



Legislation Text

File #: 23-2055, **Version:** 1

Chief Administrative Office recommending the Board take the following actions:

- 1) Approve and authorize the Chief Administrative Officer to sign Funding Agreement 7489 with the California Tahoe Emergency Services Operations Authority in the amount of \$4,400,000 for the renovation of the County-owned facility located at 3066 Lake Tahoe Boulevard, South Lake Tahoe, which is currently leased to CalTahoe, contingent upon approval by County Counsel; and
- 2) Approve and authorize the Chair to sign a budget amendment increasing the use of Designations for Capital Projects in the amount of \$1,900,000 to fund a portion of the Agreement (4/5 vote required).

FUNDING: \$2,500,000 Transient Occupancy Tax funds; \$1,900,000 Designations for Capital Projects.

DISCUSSION / BACKGROUND

The California Tahoe Emergency Services Operations Authority ("CalTahoe"), a joint powers authority, is the County's ambulance operations contractor for the South Lake Tahoe area of the Tahoe Basin. CalTahoe has occupied the County-owned Facility located at 3066 Lake Tahoe Boulevard since September 1, 2021, initially through a sublease from the City of South Lake Tahoe, and currently under a \$1 per year lease from the County which is effective through August 31, 2031, with an option to extend the term 5 additional years.

Prior to CalTahoe taking up occupancy in the Facility, it had been vacant and was in disrepair. Renovations were required to make it suitable for occupancy and for long-term use as a 24-hour ambulance operations center. The first phase of renovations have been completed. The second phase of renovation consists of ambulance bays and carports, office space, a day use room, training room, communications room, and addition of a generator and parking lot.

CalTahoe operates ambulances pursuant to Operations Agreements with the County. The current Operations Agreement (#5873) between the County and CalTahoe was entered into August 24, 2021, and is effective through August 31, 2031, with an option to extend for an additional 5 years. The Operations Agreement provides that "the parties acknowledge that it is the intent of the parties to enter into a separate funding agreement for a one-time lump sum payment by the County to the Contractor for Phase 2 renovations. The exact amount of any one-time lump sum payment will be determined through good faith negotiations between the parties" (Sec. 2.3).

During the development and approval of the Fiscal Year 2022-23 budget, a \$2,500,000 renovation cost was determined based on construction estimates at that time, and this amount was allocated and appropriated from Transient Occupancy Tax funds. The funds were approved through the Board's solicitation of funding requests from County departments and outside agencies. A substantial portion of the services provided by CalTahoe are associated with tourism to the South Lake Tahoe area.

CalTahoe has received a bid for the completion of the Phase 2 renovations at \$4,400,000, reflecting

an increase in construction prices from the previous estimate of \$2,500,000. Chief Administrative Office staff recommend utilizing the additional \$1,900,000 from the Designations for Capital Projects.

Staff have been working with County Counsel and CalTahoe on the funding agreement and it is nearly complete, pending final review by both parties' counsel. We are asking for approval by the Board contingent upon Counsel's final approval in order to ensure both parties may execute the agreement prior to November 30th, which is CalTahoe's deadline for entering into contract with the successful bidder.

ALTERNATIVES

There is no viable alternative to completing the renovations. Continuing to maintain the ambulance units outdoors puts the units themselves, as well as the medication and equipment at risk of damage from the elements. The interior space, as currently configured, is not up to standards for permanent occupancy. Heating and ventilation and electrical upgrades are necessary. To relocate to a different building would cost substantially more than completing this building and require a longer period of time for completion of all necessary improvements.

PRIOR BOARD ACTION

August 24, 2021 - The Board approved Operations Agreement 5873 with CalTahoe for the provision of advance life support ambulance operations for 10 years, with an option to exercise a five-year extension (Legistar item 21-1197). This agreement and Board item provide that a future funding agreement for a one-time payment to cover facility renovation costs will be subsequently negotiated and presented to the Board to complete the build-out of the operations center.

March 22, 2022-The Board approved Lease Agreement 6431 with CalTahoe for the lease of 3066 Lake Tahoe Boulevard (Legistar item 22-0488).

OTHER DEPARTMENT / AGENCY INVOLVEMENT

County Counsel

FINANCIAL IMPACT

The recommended Funding Agreement will utilize \$2,500,000 in TOT funds, and \$1,900,000 from the Designations for Capital Projects. The TOT portion was previously approved by the Board, and is included in the current year budget. The current recommendation includes an additional \$1,900,000 be allocated from the Designation for Capital Projects. The Designation's budgeted ending balance for Fiscal Year 2023-24 is \$4,226,139. The allocation for CalTahoe will result in a new ending balance of \$2,326,139.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Obtain Chair's signature on budget transfer and forward to Auditor-Controller's Office for processing.

STRATEGIC PLAN COMPONENT

Infrastructure, Public Safety

CONTACT

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