

STAFF REPORT

Date: July 15, 2020

To: TRPA Governing Board

From: TRPA Staff

Subject: Discussion of Nevada Division of State Land's Excess Mitigation Fund Disbursement Process and Disbursement of Excess Coverage Mitigation Funds (\$2,204,709.40)

Summary and Staff Recommendation:

The Nevada Division of State Lands (NDSL) and the Nevada Land Bank Program support implementation of the Regional Plan through the acquisition and restoration of sensitive land and participation in the banking, selling, and retirement of land coverage. As TRPA's agent, NDSL administers the Nevada Land Bank program pursuant to MOU and funded by Excess Coverage Mitigation fees TRPA receives from project applicants. This cooperative relationship has been in place since 1993. The purpose of the funds is to offset the impact of development.

NDSL is requesting a full disbursement of accumulated funds through fiscal year 2019 to carry out the Nevada Land Bank program. NDSL is requesting this due to the immediate need to cover personnel and administrative costs of the program, as well as to enable the program to be responsive to land acquisition opportunities.

TRPA's current disbursement practice approves the use of mitigation funds, such as Air Quality or Water Quality Mitigation Funds on a project-by-project basis to ensure a level of TRPA oversight that the funds are applied consistently with the Regional Plan and Code. The request for full disbursement of Excess Mitigation Funds through fiscal year 2019 is different from this practice because of one of the Nevada Land Bank's programmatic duties to complete real estate transactions, which by nature are not planned in advance but responsive to market opportunities. Changing this disbursement practice would allow for continued operation of the program, with TRPA review of expenditures occurring subsequently and concurrently with NDSL's annual report to TRPA pursuant to the MOU.

Staff requests direction from the Committee on the Excess Mitigation Fund Dispersal process and, if determined to be appropriate, Governing Board approval of the disbursement request.

Required Motion:

To approve the requested release, the Board must make the following motion:

- 1) A motion to approve the release of Excess Mitigation Funds subject to the conditions contained in the MOU.

For the motion to pass, any eight affirmative votes are required.

Background:

As NDSL has not received a substantial disbursement since 2015, this agenda item will include a presentation from NDSL on the Land Bank Program, history of accomplishments, and the FY20 Annual Report. NDSL will provide illustrative examples of the program activities they will conduct with Excess Mitigation Fees over the next fiscal year during the presentation.

As noted above, TRPA typically approves the disbursement of mitigation funds on a project-by-project basis to ensure a level of TRPA oversight that the funds are applied consistently with the Regional Plan and Code. The request to disperse Excess Mitigation Funds on an annual basis requires discussion and guidance from the Committee on TRPA's role as a fiduciary to ensure funds are spent in accordance with TRPA regulations. NDSL's proposed process would not allow for pre-approval of projects and TRPA review of expenditures would occur after funding is spent through the annual report submitted to TRPA.

NDSL has not received a substantial disbursement of TRPA Excess Mitigation funds since 2015. The request for this disbursement includes accumulated funds through June 30, 2019, in order to cover program costs and continue Nevada Land Bank program operations. Excess Mitigation funds are used by the Nevada Land Bank to achieve its priority duties, consistent with section V.B.3 of the Memorandum of Understanding (MOU), including:

1. Acquiring sensitive parcels and coverage, with new opportunities identified in Stateline, NV; **(Anticipated purchase prices in the range of \$1,250,000 to \$2,000,000);**
2. Restoring and retiring coverage on new and previously-acquired sensitive lands **(Restoration costs in the range of \$50,000 - \$100,000);**
3. Completing restoration and environmental improvement projects on sensitive and disturbed parcels **(EIP project needs range from \$100,000 to \$200,000);** and,
4. Administering the Nevada Land Bank. **(\$64,011 in FY21).**

Finally, the current MOU requires NDSL submit an annual report for each fiscal year that includes:

- I. Mitigation Transactions Closed.
- II. Mitigation Transactions in Process.
- III. Lake Tahoe Mitigation Program (Exhibit "A").
- IV. Nevada Land Bank Activities (Exhibit "B").

The FY20 Report is attached for the Committee's review.

Contact Information:

For questions regarding this agenda item, please contact Kimberly Caringer, Environmental Improvement Program Division Manager at (775) 589-5263 or kcaringer@trpa.org.

