



NEW BUSINESS b)

# City of South Lake Tahoe

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## STAFF REPORT

### Governing Board Of The South Tahoe Redevelopment Successor Agency November 20, 2012

**To:** South Tahoe Board of Directors of the South Tahoe Redevelopment Successor Agency Governing Board Members

**From:** Stan Hill, Associate Civil Engineer

**Re:** **Request for Use of Former Redevelopment Agency Parcel for 2013 Construction Season**

#### Recommendation:

Approve the use of two Redevelopment Agency parcels (APN 029-170-01 and APN 029-170-02) and rental fee for construction staging in 2013.

#### Discussion:

The City of South Lake Tahoe (City) Engineering Department is requesting approval to use former Redevelopment Agency (RDA) parcels for the summer 2013 construction season. The parcels will be utilized for construction staging, which includes storage of the contractors' equipment and materials that will be used during construction. Project contract bid documents require that the parcels be revegetated and restored to existing or better conditions following the use of the property. A Rental and Right of Entry agreement between the City and contractor will further address the responsibilities, requirements, and the rental fee for use of the parcels.

The City is requesting use of parcels defined as APN 029-170-01 and APN 029-170-02 that are further described below and detailed on Figure 1 (attached).

#### Pioneer Trail Pedestrian Improvement Project and Linear Park Improvement Project

Two parcels bounded by US Highway 50 and Pioneer Trail, located near the Stateline area are needed for construction staging. These parcels have been used for storage and staging for the Rocky Point Erosion Control Project (ECP) on several occasions and are commonly referred to as the "triangle parcels."

CENTRAL RECORDS  
FILE No: 1023  
1250

November 20, 2012

Use of Former RDA Parcels for 2013 Construction Season

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### **Financial and Strategic Implications:**

Engineering staff was directed by the Successor Agency Governing Board to assess a construction staging rental fee for the use of former Redevelopment Agency purchased parcels. Staff contacted other agencies in the Tahoe Basin to evaluate their methodology for determining a fair market rental rate for the use of public parcels as construction staging sites. A methodology based on the market value of the property provides a rational method for determining the construction staging area rental fee. The market value method considers the following:

- Approximate land value (\$/square foot);
- Area of use for construction staging;
- Period of time for use; and
- Standard Temporary Construction Easement (TCE) percent of actual value (10%)

### **Land Value**

Property value can be approximated by an appraisal. However, acquiring a current appraisal for property is relatively expensive. Reviewing other similar property appraisals is a reasonable method of approximating land value for the purpose of temporary use as a construction staging area.

The City acquired an appraisal for property purchased with California Tahoe Conservancy (CTC) grant funding for a Rocky Point ECP water quality treatment basin. A similarly located parcel on Pioneer Trail was appraised at \$22 per square foot. Land values have declined since the Rocky Point property appraisal, but to what extent cannot be determined without acquiring a current appraisal. Considering that an appraisal of the "triangle parcels" would cost several thousand dollars and take at least a month to complete, an approximation of the current land value was estimated to be slightly below the Rocky Point project appraised land value. Thus, for the purpose of simply determining the construction staging area rental fee, the value of the RDA parcels was approximated to be \$20 per square foot.

### **Area of Use**

The area of City owned parcels is readily available through tax records and information that is maintained on our Geographical Information System (GIS) data base. However, the actual area needed for staging and storage of materials may not require the entire parcel area. In the interest of creating unit charge, the formula will be set to evaluate a 1,000 square foot (sf) area and will then be pro-rated to the area needed for construction.

### **Period of Use**

A public works contract Bid Document sets a specific time period to complete the work and will be used as a factor to set the rental fee.

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Standard TCE valuation at 10% A typical land appraisal industry standard of 10% of the land value is applied for the temporary use of property for construction staging or temporary construction easements for a period of one year. For periods of time that are less than one year, the fraction of the year can be applied to adjust the rental fee for the actual period of use (i.e. three months is a quarter of a year and is represented as an adjustment factor of 0.25). The partial year adjustment factor is then included in the formula for determining an equitable rental fee.

Construction staging rental fee for the “triangle parcels” (APN 029-170-01 and -02) is calculated below.

- Land Value: \$20 per square foot (sf)
- Area of Use: 1,000 sf
- Land Value Use Factor: 10% industry standard for temporary occupation of property
- Period of Use: 3 months (25% of the year) equates to an adjustment factor of 0.25

Calculation:

- Rental Fee =  $\$20/\text{sf} \times 1,000 \text{ sf} \times 0.10 \times 0.25$
- Rental Fee = \$500 per 1,000 sf of the parcel used for construction staging.

