
- Selective Functional Movement Assessment Certificate, Functional Movement Systems (FMS)
- Certified Clinical Instructor - American Physical Therapy Association

Experience

- 2005 - 2013 - Sierra-at-Tahoe
- 2015 - 2017 - Pacific Pro Physical Therapy & Sports Medicine
- 2017 - 2020 - Tahoe Forest Physical Therapy & Rehab
- 2018 - 2020 - Barton Center for Orthopedics & Wellness
- 2020 - Present - PT Revolution

IAN ANDERSON, PT, DPT, SCS, CSCS, NREMT
FOUNDER, DIRECTOR OF PERFORMANCE

Ian is Tahoe's only Board-Certified Sports Clinical Specialist. He is driven to help athletes of all ages and skill levels recover from injuries and enhance performance. Ian has a passion for the evolving science of optimizing performance through breathing, manual therapy, recovery, exercising, and reducing health risk.

Education

- BS, Exercise Science, University of Kentucky
- DPT, Physical Therapy, Augusta University
- EMT-B, Lake Tahoe Community College
- Selective Functional Movement Assessment, Functional Movement System, and Y-Balance Certificates, Functional Movement Systems (FMS)
- Certified Clinical Instructor - American Physical Therapy Association

Experience

- 2015 - 2017 - Indianapolis Colts, Stanford University, Andrews Institute
- 2017 - 2018 - ATI Physical Therapy
- 2018 - 2019 - Stanford University
- 2019 - 2020 - Barton Center for Orthopedics & Wellness
- 2020 - Present - PT Revolution

SARAH PENDERGRAST, PT, DPT, ATC
PERFORMANCE THERAPIST

Sarah is a Physical Therapist and Athletic Trainer with a passion for proactive and collaborative care. She has experience working on multidisciplinary teams to provide care with an emphasis on both physical health and all around well being. From college athletics to private practice, Sarah is driven to help teams and individuals reduce injury risk, perform at their best, and get back into action after injuries.

Education

- BS, Athletic Training, Florida State University
- DPT, Physical Therapy, Mercer University
- Selective Functional Movement Assessment Certificate, Functional Movement Systems (FMS)
- Mental Health First Aid Certificate
- Certified Clinical Instructor - American Physical Therapy Association

Experience

- 2015 - 2018 Florida State Athletic Department
- 2019 - 2020 Concentra Physical Therapy, Vereen Rehab Center
- 2015 - 2017 - Pacific Pro Physical Therapy & Sports Medicine
- 2021 - Present - PT Revolution

ANGIE HAGENAH, PTA
PHYSICAL THERAPIST ASST

Angie is a local legend. Her selflessness and compassion to help and to heal is unprecedented. She has been taking care of Tahoe athletes for almost two decades; preparing them. rehabbing them, and coaching them for greatness. Angie's accolades include Olympic athletes, X-games athletes, professional, collegiate and high school athletes, police and fire crews, and so many more. She has worked alongside Tahoe's best orthopedic surgeons and has done extensive work with US Ski & Snowboard. Angie very likely the strongest hands in the business :)

Education

- BS, Athletic Training, Eastern Oregon University
- BS, Community Health & Wellness, Eastern Oregon University
- PTA, Physical Therapist Assistant, Sacramento City College
- Level 1 Coach, Girls gone strong
- Selective Functional Movement Assessment (SFMA) Certificate, Functional Movement Systems (FMS) Certificate

Experience

- 1999 - 2001 - Seattle Seahawks Football Camps
- 2001 - 2004 - Professional Rodeo Cowboy Association
- 2004 - 2020 - Barton Health
- 2015 - 2018 - EnduroCross
- 2020 - Present - PT Revolution

NICK WARD, MS, PES
PERFORMANCE COACH

Nick brings a level of coaching experience unrivaled by most in professional athletics. His talent and passion for coaching has led him around the world in coaching, consulting, and speaking roles. In additional to performance coaching at PT Revolution, Nick serves as the Program Director for the ALTIS Mentorship Program. He has worked with British Military Athletes, the Royal Canadian Military Police, and served on the Fitness Advisory panel to the Northumberland Police Force and Fire Service.

