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STAFF REPORT

Date: February 21, 2024

To: TRPA Governing Board

From: TRPA Staff

Subject: Notice of Preparation for Joint Environmental Impact Report/Environmental Impact Statement for Proposed Boatworks Redevelopment Project; 740, 760, and 790 North Lake Boulevard, Tahoe City, Placer County, California; APNs 094-090-001, -033, -036, -042, and 065; TRPA File # ERSP2022-0953

Summary:

Boatworks at Tahoe LLC (project applicant) is requesting approval of various discretionary entitlements in support of the proposed Boatworks at Lake Tahoe project (proposed project), located on a 3.8-acre site at the eastern gateway to Tahoe City. The proposed project would redevelop the existing Boatworks Mall, the Inn at Boatworks, and El Dorado Savings Bank building with a mixed-use development that includes hotel lodging, residential condominiums (to be included in the hotel pool), and independent commercial spaces and spa. The hotel component will also include food and beverage, conference facilities and other amenities that are accessory to the hotel. The project would be served by underground parking (both valet and self-park) and proposes to reduce the current encroachment into the stream environment zone (SEZ) on the project site.

Placer County and the Tahoe Regional Planning Agency (TRPA) are planning to prepare a joint Environmental Impact Report /Environmental Impact Statement (EIR/EIS) for the proposed project that will serve as an EIR prepared by Placer County pursuant to the California Environmental Quality Act (CEQA) and the State CEQA Guidelines and an EIS prepared by TRPA pursuant to its Compact, Code of Ordinances (Code), and Rules of Procedure.

In accordance with State CEQA Guidelines, Section 15082, and TRPA Rules of Procedure, Section 6.9, a notice of preparation (NOP) has been issued to inform agencies and interested parties that an EIR/EIS will be prepared for the proposed project. The purpose of a NOP is to provide sufficient information about the proposed project and its potential environmental impacts to allow agencies and interested parties the opportunity to provide meaningful comments regarding the scope and content of the EIR/EIS, including mitigation measures that should be considered and alternatives that should be evaluated.

Advisory Planning Commission Discussion:

The NOP was placed on the Advisory Planning Commission (APC) agenda for February 14, 2024. At the meeting, the project team provided the APC an overview of the proposed project and solicited input on the scope and content of the proposed EIR/EIS from APC members and the public.

Contact Information:

For questions regarding this agenda item, please contact Brandy McMahon, Local Government Coordinator, at (775) 589-5274 or bcmcmahon@trpa.gov. To submit a written public comment, email publiccomment@trpa.gov with the appropriate agenda item in the subject line. Written comments received by 4 p.m. the day before a scheduled public meeting will be distributed and posted to the TRPA website before the meeting begins. TRPA does not guarantee written comments received after 4 p.m. the day before a meeting will be distributed and posted in time for the meeting.

To submit written public comment on the NOP, please refer to the NOP.

Attachment:

- A. Notice of Preparation

Attachment A
Notice of Preparation

NOTICE OF PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT/ENVIRONMENTAL IMPACT STATEMENT

DATE: January 31, 2024

TO: California and Nevada State Clearinghouses
Responsible and Trustee Agencies
Interested Parties and Organizations

SUBJECT: Notice of Preparation of an Environmental Impact Report/Environmental Impact Statement for the Boatworks at Lake Tahoe Project

REVIEW PERIOD: January 31 thru February 29, 2024

LEAD AGENCIES:

Placer County

Community Development Resource Agency
Environmental Coordination Services
3091 County Center Drive, Suite 190
Auburn, CA 95603
Contact: Shirlee Herrington
Phone: 530.745.3132/Fax: 530.745.3080
Email: cdraecs@er.ca.gov

Tahoe Regional Planning Agency

PO Box 5310
128 Market Street
Stateline, NV 89449
Contact: Brandy McMahon
Phone: 775.589. 5274/Fax 775.588.4527
Email: bmcMahon@trpa.gov

Placer County and the Tahoe Regional Planning Agency (TRPA) are preparing a joint Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the proposed Boatworks at Tahoe project. This joint document that will serve as an EIR prepared by Placer County pursuant to the California Environmental Quality Act (CEQA) and the State CEQA Guidelines, and an EIS prepared by TRPA pursuant to its Compact, Code of Ordinances (Code), and Rules of Procedure. This notice meets the CEQA and TRPA noticing requirements for a Notice of Preparation (NOP) to provide responsible agencies and interested persons with sufficient information to make meaningful responses as to the scope and content of the EIR/EIS. Your timely comments will ensure an appropriate level of environmental review for the project.

