

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM  
Meeting Date: November 19, 2008  
Request Infill Grant Approval**

Prepared by: *Center for Creative Land Recycling (CCLR) and Robby Biegler, CPCFA*

<b>Applicant:</b> Truckee Development Associates, LLC	<b>Type of Funding Requested:</b> Grant
<b>Developer:</b> Holliday Development	<b>Amount Requested:</b> \$1,585,724
<b>Project Name:</b> Truckee Railyard	<b>Strategic Partner:</b> CCLR
<b>Project Location:</b> Truckee (Nevada County)	

**Summary.** Truckee Development Associates, LLC (the “Applicant”) requests approval of a grant in the amount not to exceed \$1,585,724 to finance the remediation of a brownfield to develop Truckee Railyard. The Applicant anticipates the Development Project will create 483 for-sale and rental units, of which 30% will be affordable, including 60 for-sale units restricted at 50-120% of the area median income (AMI), 12 for-sale units at 40-50% AMI, and 73 rental units at less than or equal to 40% AMI.

**Applicant.** Truckee Development Associates, LLC in Emeryville, established in February 2004, is a Delaware limited liability company. Truckee Railyard, LLC is a sponsor member and California LLC, and NSVF Truckee Development, LLC is a Delaware limited liability company “NSVF” member.

**Legal Questionnaire.** The Strategic Partner and CPCFA Staff have reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

**Brownfield Project Description.** The Balloon Track site is located on several parcels in Nevada County and is currently vacant. The UPRR tracks are located immediately south of the site and, historically, the site supported railroad operations through the mid-1950s. At the time, the majority of the site was leased to sawmill operators. Sawmill operations ceased in 1989 and structures on the site were removed in 1990. Numerous operational facilities were located on the site including a locomotive turntable, engine house, oil storage areas and conveyance piping, boiler house, repair shop, mills, log ponds/decks, and kilns. Remnant foundations and surface indications for some of these facilities are still present on the Site. The contaminants of concern include tarry petroleum hydrocarbons and associated polynuclear aromatic hydrocarbons (PAHs), PCBs, and lead in the soil. No remediation is considered necessary for groundwater beneath the site.

<b>Description of Activity</b>	<b>Amount Financed by Infill Grant</b>
Soil sampling to confirm excavation extents	\$ 65,000
Well destruction activities	25,000
Soil remediation and confirmation sampling	1,439,724
Remediation completion report, request for site closure	26,000
Regulatory agency fees	<u>30,000</u>
<b>TOTAL ESTIMATED COST:</b>	<b><u>\$1,585,724</u></b>

**Oversight Agency.** Regional Water Quality Control Board, Lahontan Region (RWQCB)

**Infill Development Project Description.** The Town of Truckee is under tremendous growth pressure and while the railyard site is an obvious place for future growth environmental conditions have inhibited its redevelopment.

In addition to providing community amenities and serving the public at large, the Truckee Railyard Project will serve new residents who choose to move closer to the Downtown Core. The Project consists of three distinct districts providing a total of 483 residential units at 30% Affordability. The Downtown Core Extension will provide 220 residential units, 15 live/work units, and 50 work/live units. The Industrial Heritage District will provide up to 200 residential units, including both live/work and work/live units,<sup>1</sup> and the Trout Creek District will provide up to 60 residential units and 25 live/work units<sup>2</sup>.

The project provides public amenities including 20,000 square feet of grocery, 65,000 square feet of retail, 1,000-seat theater, 60-room hotel, and 25,000 square foot civic building. Lastly, the public will be provided with numerous parks and open space, and will be accessible to pedestrians, bicyclists, and vehicles.

**Permits.** The Applicant has obtained their RWQCB approval and intends to apply for a grading permit.

**Anticipated Timeline.**

- Cleanup to Begin: May 2009
- Cleanup to be Completed: September 2009
- Development to Begin: Spring 2010
- Development to be Completed: 3-year construction phase, Spring 2013

**Local Government Support.** The Truckee Railyard is consistent with the Truckee General Plan and Housing Element and the Railyard Master Plan. Since the Project represents a unique opportunity to reclaim land and promote sustainable development and livability, the State of California selected the project for inclusion in its Sustainable Communities Program. The

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<sup>1</sup> Live/work units are residential homes with accessory commercial or business activity conducted within the home. Work/live units are intended to be used primarily or exclusively for a commercial or business activity with living secondary.