Education

- BA(hons), Sport Studies, University of Northumbria at Newcastle
- MS, Kinesiology, University of Calgary
- Accredited Coach - United Kingdom Strength & Conditioning Assoc.
- Performance Exercise Specialist - National Assoc. of Sports Medicine
- Master Coach (Level 2) - Precision Nutrition

Experience

- 1999 - 2003 - University of Durham Sports Performance
- 2003 - 2016 - Sheffield Wednesday FC, Bobleigh & Skeleton Canada, Talented Athlete Scholarship Scheme
- 2016 - 2020 - Barton Performance by ALTIS
- 2020 - Present - PT Revolution

MICKINZIE LOPEZ, MS, RDN, SNS
SPORTS DIETITIAN

Mickinizie has a special talent for developing tools and resources to communicate complex nutritional information clearly and effectively. She has provided high-level nutritional support to athletes in organizations such as: the San Francisco Giants, Indiana University, and Stanford University. Her passion for improving personal and professional performance through nutrition has proven very successful for individuals and organizations.

Education

- BS, Business Management, Arizona State University
- MS, Dietetics & Whole Food Sciences, Bastyr University
- Board Certified Eligible Sports Dietitian
- School Nutrition Specialist

Experience

- 2013 - 2015 - Momentum Nutrition & Health @ Nike
- 2015 -2016 - Meredith College
- 2016 -2017 - Indiana University
- 2017 -2019 - Stanford University, San Francisco Giants
- 2018 - Present - LunchAssist
- 2020 - Present - PT Revolution

JENNIFER KILE, LMFT
PSYCHOTHERAPIST

Jennifer is a highly skilled therapist with advanced training in Brainspotting, Trauma-Focused Cognitive Behavior Therapy, Dialectical Behavior Therapy, Mindfulness, and Self-Compassion. Her work with First Responders exemplifies her approach in created safe spaces for self-exploration while emphasizing dignity and respect. Jen is passionate helping find balance and harmony for those in stressful and often chaotic jobs. She worked alongside the PT Revolution Performance Team with the California Conservation Corps and continues with the Corpsmembers today.

Education

- BS, Business Administration, California State University Sacramento
- MA, Counseling Psychology, University of San Francisco
- Licensed Marriage and Family Therapist
- Trauma-informed therapist

Experience

- 2017 -2018 - Sierra Child and Family Services
- 2018 - 2021 - Live Violence Free
- 2021 - Present - Integrate Therapy
- 2022 - Present - PT Revolution

I have used several of the services provided by PT Revolution and cannot say enough good things about how valuable this program is for us. Their knowledge of how the body works far exceeds any personal trainer or physical therapists I have ever worked with. The crews are gaining so much strength and knowledge from their fitness program, greatly reducing our chances of injuries. We in the department are frequently talking about how much better we feel since starting their programs.



As the departments Behavioral Health Program Officer, I cannot express enough gratitude for the PT Revolution Mental Health Therapy program. Several department members have utilized it and are very grateful at how responsive Jennifer is.

This progressive program is truly valuable to the type of work we do in the police and fire departments. The PT Revolution team is phenomenal!!

LESLIE ASBURY - FIRE CAPTAIN/PARAMEDIC, CSLTFR

Company History, Background & Experience

Experience & Grit

Despite starting a business and running a business during the turbulence of the pandemic, PT Revolution has repeatedly demonstrated the ability to initiate, implement, and execute successfully. We believe our strong community partnerships, our focus on quality and client/program success, and an intense desire to serve the South Shore community have been the hallmarks of our success.



Additionally, we understand the rigors of our First Responders. They are athletes through and through.

As the Hub for Tahoe's Mountain Athletes, PT Revolution prioritizes building the physical and mental resilience required to both stay working/playing and get back to working/playing.

With our collective experience, individualized approach, and commitment to excellence, we have become the most sought after PT clinic for Tahoe's First Responders.

Scope of Work/ Implementation

Options



Throughout our endeavors with community partners, we have shown the agility and tenacity to meet the demands of participants with highly variable schedules.