PROJECT DESCRIPTION: Boatworks at Tahoe LLC (project applicant) is requesting approval of various discretionary entitlements in support of the proposed Boatworks at Lake Tahoe redevelopment project (proposed project). The proposed project would redevelop the existing Boatworks Mall, the Inn at Boatworks and El Dorado Savings Bank building with a mixed-use development that includes hotel lodging, residential condominiums (to be included in the hotel pool), and independent commercial spaces and spa. The hotel component will also include food and beverage, conference facilities and other amenities that are accessory to the hotel. The project would be served by underground parking (both valet and self-park) and proposes to reduce the current encroachment into the stream environment zone (SEZ) on the project site.

PROJECT LOCATION: 740, 760, and 790 North Lake Boulevard, Tahoe City, County of Placer. The existing site is commonly known as Boatworks Mall, Boatworks commercial condominium, and The Inn at Boatworks.

For additional information regarding the project, please contact Heather Beckman at (530) 388-6484 or HBeckman@placer.ca.gov. For TRPA specific questions, please contact Brandy McMahon at (775) 589-5274 or bmcMahon@trpa.gov. A copy of the NOP is available for review at the Placer County Community Development Tahoe

office (775 North Lake Boulevard, Tahoe City), the Placer County Community Development Auburn office (3091 County Center Drive, Auburn), TRPA offices (128 Market Street, Stateline, Nevada), the Tahoe City Library (740 N. Lake Boulevard, Tahoe City), on the Placer County website, and TRPA's Lake Tahoe Info Parcel Tracker as follows:

Placer County: <https://www.placer.ca.gov/9561/Boatworks-at-Lake-Tahoe-Environmental-Im>

TRPA: <https://parcels.laketahoeinfo.org>

(Enter the TRPA File # **ERSP2022-0953** in the top right-hand corner of the webpage to review the NOP and other documents associated with the application)

NOP Comment Period: Written comments should be submitted at the earliest possible date, but not later than 5:00 p.m. on **Thursday, February 29, 2024**, to Shirlee Herrington, Environmental Coordination Services, Community Development Resource Agency, by mail at 3091 County Center Drive, Suite 190, Auburn, CA 95603; phone (530) 745-3132; fax: (530) 745-3080; or cdraecs@placer.ca.gov.

NOP Scoping Meeting: In addition to the opportunity to submit written comments, an NOP scoping meeting will be held in person and virtually via Zoom to inform interested parties about the proposed project, and to provide agencies and the public with an opportunity to provide comments on the scope and content of the EIR/EIS. TRPA will also include the NOP on the TRPA Advisory Planning Commission agenda and Governing Board agenda (consent calendar) at their February meetings. Further information on the date and time of the scoping meeting and TRPA meetings is provided below.

TRPA Advisory Planning Commission	EIR/EIS Scoping Meeting on the Boatworks at Lake Tahoe Project	TRPA Governing Board
<ul style="list-style-type: none"> ▶ Tuesday, February 14, 2024 ▶ Meeting will begin at 9:30 a.m. but is not time certain. <p>In-Person: TRPA Offices, 128 Market Street, Stateline, NV</p> <p>Virtual: Virtual meeting information will be available with meeting materials posted at https://www.trpa.gov/events/ up to 1 week prior to the meeting.</p>	<ul style="list-style-type: none"> ▶ Monday, February 26, 2024 ▶ 4:00 to 6:00 p.m. <p>In-Person: Tahoe City Public Utility District 221 Fairway Drive, Tahoe City</p> <p>Virtual: Zoom: https://placer-ca-gov.zoom.us/j/99615438857 Phone: 888 788 0099 Webinar ID: 996 1543 8857</p>	<ul style="list-style-type: none"> ▶ Wednesday, February 28, 2024 ▶ Meeting will begin at 8:00 a.m. but is not time certain. <p>In-Person: TRPA Offices, 128 Market Street, Stateline, NV</p> <p>Virtual: Virtual meeting information will be available with meeting materials posted at https://www.trpa.gov/events/ up to 1 week prior to the meeting.</p>