Attachment:

- A: NDSL Land Bank Activities Annual Report

Attachment A
NDSL Land Bank Activities Annual Report



July 10, 2020

Kimberly Caringer
Tahoe Regional Planning Agency
PO Box 5310
Stateline, Nevada 89449

**Re: Lake Tahoe Mitigation and Land Bank Activities Annual Report
July 1, 2019 through June 30, 2020**

Dear Ms. Caringer,

Per the "Memorandum of Understanding between the Tahoe Regional Planning Agency and the Nevada Division of State Lands", the following is a summary of Nevada Division of State Lands ("NDSL") activities for the fiscal year ending June 30, 2020:

- I. Mitigation Transactions Closed.
- II. Mitigation Transactions in Process.
- III. Lake Tahoe Mitigation Program (Exhibit "A").
- IV. Nevada Land Bank Activities (Exhibit "B").

I. Mitigation Transactions Closed:

There were no mitigation transactions closed fiscal year 2020.

II. Mitigation Transactions in Process:

On November 30, 2017, NDSL finalized the purchase of 7.67 acres of land in the amount of \$1,250,000.00 from a private party. This parcel is in the Lower Kingsbury area of South Stateline Nevada and has a total of 22,483 square feet of coverage in classes 1a, 2, 4, 6 and 179 square feet of SEZ Restoration Credit. NDSL is actively working to restore this parcel. Once restored, NDSL will deed restrict and retire most of the coverage. State funding contributed by NDSL toward this acquisition will be used to retain a small amount of restored coverage for sale in the Land Bank.

III. Lake Tahoe Mitigation Program:

A copy of the Land Bank's Mitigation Program, showing completed transactions since the program's inception in 1993 through June 30, 2020 has been attached as Exhibit "A."

IV. Nevada Land Bank Activities:

The Land Bank finalized seven (7) coverage transactions during the 2020 fiscal year, which are attached as Exhibit "B":

Five (5) transactions were in the Incline Village HRA (1) and involved the transfer of 2,773 total square feet of coverage and include:

1. IVGID split transaction of 36 square feet of Class 1a Potential.
2. IVGID split transaction of 662 total square feet of Class 6 Potential.
3. IVGID transaction of 1,342 total square feet of Class 6 Potential.
4. 73 square feet of Class 1b Restored Soft.
5. 660 square feet of Class 1b Potential.

Two (2) transactions in the Cave Rock HRA (3) involved the transfer of 160 total square feet of coverage and include:

1. 94 square feet of Class 1a Restored Soft.
2. 66 square feet of Class 1a Restored Soft.

There are currently three (3) pending transactions for a total of 245 square feet of SEZ Restoration Credit coverage that will be transferred into California from South Stateline HRA (4). These transactions will be reported on next year's fiscal report.

In the event you have any questions regarding this report, please do not hesitate to contact me at (775) 684-2735.

Respectfully,



Sherri Barker
State Land Agent II
Nevada Tahoe Resource Team

Attachments

CC: Charles Donohue, Administrator and Nevada State Land Registrar
Ellery Stahler, Deputy Administrator
Meredith Gosejohan, Tahoe Program Manager