This has included, and will continue to include:

- On-site assessments and information sessions (Fire Stations or Police HQ)
- Virtual coaching, counseling, and nutritional sessions
- In-person services for performance training, rehabilitation, and restorative services at PT Revolution
- Remote fitness programming

Access



As experienced partners working with City Police and Fire Rescue teams, we are committed to providing access to Injury Prevention & Wellness Services around the constructs of the unpredictable and highly demanding schedules of our first responders. PT Revolution will:

- Provide flexibility with scheduling
- Provide rapid access to services
- Provide unlimited drop-in recovery & restoration services

Scope of Work/ Implementation

Management, Metrics & Quality

ADMINISTRATIVE OVERSIGHT WILL OCCUR FOR ALL ASPECTS OF THE CONTRACT:

- Implementation & Provision of Services
- Access & Utilization
- Quality & Outcomes

TO ENSURE ACCURATE UTILIZATION TRACKING AND BILLING, PT REVOLUTION HAS ESTABLISHED COMPREHENSIVE SYSTEMS FOR THE MANAGEMENT OF THIS CONTRACT:

- **PHYSICAL THERAPY VISITS - ALL SCHEDULING AND DOCUMENTATION IS COMPLETED VIA FULLY HIPPA COMPLIANT PROMPT EMR**
- **MENTAL HEALTH VISITS - ALL SCHEDULING AND DOCUMENTATION IS COMPLETED VIA FULLY HIPPA COMPLIANT SIMPLE PRACTICE EMR**
- **HIGH PERFORMANCE COACHING & NUTRITION VISITS - ALL SCHEDULING AND DOCUMENTATION IS COMPLETED VIA SECURE GOOGLE WORKSPACE**
- **PERFORMANCE TRAINING VISITS - ALL SCHEDULING AND DOCUMENTATION IS COMPLETED VIA SECURE GYM MASTER**
- **REMOTE FITNESS PROGRAMMING - COMPLETED VIA BRIDGE TRACKER**

ALL UTILIZATION DATA IS UPDATED WEEKLY ON A SECURE GOOGLE SHEET SHARED WITH DEPT CHIEFS AND THE RISK MANAGER

Scope of Work/ Implementation

Management, Metrics & Quality

PT REVOLUTION STRIVES TO PROVIDE EXCELLENT QUALITY OF SERVICE AND WILL IMPLEMENT MULTIPLE QUALITY CONTROL METRICS TO BE USED THROUGHOUT THIS PROGRAM:

- **Weekly emails to every eligible CSLT employee with full list of resources and reminders of program availability**
- **Quarterly requests for feedback via reviews and polling sent to all participants**
  - **This data will be reviewed by PT Revolution staff and results shared with CSLT Risk Manager**
  - **Action items will be identified and implemented appropriately**
- **Quarterly FR and PD station visits for program overview, in person feedback and Q & A's**
- **Monthly report submitted to CSLT Risk Manager with full utilization statistics**
- **Quarterly report to CSLT Risk Manager regarding program trends, areas for improvement and proposed changes**
- **Individualized goal tracking will be monitored at intervals appropriate for the intended outcomes**

Scope of Work/ Implementation

Program Details

INITIAL EVALUATIONS
PERFORMED BY A LICENSED PHYSICAL THERAPIST

- Medical history/injury history review
- Work-related and recreational activity review
- Review of health, fitness, and physical performance goals
- Identify factors that are contributing to, or detracting from, individual health and performance
- Full program review and individualized recommendations based on evaluation

PHYSICAL THERAPY
PERFORMED BY A LICENSED PHYSICAL THERAPIST OR PT ASSISTANT

- Physical therapy evaluations completed by Physical Therapist
- Physical therapy treatment for minor, non-work-related injuries (The purpose of this is to encourage SLTPD and SLTFR employees to seek help for nonwork-related issues they may be having before they start to affect work performance and/or lead to a work-related injury)
- Maximum of three (3) visits per employee for each injury

NUTRITIONAL ANALYSIS/MEAL PLANNING
PERFORMED BY A REGISTERED DIETITIAN

- Current diet analysis and education on opportunities for improvement. Education on healthy lifestyle habits and skills
- Meal planning goals and tips

MENTAL HEALTH SERVICES
PERFORMED BY A LICENSED MARRIAGE & FAMILY THERAPIST

- Confidential assessments, short-term counseling, and follow-up services for SLTFR and SLTPD employees
- Address issues affecting mental and emotional well-being, such as substance abuse, stress, grief, and family struggles
- Maximum of six (6) visits per employee

Scope of Work/ Implementation

Program Details

PERFORMANCE TRAINING

PROVIDED BY A CERTIFIED FITNESS COACH OR A LICENSED PHYSICAL THERAPIST

- Functional Movement Screen/Assessment to identify opportunities for improvement (This would ideally take place on-site at City Fire Stations for SLTFR staff)
- Individualized performance training programs based on injury history and outcomes of the Functional Movement Screen/Assessment
- Ongoing programming and individualized coaching to optimize physical performance and reduce injury risk