PROJECT LOCATION AND SURROUNDING USES

The Boatworks at Lake Tahoe project site is located at 740, 760, and 790 North Lake Boulevard, Tahoe City, California within the County of Placer (Figure 1). The existing site is commonly known as Boatworks Mall, Boatworks commercial condominium, and The Inn at Boatworks. The site is south of the SR 28/Jackpine Street intersection and forms the eastern gateway to Tahoe City. The site is an estimated 120 miles east of Sacramento, California, and 50 miles southwest of Reno. The site is situated on assessor's parcel numbers (APNs) 094-090-001, -033, -036, -042, and 065. The project site is located within the Greater Tahoe City Mixed-Use Town Center overlay of the Placer County Tahoe Basin Area Plan.

The existing site includes two buildings with 46,112 sq. ft. of commercial leasable space and a 34-room motel building, with one manager unit (Figure 2). The existing buildings vary from one to three stories. There are 176 existing on-site parking spaces.

The site is generally bounded by SR 28 to the north, with Placer County offices located directly across SR 28; the Tahoe City Marina development to the west and south; and Safeway to the east. The Lakeside Trail and Lake Tahoe generally front the property to the south. No changes to the Lakeside Trail Easement are contemplated.

PROJECT CHARACTERISTICS

Boatworks at Tahoe LLC's vision for the project involves creating a high-quality lodging and condominium complex with community serving retail that connects to other existing pedestrian friendly retail along SR 28 that is consistent with the character of Tahoe City.

The proposed project (Figure 3) involves demolishing the existing 45- and 65-year-old buildings at the site, realigning the SR 28 access driveway, and adding a service access driveway on SR 28 to support redevelopment of the project site with the following:

- ▶ 79 hotel lodging units (64 standard guest rooms and 15 suites with full in-room amenities, with unit sizes ranging from 480 to 1,440 square feet (sq. ft.) and an average room size of 565 sq. ft.;
- ▶ 29 residential condo-hotel units (2- and 3-bedroom units, with unit sizes ranging from 1,700 to 2,000 sq. ft.). Each condominium will have one lock-off totaling 29 lock-offs, for a grand total of 58 units;
- ▶ 6,228 sq. ft. of conference facilities;
- ▶ a 11,530 sq. ft. full-service spa;
- ▶ swimming pools/hot tubs;
- ▶ a guest fitness center;
- ▶ 5,485 sq. ft. of food and beverage outlets;
- ▶ 7,063 sq. ft. of commercial retail space fronting SR 28; and
- ▶ 56,194 sq. ft. of underground parking (155 spaces).

Owners of the condominiums would be restricted to a maximum stay of up to 90 nights per year. The condominium units would be subject to transient occupancy taxes (TOT) for those nights where the condominiums are rented to the public.

The two proposed buildings are designed to include classic gables, stepping massing, and accessibility to pedestrian connections on- and off-site. The buildings are designed to include natural stone, wood, metal, and glazing and range from one to four stories, with a maximum height of 56 feet as allowed for mixed-use development located within town centers.

The project includes the following trip-reducing features: amenities that support active transportation (e.g., employee changing facilities, employee lockers, and bicycle parking and storage); bicycles for use by lodge guests; on-site

electric vehicle charging stations; and private and public transit connectivity/shuttles to recreational and sightseeing opportunities.

