

Informational Update on Commodities Pilot Program Development


Regional Plan Implementation Committee
April 23, 2015



Pilot Program 1: *CFA/Tourist Bonus Unit Conversion Pilot Program*



✓ March Direction: Implement Now





 **Pilot Program 2:** 
*Conversion of Existing Development (TAU/CFA)
Pilot Program*

✓ March Direction: Needs refinement and further discussion





 **Pilot Program 2:** 
*Conversion of Existing Development (TAU/CFA)
Pilot Program*

- Approaches to address 2 identified issues:
 1. Code of Ordinances prohibits conversion of existing development from CFA to TAU
 2. Lack of incentives to encourage redevelopment of high-capability parcels



Pilot Program 2 Concept Provisions

- Limited to 3 yrs. after adoption
- Provisions for conversion of existing dev't (inc. on-site conversions), CFA/TAU
- Transfers/Re-dev't on non-sensitive lands would be eligible for bonus units at a transfer ratio of 1:1.5 units
 - Projects on non-sensitive land required to demonstrate environmental gain for bonus units
 - Conversion Ratio: 1 TAU to 454 sq. ft. CFA
 - Program limited to 80k sq. ft. CFA and 61 TAUs



Pilot Program 2 Areas for Refinement

1. Projects on non-sensitive land required to demonstrate environmental gain for bonus units
 - Clearer requirements are needed
2. Transfer Ratio: 1:1.5 units
 - Project-specific "Modifiers" concept (Area Plans)
 - Economic Feasibility
3. Sending and Receiving Areas
 - Possible pilot program applicability refinement within adopted Area Plans



Thresholds

THRESHOLDS	POTENTIAL CRITERIA
Water Quality	<ul style="list-style-type: none"> • SEZ Restoration • TMDL/EIP Implementation • BMP Implementation • Stormwater District
Air Quality	<ul style="list-style-type: none"> • Transfer Development to Center/Reduce VMT • Energy Efficient Building Design (GHG Reduction) • Building Design Promoting Pedestrian Activity
Soil Conservation	<ul style="list-style-type: none"> • Net Coverage Removal
Scenic Resources	<ul style="list-style-type: none"> • Enhance Quality of the Built Environment • Protection of Viewsheds and Creation/Restoration of Lake Views from Primary Travel Corridors
Vegetation	<ul style="list-style-type: none"> • Utilization of Native Vegetation Consistent with Fire Defensible Space Reqs
Recreation	<ul style="list-style-type: none"> • Enhance Open Space
Fisheries	<ul style="list-style-type: none"> • Stream Restoration
Wildlife	<ul style="list-style-type: none"> • Habitat Restoration
Noise	<ul style="list-style-type: none"> • Eliminate Noise from Development

Pilot Program 2 Areas for Refinement

1. Projects on non-sensitive land required to demonstrate environmental gain for bonus units
 - Clearer requirements are needed
2. Transfer Ratio: 1:1.5 units (i.e. 2:3)
 - Project-specific “Modifiers” concept (Area Plans)
 - Economic Feasibility
3. Sending and Receiving Areas
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City TAU/CFA Costs

HOTEL	UNITS	SALE COST	TAU COST
Tahoe Queen	30	\$1,650,000	\$55,000
Lazy S	21	\$1,200,000	\$57,000
Apex	15	\$1,200,000	\$80,000
Nickelodeon	17	\$850,000	\$50,000
Pine Cone Acre	21	\$795,000	\$38,000
7 Seas	16	\$1,117,000	\$80,000
Paradise	14	\$1,200,000	\$86,000
Cedar Inn	40	\$2,300,000	\$57,500
Average			\$62,000

www.loopnet.com

The CTC lists TAU's for \$20,000

The CTC lists CFA for \$30 a sq. ft. (varies)

City TAU/CFA Costs

HOTEL	TAU COST
Average Market Rate*	\$60,000
CTC Estimated Rate	\$20,000


*www.loopnet.com

Transfer Ratio of 1:1.5 (i.e. 2:3)

Market Rate: 2 units purchased @ \$60,000 = \$120,000 cost
 1 bonus unit awarded = 3 total units
 \$120,000 for 3 total units = \$40,000 per unit
 CTC Cost: 3 units purchased at \$20,000 = \$60,000 for 3 total units


Transfer Ratio of 1:3

Market Rate: 1 unit purchased @ \$60,000 = \$60,000 cost
 2 bonus unit awarded = 3 total units
 \$60,000 for 3 total units = \$20,000 per unit
 CTC Cost: 3 units purchased at \$20,000 = \$60,000 for 3 total units




Pilot Program 2


Areas for Refinement



1. Projects on non-sensitive land required to demonstrate environmental gain for bonus units
 - Clearer requirements are needed
2. Transfer Ratio: 1:1.5 units
 - Project-specific “Modifiers” concept (Area Plans)
 - Economic Feasibility
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Requested Action



Provide input and direction on the proposed Pilot Programs, especially Pilot Program 2:
CFA/Tourist Bonus Unit Conversion Pilot Program