OTHER BEHAVIORAL HEALTH & WELLNESS SUPPORTS AVAILABLE

HIGH PERFORMANCE COACHING

PROVIDED BY A CERTIFIED HIGH PERFORMANCE COACH

- Research-based, proactive approach to gain clarity, increase energy, improve productivity, and gain influence
- Proven strategies for increasing personal success and happiness
- Career enhancement and professional development

Maximum of six (6) sessions per employee

REMOTE FITNESS PROGRAMMING & MONITORING

PROVIDED BY A CERTIFIED FITNESS COACH OR A LICENSED PHYSICAL THERAPIST

- App-based programming for participants whose work/life schedules aren't conducive to training in-person
- Can be tailored specifically for fire station training facilities to allow crews to train on shift

RECOVERY LOUNGE

- Unlimited use of proven physical & mental restorative modalities
  - PHYSICAL - Sequential Compression Devices, Cold Therapy, Heat Therapy, Vibration Therapy
  - MENTAL - Meditation, Breathwork

Project Timeline

Ready for Takeoff!!



PT Revolution has been providing Injury Prevention & Wellness Services to the City's First Responders for the past six months. We have the programs, processes, and systems in place for ***IMMEDIATE IMPLEMENTATION.***

Momentum
With an existing program in place, PT Revolution is the only provider who can provide services without any gaps.

Trust
A successful Wellness Program is deeply rooted in the trust established between the providers, participants, and leaders. Our PT Revolution team has established, solid relationships amongst the PD and FR teams, chiefs, and City management.

Efficiency
Lowering barriers for entry is another hallmark characteristic of successful Wellness Programs. PT Revolution's current processes are simple, flexible, and effective.



Project Budget

Fiscal Responsibility

PT Revolution is committed to being fiscally prudent and responsible with the public funds used to fund this program. We understand the constraints of public sector funding and have devised a budget to serve our First Responders while keeping costs contained.

The proposed budget is based strictly on utilization of services. Additionally, as described in our Management Section, we monitor participation closely. This helps to avoid unnecessary costs and elevates awareness around the services and value provided.



Cost Proposal

Visit Type	Cost Per Visit ($)	Cost Per Month ($)
Initial Evaluation	$150.00	---
Physical Therapy Evaluation	$200.00	---
Physical Therapy Treatment	$125.00	---
Maximum of three (3) visits per employee for each injury		
Nutritional Analysis	$200.00	---
Mental Health	$200.00	---
Maximum of six (6) visits per employee		
High Performance Coaching	$200.00	---
Maximum of six (6) visits per employee		
RevFit Performance Training	---	$250.00
2 coached sessions/wk, Unlimited Gym Use		
RevFit Remote Programming	---	$150.00
Weekly monitoring via app, monthly review and updates w/ coach		
Recovery Lounge	INCLUDED	
Must complete Initial Evaluation prior		

Project Budget

Performance-based Forecasting

The 2022 First Responder Injury Prevention & Wellness Program provided by PT Revolution demonstrated very positive utilization and retention:

- **Overall Utilization Rate - 46% (>2x industry avg)**
- **Physical Therapy Utilization - 61%**
- **Performance Training Utilization - 68%**
  - **Retention Rate 66% after three months**



"My experiences and sessions at PT Revolution have always been outstanding. I have a very physically demanding job and I live an active Tahoe lifestyle so I am constantly getting new injuries or flaring up old ones. The folks at PT revolution were able to get me back 100% every time. Whether it was my knee from a complete ACL reconstruction, or simple lower back pain from wearing heavy gear around, I always left PT feeling better than when I went in. On top of the excellent care and treatment I received while at the facility, I was always sent home with a list of easy-to-do exercises and stretches to continue to fix me up between sessions. Their facility, equipment, and the overall vibe is awesome. Ian and Jason who I primarily worked with are friendly, knowledgeable, and will push you to your limit for maximum recovery. I would highly recommend PT Revolution for anyone seeking post-injury recovery. Also, try the puffy pants. IYKYK."