The project site is approximately 75 percent covered with existing impermeable pavement and structures and is located on lands designated as land capability district (LCD) 6, except along the eastern site boundary and a portion of the site fronting Lake Tahoe where lands are designated LCD 1b/stream environment zone (SEZ) and Backshore/1b. The proposed project proposes enhancements to the on-site SEZ on the eastern edge of the site at Bliss Creek. Enhancements would include removal of coverage in the SEZ and creating a buffer between the SEZ and development, removing existing trash and debris as part of ongoing maintenance and removing invasive weeds to support native vegetation communities. Further SEZ enhancements could include removing existing conifers, treating bank instability using revegetation and bioengineering solutions, and integrating formal multi-use trail crossings to eliminate user-defined trails.

Preliminarily, the project would be estimated to generate about 40 new full-time equivalent (FTE) positions. Employee housing mitigation for the project would be provided through an off-site property acquisition, consisting of existing housing or through the applicant's payment of in-lieu fees pursuant to Placer County's Affordable Housing and Employee Accommodation Ordinance and consistent with Placer County General Plan Policy C-2.

The project is designed to be consistent with the existing TRPA Regional Plan, TRPA Code of Ordinances, Placer County Tahoe Basin Area Plan and Placer County Zoning Ordinance, including the proposed 155 underground parking spaces that would avoid interception with the seasonal groundwater table. It is noted that Placer County has approved amendments to the Area Plan that allow exceptions to TRPA Code Section 33.3.6 related to groundwater interception for projects in Town Centers if the project is designed to prevent adverse off-site groundwater impacts. If the Area Plan amendment for exceptions to groundwater interception for projects in Town Centers is approved by the TRPA Governing Board (hearing date anticipated in winter 2024), the EIR/EIS will evaluate another project option that would increase the subsurface parking by 20 spaces.

PROJECT OBJECTIVES

Objectives of the proposed project, as stated by the project applicant, include the following:

- ▶ Redevelop the Boatworks Mall site in a way that contributes to TRPA threshold attainment as envisioned in the TRPA Regional Plan and Tahoe Basin Area Plan;
- ▶ Provide high-quality tourist accommodations and amenities located in Tahoe City;
- ▶ Promote economic growth through the creation of additional jobs, increased property and transit occupancy (TOT) taxes, sales tax and other positive economic outcomes for the local and surrounding communities;
- ▶ Create a project that can fund environmental improvements and is sensitive to scale and massing of the project site and Tahoe City;
- ▶ Act as a catalyst project to assist in the economic revitalization of Tahoe City;
- ▶ Create a project that maintains the project site's locally accessible recreation opportunities and connectivity to pedestrian, bicycle, and multi-modal transportation opportunities;
- ▶ Enhance site circulation and improve pedestrian safety and traffic flow;
- ▶ Build an energy efficient and environmentally sensitive project by using green building design and operating the facility according to green hotel standards; and
- ▶ Reduce impervious surfaces in the Bliss Creek SEZ and improve water quality, including capturing fine sediment and reducing the current encroachment into the Bliss Creek SEZ.

PROBABLE ENVIRONMENTAL EFFECTS

The EIR/EIS will include project-level analysis of potential impacts of the Boatworks at Lake Tahoe project. Resource topics requiring project-specific analysis for the proposed project will include scenic resources; geology, soils, land capability, and coverage; hydrology and water quality; transportation; air quality; greenhouse gas emissions; noise; archaeological, historical, and tribal cultural resources; population and housing; and utilities and service systems as described in more detail below. All other resource topics are assumed to be scoped out of the detailed analysis, addressed through application of County and TRPA Code requirements, and dismissed with a brief discussion and analysis. Issues dismissed from detailed evaluation for the proposed project, and the rationale for dismissal, will be included in the EIR/EIS for topics including agricultural and forestry resources; biological resources; energy; hazards, hazardous materials, and risk of upset; land use; mineral resources; public services; recreation; and wildfire. The rationale for dismissal of these topics from detailed evaluation will include tiering from the analysis in the Tahoe Basin Area Plan EIR/EIS in addition to other supporting documentation, as applicable.

The following subject areas include potential environmental effects that will be analyzed in the EIR/EIS.