Exhibit A History of the Nevada Land Bank

APN / Address	COUNTY	SELLER	DATE PURCHASED	PURCHASE PRICE	IPES SCORE	LAND CAPABILITY	HZ	HD COV	SOFT COV	POT COV	TOTAL COV	COVERAGE VALUE	DEV RIGHT	D-R VALUE	LAND AREA	APPRAISAL COST	TITLE COST	ESCROW COST
125-561-07	Washoe	LaBier Tahoe 193	4/30/1998	\$175,000.00	539	N/A	1	0	0	488	488	\$5,000.00 \$10.25 psf	1	\$5,000.00	24,400 sf .56 ac	\$560.00	Slr Pd	\$126.00
1318-23-411-002	Douglas	Ince Tahoe 383	1/6/1999	\$55,000.00	751	N/A	4	0	0	2,340	2,340	\$11,750.00 \$5.02 psf	1	\$10,000.00	11,700 sf .269 ac	\$783.44	\$133.25	\$82.25
1418-15-802-002	Douglas	Martin Tahoe 472	3/23/2000	\$245,000.00	742	N/A	3	0	0	7,511	7,511	\$115,000.00 \$15.31 psf	1	\$3,500.00	209,161 sf 4.8 ac	\$1,118.13	\$379.00	\$218.00
126-245-01	Washoe	Wiley Tahoe 244	8/17/2000	\$125,000.00	695	N/A	1	0	0	5,321	5,321	\$100,000.00 \$18.79 psf	1	\$5,000.00	41,060 sf .94 ac	\$1,251.25	\$275.30	\$170.00
0000-07-362-070- 1318-24-702-002	Douglas	** McCall	4/5/2001	\$355,960.00	763	N/A	4	0	0	33,743	33,743	\$355,960.00 \$10.55 psf	0	\$0.00	233,000 sf 5.32 ac	\$0.00	\$50.00	\$222.40
1318-24-311-012	Douglas	Ricci Tahoe 409	4/30/2001	\$135,000.00	N/A	4=996 2=1,361 1a=1,992	4	4,349	0	N/A	4,349	\$75,000.00 \$17.25 psf	1	\$10,000.00	18,872 sf .43 ac	\$800.00	\$180.88	\$174.00
123-055-01 & 123-071-24 123-071-34 123-071-35 123-071-36 123-071-37	Washoe	** Tahoe Mariner	10/2/2001	\$375,207.00	N/A	Class 1a	9	22,071	0	0	22,071	\$375,207.00 \$17.00 psf	0	\$0.00	0.00	\$1,750.00	\$79.00	\$230.40
131-240-02 & 131-100-01 & 131-012-07	Washoe	** Incline Village GID	3/19/2002	\$1,005,000.00	N/A	Class 6 potential	1	0	0	100,000	100,000	\$1,005,000.00 \$10.05 psf	0	\$0.00	Approx 129 ac	0.00	\$182.00	\$452.00
05-150-14	Douglas	** Falcon Capital LLC	5/24/2002	\$204,000.00	N/A	Class 4	3	0	0	17,000	17,000	\$204,000.00 \$12.00 psf	0	\$0.00	8.2ac	0.00	\$25.00	\$75.00
131-240-02 & 131-100-01 & 131-012-07	Washoe	** Incline Village GID	9/9/2003	\$472,600.00	N/A	Class 6	1	0	0	39,200	39,200	\$472,360.00 \$12.05 psf	0	\$0.00	App. 129 ac	\$0.00	\$15.00	\$75.00
048-041-15	Washoe	** Incline Lake Corp	12/30/2005	\$700,000.00	N/A	1a=10,200 6=28,231	1	0	28,231	10,200	38,431	\$700,000.00 1a pot=\$27.00 6 rest=\$15.04	0	\$0.00	0.00	\$0.00	\$0.00	\$0.00
1319-18-202-001	Douglas	** Yocona LLC Kaleta	1/26/2006	\$450,000.00	788	Class 4 Potential	4	0	0	45,000	45,000	\$450,000.00 \$10.00 psf	0	\$0.00	0.00	\$0.00	\$0.00	\$75.00

Exhibit A History of the Nevada Land Bank

APN / Address	COUNTY	SELLER	DATE PURCHASED	PURCHASE PRICE	IPES SCORE	LAND CAPABILITY	HZ	HD COV	SOFT COV	POT COV	TOTAL COV	COVERAGE VALUE	DEV RIGHT	D-R VALUE	LAND AREA	APPRAISAL COST	TITLE COST	ESCROW COST
129-280-20 129-290-01	Washoe	** Incline Village GID	11/29/2010	\$230,000.00	N/A	Class 6 restored	1	0	29,010	0	29,010	\$230,000.00 \$7.92 psf	0	\$0.00	0.00	\$0.00	\$0.00	\$654.00
048-140-03	Washoe	**Incline Lake Corp	6/14/2011	\$800,000.00	N/A	3,994 1b restored 43,151 4 restored 53,402 6 restored 2,396 4 potential 61,670 6 potential	1	0	100,547	64,066	164,613	\$800,000.00	0	\$0.00	5 acres	\$0.00	\$200.00	\$250.00
1318-23-710-002	Douglas	**Warren T. Withers	5/21/2013	\$17,604.00	NA	Class 2 restored (\$12.00 psf)	4	1,467				\$17,604.00	0	\$0.00		\$0.00	\$0.00	\$75.00
1319-07-002-014	Douglas - Cave Rock	**Kent Grusendorf	10/30/2013	\$737,721.75	NA	Class 1a restored soft	3		37,353		37,353	\$737,721.75 or \$19.75 psf	0	\$0.00		\$0.00	\$0.00	\$149.50
1318-26-501-004	Douglas	Pohl/Clancy Tahoe 515	11/30/2017	1,250,000.00	N/A	179 (SEZ), 2184 (1a), 835 (2), 8,679 (4) & 10,606 (6)	4						1			\$ 2,900.00	\$ 1,750.00	\$ 747.50
TOTAL				\$7,333,092.75				27,887	195,141	324,869	546,430	\$4,918,339.75	6	\$33,500.00		\$9,162.82	\$3,269.43	\$3,776.05