Derek Simon - Police Officer, CSLTPD

Project Budget

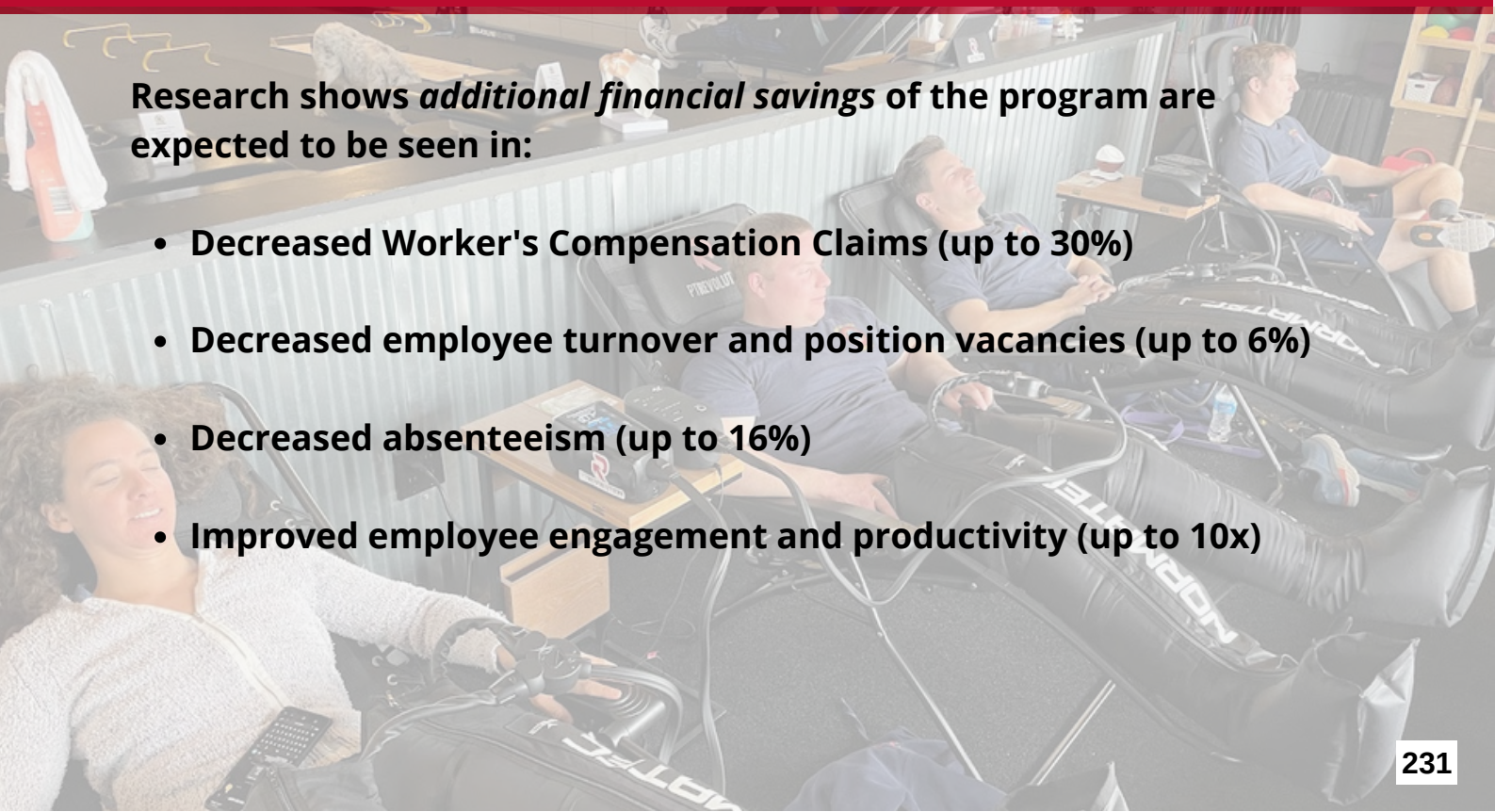
Performance-based Forecasting

With utilization rates similar to those mentioned above, the City investment for the First Responder Injury Prevention & Wellness Program with PT Revolution is approximately $100k per year.

At a $1.50 return on each dollar spent as Rand Corporation reported in a 2014 comprehensive review on the efficacy of Workplace Wellness Programs, we would expect at least *$150k in savings* to the City of South Lake Tahoe.