Scenic Resources. The proposed project would be visible from SR 28 and Lake Tahoe. Key scenic concerns include increased height and visual mass on the redeveloped site. The EIR/EIS will evaluate scenic impacts of the project alternatives in accordance with the State CEQA Guidelines, Chapter 66 of the TRPA Code, the adopted TRPA Scenic Resource Threshold Standards, local and regional plans/design guidelines, height limits and findings, and nighttime views in the area. The evaluation will characterize the existing conditions and the project's impact on the applicable scenic roadway travel unit, shoreline travel unit, scenic resources, recreation areas and bike paths, as well as community character. The impact analysis will utilize visual simulations of the project from viewpoints along SR 28, the Lakeside Trail, and Lake Tahoe. Mitigation measures (temporary and permanent) will be proposed, if needed.

Geology, Soils, Land Capability, and Coverage. Implementation of the proposed project would involve excavation, grading, placement of fill material, and construction of new lodging units, residential condominium units, and associated amenities, including underground parking. Potential environmental effects related to soils and geology, land capability, seismic hazards, slope stability, erosion, and paleontological resources will be described in the EIR/EIS. The analysis will describe coverage impacts based on comparison of existing land coverage calculations by parcel and proposed coverage for the project. Mitigation measures (temporary and permanent) will be proposed, if needed.

Hydrology and Water Quality. The clarity of Lake Tahoe is world-renowned and is at the heart of the scenic beauty and attractiveness of the Region to residents and visitors alike. The lake's designation as an Outstanding National Resource Water (ONRW) affords it the highest level of protection under the anti-degradation policy of the US Environmental Protection Agency (EPA). Lake clarity continues to be a regulatory focus in the Tahoe Region. The project site abuts the Tahoe City Marina on Lake Tahoe and a portion of the Bliss Creek SEZ. As described above under "Project Characteristics," the proposed project would enhance the on-site Bliss Creek SEZ by removing coverage and creating a buffer to development in addition to other proposed SEZ enhancements. The proposed project also includes underground parking.

The EIR/EIS will include project-level analysis of the hydrologic effects of the proposed project, including impacts relative to existing and proposed impervious surfaces, the potential for increased runoff, and the ability of existing and proposed drainage facilities to convey runoff. The proposed project will be evaluated in terms of potential sources of water quality pollutants, with particular emphasis on nutrient and sediment loads transported off-site to Lake Tahoe and Bliss Creek, and their control (e.g., proposed best management practices) relative to existing conditions and Lake Tahoe Basin regulations and standards. This will include an assessment of source and treatment controls over a range of hydrologic conditions, consistent with the Lake Tahoe and Truckee River Total Maximum Daily Loads. Potential impacts associated with excavation for the underground parking as it relates to interference with groundwater flows and consistency with TRPA and Placer County regulations will be assessed in the EIR/EIS. Mitigation measures (temporary and permanent) will be proposed, if needed.

Transportation. Implementation of the proposed project could impact traffic on SR 28 through the increase in density of uses at the site or changes to site access. As summarized above under "Project Characteristics," the project includes

trip-reduction features that support active transportation; thus, providing opportunities to reduce motorized vehicle use and encouraging bicycle and transit use. Construction and implementation of the proposed project would generate short-term construction-related traffic. Long-term traffic impacts will also be discussed in the context of General Plan/TBAP conformity. The transportation analysis will include identification of major roadways and intersections in the project area and an TRPA and SB 743-compliant vehicle miles traveled (VMT) analysis. Effects on local circulation patterns will also be discussed in these locations. Mitigation measures (temporary and permanent) will be proposed, if needed.

Air Quality. The project would involve temporary construction emissions and generation of fugitive dust. It would also generate temporary construction traffic in the area, contributing pollutants to the region. The EIR/EIS will include an assessment of ambient air quality conditions as well as short-term (i.e., construction) air quality impacts and long-term (i.e., operational) regional air pollutant emissions. The assessment of long-term air quality impacts will consider anticipated greenhouse gas (GHG) emission reductions and other air quality benefits resulting from any potential reduction in VMT and replacement of existing antiquated stationary greenhouse gas sources. Mitigation measures (temporary and permanent) will be proposed, if needed.

