



Legislation Text

File #: 24-315, Version: 1

Memorandum

Date: April 2, 2024

To: The Honorable Lake County Board of Supervisors

From: Mireya G. Turner, Community Development Director

Subject: Consideration of First Amendment to the At-Cost Project Reimbursement and Indemnity Agreement between the County of Lake and Lotusland Investment Holdings, Inc for County Permit Processing of the Maha Guenoc Valley Mixed-Use Development Project

Executive Summary: The Maha Guenoc Valley Mixed-Use Development Project is expected to be a high-end, low-density development consisting of boutique-style hotels, spas, sporting facilities, town centers, cultural facilities, and residential components.

The Maha Guenoc Valley Mixed-Use Development Project was originally approved by the Board of Supervisors in 2020. The Project was challenged in Superior Court. The Court determined that the County's findings regarding community emergency evacuation routes were not supported by substantial evidence, and for that reason, the Environmental Impact Report (EIR) did not comply with the California Environmental Quality Act (CEQA). Based on the Court's ruling, the County rescinded its approval of the project on July 14, 2022. Since that time, Lotusland, Inc, the Project Developer, has worked to modify the project to address emergency evacuation. They are now in the process of submitting a new application for entitlements of the modified project.

The Project will be processed on a cost recovery basis. Due to the extensiveness and complexity of the Project, significant staff time from multiple departments, as well as possible third party contractors, is anticipated. The original At-Cost Reimbursement and Indemnity Agreement was approved on April 25, 2017. It established a fund from which staff time and appropriate expenses have been drawn. This Agreement is still in effect, and now that the new application is ready to be submitted, it is timely to replenish the fund balance.

If not budgeted, fill in the blanks below only:

Estimated Cost: _____ Amount Budgeted: _____ Additional Requested: _____ Future Annual Cost: _____

Purchasing Considerations (check all that apply):

☒ Not applicable

- ☐ Fully Article X. <https://library.municode.com/ca/lake_county/codes/code_of_ordinances?nodeId=COOR_CH2AD_ARTXPU_S2-38EXCOB1>- and/or Consultant Selection Policy <http://lcnet.co.lake.ca.us/Assets/Intranet/Policy/Policies+26+Procedures+Manual/Ch4_2021v2.pdf>-Compliant (describe process undertaken in "Executive Summary")
- ☐ Section 2-38 <https://library.municode.com/ca/lake_county/codes/code_of_ordinances?nodeId=COOR_CH2AD_ARTXPU_S2-38EXCOB1>

38EXCOBI> Exemption from Competitive Bidding (*rationale in "Executive Summary," attach documentation, as needed*)

☐ For Technology Purchases: Vetted and Supported by the Technology Governance Committee

<<http://lcnet.co.lake.ca.us/Assets/Intranet/Intranet+Forms/Information+Technology/AdvPlan.pdf>> ("Yes," if checked)

☐ Other (*Please describe in Executive Summary*)

Consistency with Vision 2028 <<http://www.lakecountyca.gov/Government/Directory/Administration/Visioning/Vision2028.htm>>

(check all that apply):

☒ Well-being of Residents

☒ Economic Development

☐ Community Collaboration

☐ Not applicable

☒ Public Safety

☒ Infrastructure

☐ Business Process Efficiency

☒ Disaster Prevention, Preparedness, Recovery

☐ County Workforce

☐ Clear Lake

Recommended Action: Approve the First Amendment to the At-Cost Project Reimbursement and Indemnity Agreement between the County of Lake and Lotusland Investment Holdings, Inc for County Permit Processing of the Maha Guenoc Valley Mixed-Use Development Project, and authorize the Chair to sign.