WELLNESS PROGRAMS WORK.

A 2010 PAPER PUBLISHED IN THE HARVARD BUSINESS REVIEW BY BARRY, ET AL REPORTS WELLNESS PROGRAMS SIMILAR TO THE FIRST RESPONDER INJURY PREVENTION & WELLNESS PROGRAM HAVE A 6X RETURN ON INVESTMENT IN HEALTHCARE SAVINGS AND A REDUCTION OF $1500 PER YEAR IN HEALTHCARE CLAIMS AMONGST PARTICIPANTS.



Research shows *additional financial savings* of the program are expected to be seen in:

- **Decreased Worker's Compensation Claims (up to 30%)**
- **Decreased employee turnover and position vacancies (up to 6%)**
- **Decreased absenteeism (up to 16%)**
- **Improved employee engagement and productivity (up to 10x)**

Recent Projects

California Conservation Corps - 2021-2022

- Physical performance and restoration program for crew members and leaders
- Concurrent Mental Health services with Jen Kile
- Executed the program on site up to four days/week
- Up to 40 crew members per session

Vail Corp - 2021 - 2023

- Performance, restoration, and optimization program for Ski Patrollers and Ski & Ride Instructors
- Execute(d) program five days/week
- Served over 70 team members in the 21-22 season

South Tahoe Ski & Ride Pros - 2021 - 2022

- Performance, restoration and optimization program for Tahoe's top winter athletes
- Executed program five days/week in pre-season
- Up to ten athletes in a session

City of SLT Police & Fire Rescue - 2022

- Performance, restoration and optimization program for CSLT PD and FR
- Execute(d) program five days/week
- Served over almost 46% of active first responders

REFERENCES

BRENEN DAVIS, CSLT, FIRE CAPTAIN - 530.318.3009

GENO FONDEROLI, HEALTH & SAFETY SR MANAGER, VAIL RESORTS - 815.343.1149

ROBIN BARNES, DIRECTOR OF SKIER SERVICES, VAIL RESORTS - 530.318.7121

GARY WHITEHOUSE, DISTRICT DIRECTOR, CCC - 530.577.0850

KYLE SMAINE, PROFESSIONAL SKIER - 530.318.0692

Why Choose Us



As a professional athlete I have had many serious injuries and have gone to many clinics. There is no one I trust more than PT Revolution with my body. They don't just get me back to where I was before, but make me stronger to *prevent future injuries*.

Maddie Bowman

Olympic Gold Medalist
X Games Gold Medalist x 4

Why Choose Us



The PRO Services at PT Revolution are a great fit for any company to help prevent various types of occupational injuries, especially to improve the body's range of motion and decrease the likelihood of cumulative musculoskeletal disorders. A huge upside is that the team at PT Revolution shows that they truly care for their patients.

Geno Fonderoli, CSP
Health and Safety Sr. Manager

Why Choose Us



Erin Walker
1 review

★★★★★ a year ago

I have been to many PTs over the last several years for chronic knee problems, and Ian and the team at PT Revolution are the best I have worked with by far! It is quick to get in for initial consultation, the therapists have ample availability for regular follow up sessions, and they really take the time with each patient to provide hands on manual work and then to work through the recommended exercise regimen tailored for you that day. I have see a huge improvement in my knee pain since starting out here. There's also a fun community vibe to the place that makes the hard work much more enjoyable! From front desk staff to the PTs everyone here is professional and friendly. They also contribute to the community by hosting events in their space benefitting great orgs like the Sierra Avalanche Center. Definitely highly recommend this spot to anyone in need of PT or coaching/training!

Erin Walker, PA-C
Tahoe WoRx Occupational Health & Wellness

EXHIBIT B

SCHEDULE OF CHARGES AND TIMELINE

BUDGET

Estimated fees (not to exceed)	**$100,000/year**
Hourly Rate:	**$N/A/hour**
Travel and out-of-pocket expenses	**$_____**
(travel is included in the TOTAL (not to exceed amount)	
TOTAL (not to exceed)	**$100,000/year**

TIMELINE

The services shall begin on a date agreed upon by both parties and last for a period of three (3) years, with two (2) one (1) year renewal options.

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

Provider shall submit to City this certification prior to or at the time of the execution of this Agreement.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty not less than $10,000 and no more than $100,000 for such failure.

The undersigned certifies, to the best of his or her knowledge or belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instruction.