** Coverage Only Transactions

EXHIBIT B Nevada Land Bank Activities

Details for the 7 sales transactions in the 2020 fiscal year:

Incline Village – HRA 1 transactions:

1. **SPLIT TRANSACTION** between IVGID and NDSL Land Bank:
NDSL Sending parcel APN: 048-041-15 parcel has since split into 048-140-04 (USFS) and 048-140-03 (IVGID)
IVGID Sending Parcels APNs 125-030-09 and 125-030-06
Total amount transferred: 36 square feet
Receiving parcel APN: 125-030-06 (NV Energy easement on IVGID parcel)
What's being transferred: Class 1a Potential
Close of escrow date: 11/7/2019 Stewart Title, Reno, NV
Transfer price: \$40.00 per square foot
2. **SPLIT TRANSACTION** between IVGID and NDSL Land Bank:
NDSL Sending parcel APN: 048-041-15 parcel has since split into 048-140-04 (USFS) and 048-140-03 (IVGID)
IVGID Sending Parcel APNs 131-240-02, 131-012-07, and 131-100-01
Total amount transferred: 662 square feet
Receiving parcel APN: 130-312-14
What's being transferred: Class 6 Potential
Close of escrow date: 9/27/2019 Stewart Title, Reno, NV
Transfer price: \$25.00 per square foot
3. IVGID **Purchase of their own coverage:**
IVGID Sending Parcel APNs 131-240-02, 131-012-07, and 131-100-01
Total amount transferred: 1,342 square feet
Receiving parcel APN: 127-040-07
What's being transferred: Class 6 Potential
Close of escrow date: 5/28/2020 Stewart Title, Reno, NV
Transfer price: \$0.00 per square foot
4. NDSL Land Bank sale:
NDSL Sending parcel APN: 048-041-15 parcel has since split into 048-140-04 (USFS) and 048-140-03 (IVGID)
Receiving parcel APN: 131-080-16
What's being transferred: Class 1b Restored Soft
Amount transferred: 73 square feet
Close of escrow date: 2/13/2020 Stewart Title, Reno, NV
Transfer price: \$40.00 per square foot

EXHIBIT B Nevada Land Bank Activities

5. NDSL Land Bank sale:
NDSL Sending parcel APN: 048-041-15 parcel has since split into 048-140-04 (USFS) and 048-140-03 (IVGID)
Receiving parcel APN: 130-083-14
What's being transferred: Class 1b Potential
Amount transferred: 660 square feet
Close of escrow date: 1/09/2020 Stewart Title, Reno, NV
Transfer price: \$37.50 per square foot

Cave Rock – HRA 3 NDSL Land Bank transactions:

6. Sending parcel APN: 1319-07-002-014
Receiving parcel APN: 1318-032-120-18
What's being transferred: Class 1a Restored Soft
Amount transferred: 94 square feet
Close of escrow date: 5/4/2020 Stewart Title, Reno, NV
Transfer price: \$50.00 per square foot
7. Sending parcel APN: 1319-07-002-014
Receiving parcel APN: 1418-34-201-008
What's being transferred: Class 1a Restored Soft
Amount transferred: 66 square feet
Close of escrow date: 7/31/2019 Old Republic Title, Las Vegas, NV
Transfer price: \$50.00 per square foot