Greenhouse Gas (GHG) Emissions. Implementation of the proposed project has the potential to increase GHG emissions from vehicles and operation of the new facilities that may be an increase over existing conditions. The EIR will evaluate potential GHG impacts using the latest widely accepted modeling tool. Anticipated GHG emissions and temporary construction GHG emissions will be assessed and described. Mitigation measures (temporary and permanent) will be proposed, if needed.

Noise. The EIR/EIS will assess potential short-term (i.e., construction) noise impacts relative to sensitive receptors and their potential exposure. Noise levels of specific construction equipment will be determined and resultant noise levels at nearby receptors (at given distances from the source) will be calculated. Long-term (i.e., operational) noise impacts, including increased noise from increased use of the project site by the hotel lodging units, residential condominiums, and associated outdoor and rooftop amenities at the project site will be assessed. Mitigation measures (temporary and permanent) will be proposed, if needed.

Archaeological, Historical, and Tribal Cultural Resources. The EIR/EIS will provide an overview of project area prehistory, ethnography and history, a discussion of documented cultural resources in the project area, and the potential impacts to these and unrecorded sites, features or objects, and suitable measures designed to mitigate potential impacts. The project-level analysis of the proposed project will include a site-specific archaeological and architectural review. The evaluation methodology for the EIR/EIS will include archival research, field reconnaissance, and eligibility determination for listing on the National Register of Historic Places (National Register) and/or California Register of Historical Resources (California Register) for any heritage properties identified. Mitigation measures (temporary and permanent) will be proposed, if needed.

Population and Housing. The project would increase employment opportunities at the site and the corresponding demand for employee housing. It is understood that the proposed project would be required to offset the new employee demand for housing consistent with Placer County General Plan Policy C-2 that requires new development in the Tahoe Basin to house 50 percent of the full-time equivalent employees generated by the development. This section will discuss the combined effects of the project on population, employment, and housing. The impact analysis will address whether the project would alter the location, distribution, density, or growth rate of population planned for the Tahoe region. The EIR/EIS will include analysis of the approach the applicant will use (e.g., in lieu fee, off-site acquisition and deed restriction, or new construction) to meet the County's inclusionary housing requirements.

Utilities and Service Systems. The utilities and service systems section of the EIR/EIS will evaluate impacts on the existing water supply and wastewater treatment and distribution infrastructure, power, and solid waste collection and disposal from the proposed intensification of development on the project site compared to existing conditions. Mitigation measures (temporary and permanent) will be proposed, if needed.

ALTERNATIVES

The EIR/EIS will evaluate a range of alternatives to the proposed Boatworks at Lake Tahoe project in accordance with Section 15126.6 of the State CEQA Guidelines, the TRPA Rules of Procedure, and Section 3.7.2 of the TRPA Code. In accordance with Section 15126.6 of the State CEQA Guidelines, an EIR must "describe a range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project and evaluate the comparative merits of the alternatives." As required by CEQA, the EIR/EIS will evaluate a No Project Alternative.

Aside from the No Project Alternative, the County and TRPA have not yet determined the additional action alternatives to the project to be evaluated in the EIR/EIS. However, the EIR/EIS will consider up to two additional action alternatives to the proposed project in addition to the No Project Alternative. One of the action alternatives would likely reduce the height of the proposed project by one floor while retaining as many of the project's proposed units and uses as possible. The second action alternative would likely reduce the density of the proposed redevelopment of the project site, reconfigure the proposed mix of uses, and incorporate a shared site access driveway with the Tahoe City Marina.