Provider: PT Revolution Physical Therapy PC
Jason Collin, President

By:_____

EVALUATION SCORE SHEET

Vendor/Proposer Name	Evaluator #1 Total Score	Evaluator #2 Total Score	Evaluator #3 Total Score	Evaluator #4 Total Score	TOTAL SCORE	RANKING	COMMENTS
PT Revolution	**98**	**98**	**100**	**100**	**396**	**#1**	Pass - Well put together and professional proposal with all required elements addressed. A local small business.
TrueCare24	**41**	**59**	**52**	**56**	**208**	**#2**	Pass - Provided most of the required information, but had most expensive cost and scope of work did not state how they plan to provide services requested by RFP. Not a local business.
Barton	**35**	**14**	**32**	**40**	**121**	**#3**	Fail - Did not contain many of the required elements. Seems like RFP document was overlooked. A local business.

INSTRUCTIONS:

1. Vendor/Proposer Name: Fill in company name from each RFP/BID received
2. Evaluator #1: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
3. Evaluator #2: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
4. Evaluator #3: insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
5. Evaluator #4 (if necessary): insert "Total Combined Points" located at the bottom of each Vendor/Proposal Evaluation Form
6. Total Score: This is the total combined score from all evaluators for each Vendor/Proposer
7. Ranking: Rank each Vendor/Proposer based on total number of points, highest to lowest. Rank numerically, 1 as the highest
8. Comments: note any comments relevant to the scores, or comments the DH should consider for final determination
9. #1 Ranking typically is the Highest number of points and would be the recommended vendor to the Department Head
10. Department Head makes the recommendation for Award based on ranking, comments, and recommendation

Resolution 2023-XXX

Adopted by the City of South Lake Tahoe
City Council

January 24, 2023

Appropriating $100,000 from General Fund Undesignated Excess Reserve to Fund Year One of the Public Safety Employee Wellness & Injury Prevention Program

BACKGROUND

A. On November 28, 2022, the City of South Lake Tahoe posted a Request for Proposals from experienced and qualified companies to provide specific and comprehensive wellness services to both the sworn and civilian staff of the South Lake Tahoe Police Department and South Lake Tahoe Fire Rescue. These services will help public safety employees create and maintain resilience in overcoming the unintended cumulative effects that arise from the strenuous and mentally taxing nature of the duties they are asked to perform.

B. On January 6, 2023, the Request for Proposals closed with three proposals. The companies that submitted proposals were PT Revolution Physical Therapy, PC; TrueCare24, Inc.; and Barton Center for Orthopedics & Wellness.

C. A selection panel of composed of Heather Stroud, City Attorney; Lori Marino, Finance Principal Management Analyst; Jim Drennan, Fire Chief; and Rebecca Penado, Risk Manager reviewed and scored the submittals.

D. The proposal submitted by PT Revolution Physical Therapy PC received the highest average score and had the lowest financial impact, at approximately $100,000/year.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, BE IT RESOLVED, that the City Council of the City of South Lake Tahoe:

1. Appropriates funds in the amount of $100,000 from the General Fund Undesignated Excess Reserve into account number 100-01220-42020 – Risk Management Professional Services to fund year one of the program.

Adopted by the City of South Lake Tahoe City Council on January 24, 2023 by the following vote:
Yes:
No:
Absent:
Abstain:

_____ Date:_____

Cristi Creegan, Mayor

Attest:

_____

Susan Blankenship, City Clerk

The presence of electronic signature certifies that the foregoing is a true and correct copy as approved by the South Lake Tahoe City Council.

City of South Lake Tahoe

Agenda Item Executive Summary

Joe Irvin, City Manager

Meeting Date: January 24, 2023
Agenda Item #: 11

Agenda Item: Agenda Planning Calendar

Executive Summary: The Agenda Planning Calendar is a projection of items comming before City Counci, for consideration.