Pioneer Trail Pedestrian Improvement Project

Bid Documents will further define the cost for using the “triangle parcels” for construction staging. If approved, a 20,000 square foot area and corresponding rental fee \$10,000 will be used as a base area and rental fee for the purpose of listing the cost in the Bid Proposal. If the area used exceeds 20,000 square feet, the fee will be adjusted accordingly and charged to the contractor. The Contractor will include the cost of the rental fee in their Bid Proposal. Consequently, the fee will be paid out of the project funding source.

The Pioneer Trail Pedestrian Improvement Project is funded by the Federal Highway Administration, Critical Mitigation and Air Quality Program (CMAQ) and the Regional Surface Transportation Program (RSTP). Currently, \$401,000 of CMAQ funding is in place for Planning. The remaining CMAQ funding is in the process of being obligated for construction.

CMAQ:	\$1,496,000
RSTP	\$222,000
<hr/> Total	<hr/> \$1,718,000

The rental fee would be charged to the construction contractor, who would then be reimbursed from the Pioneer Trail project funding.

Linear Park Improvement Project

Funding for the Linear Park improvements comes from RSTP, Certificate Of Participation bonds, CORE 24, and TRPA Transportation Enhancement (TE) funds. CORE 24 funds originated through a "grass roots" work group seeking to provide upgrades to Linear Park in the early 2000 years. The \$22,000 is from private contributions from the CORE 24 members. The funding was moved into the project budget via Resolution by City Council at the March 6, 2012 City Council meeting (attached).

RSTP:	\$200,000
COP Bonds:	\$250,000
CORE 24:	\$22,000
TE:	\$55,000
<u>Total</u>	<u>\$527,000</u>

All four sources of funding for Linear Park improvements are considered "local" funds that could be used on other City projects if the funds are not expended to pay for the projects (including the staging area rental fee). Rental fee costs would be paid for out of these funds.

Strategic Implications

Allowing construction staging at the "triangle parcels" will assist with infrastructure improvements that are part of the Strategic Plan Objective, "Improving the Built Environment."

By:

  
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Stan Hill, P.E.  
Associate Civil Engineer

  
\_\_\_\_\_  
Hilary Roverud  
Development Services Director

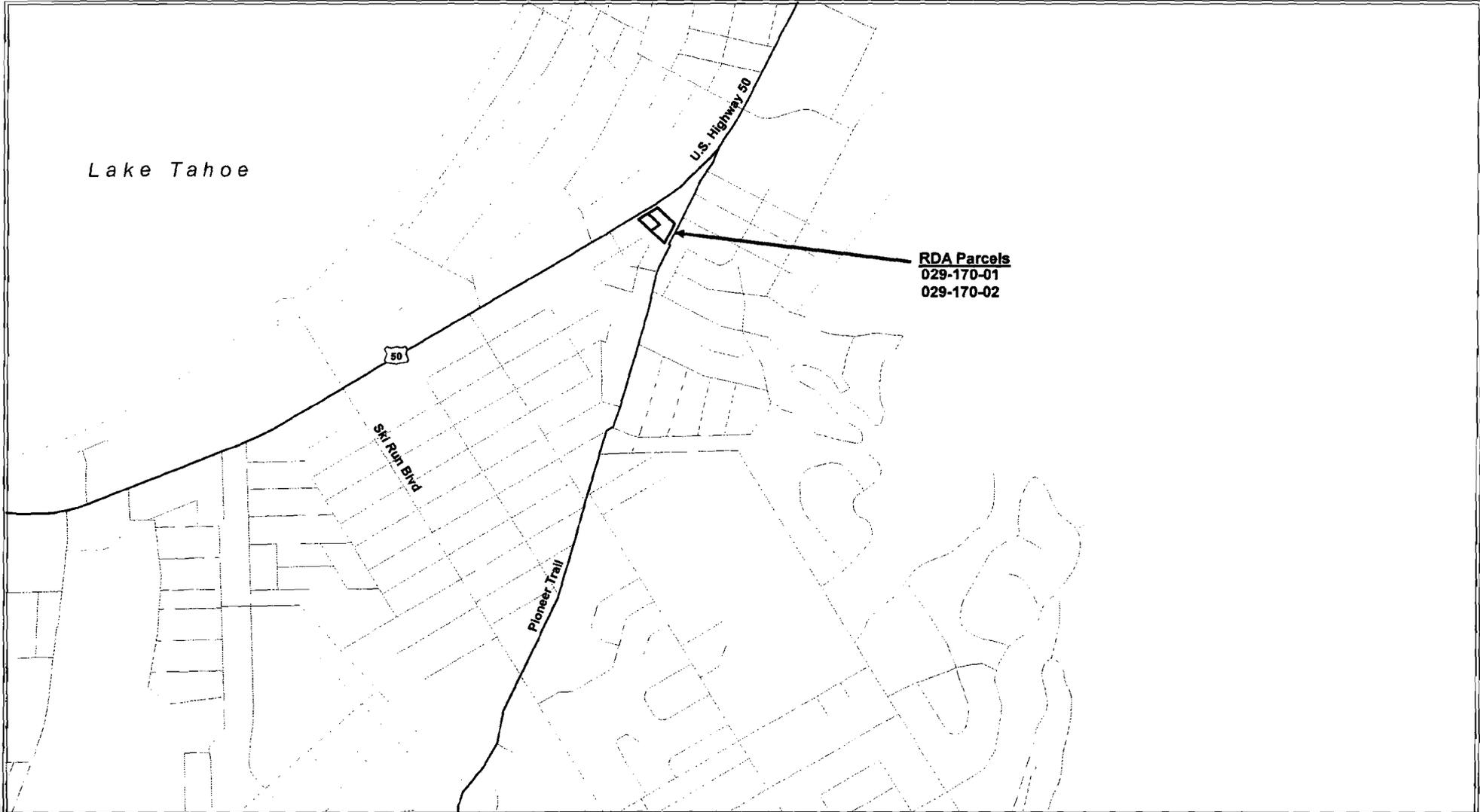
Reviewed and Approved by:

  
\_\_\_\_\_  
Nancy Kerry  
City Manager

Attachments:

1. Figure 1: Map of RDA Parcels Requested for Construction Staging Use
2. Figure 2: Resolution 2012-22 Allocating CORE 24 funding to Linear Park

FIGURE 1  
Construction Staging  
Parcel Location Map



Engineering  
Department

**FIGURE 1**  
**RDA Parcels**  
**Required for use for 2013 construction staging**



By Frederick  
City of Incline  
1/17/2012



FIGURE 2  
CORE 24 Funding  
Resolution 2012-22

**CITY OF SOUTH LAKE TAHOE**  
**RESOLUTION NO. 2012-22**

**RESOLUTION TRANSFERRING FUNDING (\$21,945.95) FROM CAPITAL IMPROVEMENT PROJECT ACCOUNT 301-50008 (LINEAR PARK BIKE TRAILS) TO CAPITAL IMPROVEMENT PROJECT ACCOUNT 301-60061 (LINEAR PARK REHABILITATION)**

**WHEREAS**, the City of South Lake Tahoe has designated the Linear Park Rehabilitation Project a viable and desired project; and

**WHEREAS**, in March 2007, Core 24 a non-profit group donated \$21,945.95 towards creating an irrigation supply connection for said project; and

**WHEREAS**, the City currently has the Core 24 funds (\$21,945.95) allocated to Capital Improvement Account 301-50008; and

**WHEREAS**, the City desires to transfer said funds (\$21,945.95) to Capital Improvement Account 301-60061 (Linear Park Rehabilitation Project); and

**Now, Therefore, it is Hereby Determined and Ordered by the City of South Lake City Council, the Following:**

1. Adopt resolution transferring \$21,945.95 in funding as follows:

From Account:

301-50008-48030, Linear Park Bike Trails	\$21,945.95
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To Account:

301-60061-48030, Linear Park Rehabilitation	\$21,945.95
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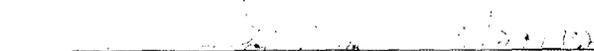
**Linear Park Rehabilitation Project**

301 60061 Revenue (33320) Other: Core 24 Funds (+) \$21,945.95

**PASSED AND ADOPTED** by the City Council of the City of South Lake Tahoe on March 20, 2012, by the following vote:

Ayes: Councilmembers DAVIS, COLE, GREGO & SWANSON  
Noes: Councilmembers \_\_\_\_\_  
Absent: Councilmembers FORTIER  
Abstain: Councilmembers \_\_\_\_\_

Attest:   
\_\_\_\_\_  
Susan Alessi, City Clerk

 Mayor Pro Tem  
for Claire Fortier, Mayor