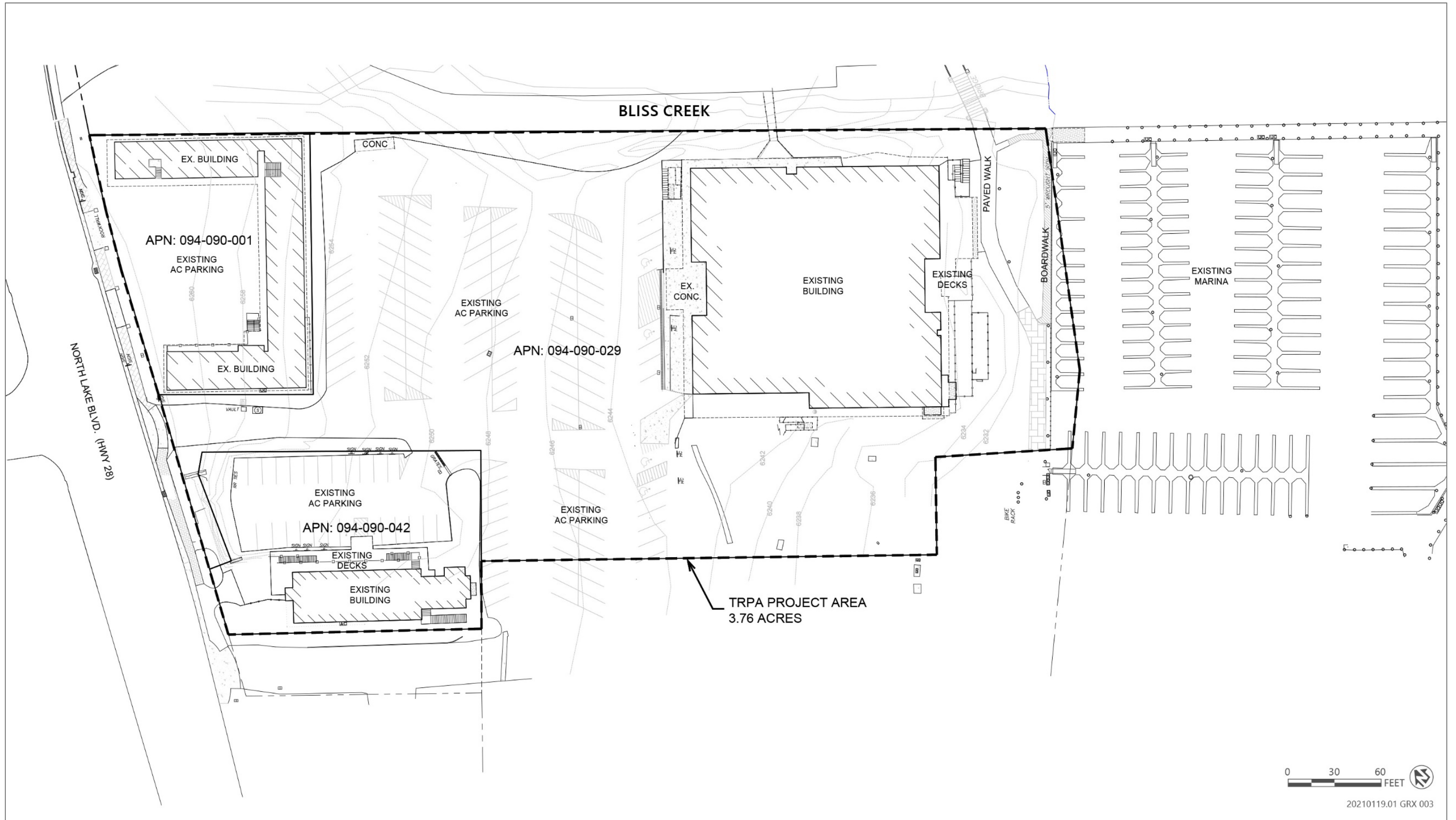
Comments pertaining to alternatives that should be considered in the EIR/EIS are invited. Once the alternatives are identified, the impacts of the alternatives will be analyzed relative to the proposed project, consistent with the requirements of CEQA, the TRPA Rules of Procedure, and TRPA Code.



Source: SB Architects 2023

Figure 1 Project Location

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Source: SB Architects 2023.

Figure 2 Existing Site Development



Source: SB Architects 2023.

Figure 3 Proposed Project Site Plan