Requested Action / Suggested Motions: A Councilmember may request that an item be placed on a future agenda. Upon the support of one (1) additional Council Member, direction shall be given to the City Manager to calendar the item for a convenient future agenda, but no sooner than the second meeting after the request was made, and/or modify the Agenda Planning Calendar as desired.
Responsible Staff Member: Joseph Irvin, City Manager

Responsible Staff Member: Joseph Irvin, City Manager (530) 542-6043

Reviewed and Approved By:
Susan Blankenship, City Clerk

Attachments:

APC - 01 19 2023.pdf

2023 Agenda Planning Calendar (Updated 1 19 2023)

Department		Agenda Item	Agenda Section
Jan 31, 9 a.m.	**City Manager**	Strategic Planning Retreat	
Feb 14, 9 a.m.	**City Manager**	Tesla Supercharger Lease Agreement	NB
		Clean Mobility Options Grant	NB
		Micro Transit $150 K Contribution (existing services)	NB
	Dev Services	Event permitting guidelines	NB
	Parks & Rec	Tahoe Swim Team Use Agreement	Consent
	Pub Works	EDC License Agreement for Stormwater Basin	
		RAISE Grant Application for Johnson Blvd. Complete Streets	Consent
Feb 28, 5:30 p.m.	**City Mngr**	Comprehensive Energy Services Contract	NB
		TRPA Commodity Appraisal	
	Dev Serv	City/LTCC Studxent Housing RUU Agreement	
		City/CTC land exchange agreement	
	Finance	2022-2023 Master Fee Schedule	NB
		FY 22-23 Quarterly Financial Status Report QE 12/31/2022	Consent
		Investment Portfolio Report as of December 31, 2022	Consent

2023 Agenda Planning Calendar (Updated 1 19 2023)

		Ski Run Business Improvement District Annual Assessment	NB
	Fire	Annual Report	NB
	Parks & Rec	Live @ Lakeview Contract Amandment	NB
March 7, 9 a.m.		Joint City Council Planning Commission Ethics Training	
March 14, 9 a.m.	**City Mngr**	Approval of the 2023-2028 Strategic Plan	
	Dev Services	Bijou/Al Tahoe (Midtown) Area Plan consultant PSA	NB
		3900/3908 Lake Tahoe Blvd DDA	
	Finance	Mid-Year Budget	
	Police	Annual Report	NB
		AB 481 Annual Report	Consent
March 28, 5:30 p.n	**City Manager**	Electric Vehicle Charging Contract	
	City Clerk	Protocol Update & Mayor 9 month rotation discussion	NB
	Dev Services	REACH Code options	UB
		General Plan Annual Report	NB
	Finance	2022-2023 Master Fee Schedule	Consent
	Public Works	Annual Report	NB

2023 Agenda Planning Calendar (Updated 1 19 2023)

April 4, 5:30 p.m.	**Pub Works**	CTC Prop 1 Grant Funding	
	Dev Services	award permit tracking and public portal software PSA award	NB
	Finance	Ski Run Business Improvement District Annual Assessment	PH
May 2, 9 a.m.	**Finance**	City ACFR FYE 9/30/2022	Consent
	Police	AB 481 Ordinance Renewal	Consent
		SRO/LTUSD Contract 2023-2024	Consent
May 16, 5:30 p.m.			
June 6, 9 a.m.			
June 20, 5:30 p.m.	**Dev Services**	TVAP Update	
		TCAP Update	
Unscheduled/Pending			
	City Attorney	Parking Garage License Agreement with Verizon	
		Local Hire, Apprentiship & Health Insurance Ordinance Updat/Review	
	City Attny/PW	Amendments to Small Cell Policy	
	City Clerk	Records Management Policy (Updated)	
		Policy - Use of Personal Devices for City Business	

2023 Agenda Planning Calendar (Updated 1 19 2023)

City Manager	SW Gas Prestentation Renewable Energy Goals
	Liberty Utilities Critical Resource Center MOU
	Joint Council/TTD Board Mtg
	Electric Municipality - Legal Feasability Analysis
	Customer satisfaction survey(s)
	SEED Solar Photovoltaic Project PPA
Dev Services	Amendment to PLHA Grant Use
	TCAP Amendment – Montreal
	Plan Area Statement Update for Tourist Accommodation Uses
	Plan Area Statement 111 amendment
	Single Room Occupancy Program Amendments
Finance	Software Purchase
Fire	Weed abatement/nusance Program - Defensable Space Policy
Parks & Rec	Parks Foundation MOU
	Bijou Golf Course "Rock the Lake" Event and Review
Public Works	Award Contract PD - Community Recource Center Renovations

2023 Agenda Planning Calendar (Updated 1 19 2023)

	Broadband Master Plan Draft Recommendations
	Bijou Creek Park Project Update