



Legislation Text

File #: 22-2009, **Version:** 1

Chief Administrative Office, Facilities Division, recommending the Board:

- 1) Direct and authorize staff to determine that the contingencies are satisfied and authorize the close of escrow, on or before December 20, 2022, with Barton Health Care, a California Non-Profit Corporation, concerning the acquisition of property identified as Assessor's Parcel 032-191-002 and 032-191-020 (commonly known as 1111 and 1119 Emerald Bay Road, South Lake Tahoe); and
- 2) Authorize the Chair to sign the Certificate of Acceptance for the property.

FUNDING: 23% El Dorado Center Designation (\$2.3M), 44% Capital Projects Designation (\$4.4M), 8% Tobacco Settlement (\$800K), 17% ARPA (\$1.7M) and 8% Public Health Fund Realignment Balance (\$800K).

DISCUSSION / BACKGROUND

The El Dorado Center in South Lake Tahoe has been deemed an end-of-life building. The Board directed the Chief Administrative Office, Facilities Division, to search for properties in South Lake Tahoe that could replace the El Dorado Center. Initial estimates to tear down and rebuild the El Dorado Center were approximately \$10 million. The rebuild of the El Dorado Center would have resulted in a building of approximately 8,500 square feet, would only have been able to house the programs in the existing El Dorado Center, and parking would have continued to be problematic.

On September 9, 2022, the Board authorized the Chair to sign the Purchase and Sale Agreement and Joint Escrow Instructions 6940 with the owners Barton Health Care of 1111 and 1119 Emerald Bay Road, South Lake Tahoe for \$7,500,000 and directed staff to continue its due diligence.

The County has completed the due diligence of all four buildings. The County will be moving forward with some minor repairs which are estimated to cost less than \$200,000 for all buildings, excluding any potential tenant improvements. The majority of the repair costs are related to enhancing mechanical systems to mitigate radon and improve cooling, minor roof repairs, and some ADA parking regrading and paving. Facilities will be moving forward with work related to the main building that Health and Human Services will be occupying. Work on the remaining buildings will be phased and will correspond with tenant improvements once designs have been finalized.

During the contingency period, staff performed a site investigation, Americans with Disabilities (ADA) inspection, Phase 1 Environmental Site Assessment study along with hazardous materials testing, termite inspection, structural integrity inspection, mechanical and electrical systems assessment, and roofing inspections. Additionally, staff obtained from the City a finding of consistency with the City's adopted general plan and confirmed compliance regarding Best Management Practices (BMPs) with the Tahoe Regional Planning Agency (TRPA).

The proposed project involves the purchase of property and construction of minor interior and exterior tenant improvements to the existing office building to accommodate and provide additional office space for the County programs consistent with the designated commercial/office land use. No expansion of the existing office building will occur. General tenant improvements include interior

demising and partition walls for new rooms and spaces, minimal work to doors, paint, carpet, tile, glazing, rough / finish carpentry, mechanical, electrical, plumbing, life safety, security and Americans with Disabilities Act (ADA) upgrades.

ALTERNATIVES

NA

PRIOR BOARD ACTION

09/09/22 - Legistar 22-1684 Approve and authorize the Chair to sign the Purchase and Sale Agreement and Joint Escrow Instructions 6940 with the owners Barton Health Care, a California Non-Profit Corporation, of Assessor's Parcel 032-191-002 and 032-191-020 (commonly known as 1111 and 1119 Emerald Bay Road, South Lake Tahoe) for \$7,500,000 and direct staff to continue its due diligence

08/16/2022 - Legistar 22-1470 Recommendation to Enter into Negotiations with Barton Health Care regarding APNs 032-191-002 and 032-191-020.

10/12/2020 - Legistar 20-1137 HHS and Facilities providing update on the El Dorado Center.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

NA

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

Funding for the purchase of the buildings is comprised of multiple sources including the Capital Projects Designation (\$4.4M); funds set aside specifically for the replacement of the El Dorado Center (\$2.3M); ARPA funds (\$1.7M), Health Tobacco Settlement funds (\$800K) and Public Health Realignment Fund Balance (\$800K).

The Board approved an increase of \$7M to the Capital Projects Designation with the FY 22-23 Adopted Budget recommended revisions. Along with the reduction of \$4.4M for the Emerald Bay property acquisition, the Capital Projects Designation will have a balance remaining of approximately \$29.6M. The Health Tobacco Settlement funds will have a remaining balance of \$800K and the Public Health Realignment Fund Balance will have a remaining balance of approximately \$11.2M.

CLERK OF THE BOARD FOLLOW UP ACTIONS

NA

STRATEGIC PLAN COMPONENT

Infrastructure - Analyze need, coordinate and plan for County facilities, parks and trails including ongoing maintenance, operations and replacement.

Good Governance - Approach large, complex and/or system-wide matters as one organization -

Departments will collaborate on projects and efforts that have cross-departmental impacts

CONTACT

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