<sup>2</sup> The full housing numbers provided are Maximum Allowable Development numbers per district and not necessarily the number that will actually be built. The guaranteed building will be the 483 new housings units, with 73 affordable for sale and 73 affordable for rent.

Railyard Master Plan is a long-term Downtown reinvestment project and there is overwhelming support for significant new development at the Railyard. Letters of support have been received for the project including:

**Local Community Support.**

- Steve R. Frisch, Sierra Business Council (A-1)

**Government Official Support.**

- John McLaughlin, Director of Community Development, Town of Truckee (A-2)

**Application Score.** The project earned a score of **105** out of **120** points in the following categories:

**(a) Readiness to Proceed. TOTAL- 30/40.**

- (1) Applicant has demonstrated that environmental review can be completed and all necessary entitlements can be received from the local jurisdiction within two years if receiving the award- 10/10.** The Draft EIR for the Project has been prepared and the City anticipates releasing it for review in October 2008.
- (2) Funding commitments are in place, or financing applications are under review, for the Infill Development Project-10/10.** Funding commitments totaling full construction costs of \$203.2 Million are all under review.
- (3) The Infill Development Project has local community and government support- 10/10.** The Project has a strong support letter from the Town of Truckee and a community support letter from the Sierra Business Council.
- (4) Cleanup Plan has been approved by Oversight Agency- 0/5.**
- (5) Applicant has building permits, and all other governmental permits (i.e. encroachment, ROW, etc.) in place or under review - 0/5.**

**(b) Location within an Economically Distressed Community. TOTAL- 30/30.** Project is within a redevelopment project area.

**(c) Location within a Priority Development of a Local Governmental Entity. TOTAL - 10/10.** The Town of Truckee has designated the Railyard site as a Priority Development Area.

**(d) Depth of Affordability. TOTAL - 10/10.** 15.2% of the Project's 483 units are restricted to residents at or below 40% AMI, above the 15% threshold for 10 points.

**(e) Percentage of Affordability. TOTAL - 10/15.** 30.1% of the Project's 483 units are Affordable, above the 30% threshold for full 10 points.

(f) **Utilization of Green Building Methods.** TOTAL - 5/5- The Project is seeking LEED certification for 5 points.

(g) **Cleanup Plan for the Brownfield Infill Project does not require Ongoing Operation and Maintenance.** TOTAL - 10/10- The Project does not include any long term operation and maintenance activities.

Tie-Breaker.

(a) Total Brownfield Infill Project Cleanup Plan Cost: \$1,585,724

(b) Total no. residential housing units produced and/or promoted by Infill Development Project:  
483

(c) Tie-breaker ratio [(a) / (b)]: \$3,283 / housing unit

**Financing Details.**

- Amount of Overall Financing to be Leveraged:
  - Total Project Cost = \$203,282,880
  - Total CALReUSE Infill Grant Funding = \$1,585,724
  - CALReUSE remediation funding is leveraged **128 to 1**
- Sources of Financing for Brownfield Infill Project: CALReUSE
- Sources of Financing for Infill Development Project: Financing for the Project include Pacific Coast Capitol Partners, Citibank, Goldman Sachs, and Goldman/Mello-Roos Bonds.

**Staff Recommendation.** Staff recommends approval of attached Resolution for Truckee Development Associates, for an amount not to exceed \$1,585,724.

A RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING  
AUTHORITY APPROVING EXECUTION AND DELIVERY OF GRANT FUNDING FOR  
TRUCKEE DEVELOPMENT ASSOCIATES, LLC  
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM

November 19, 2008

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Regulations adopted to implement and make specific the statutory provisions of the California Recycle Underutilized Sites (CALReUSE) Remediation Program;

WHEREAS, the statutory provisions of the CALReUSE Remediation Program authorize grant and loan funding for the purpose of brownfield cleanup that promotes infill residential and mixed-use development, consistent with regional and local land use plans;

WHEREAS, the Authority solicited applications for the CALReUSE Remediation Program and such applications were evaluated and scored pursuant to the Authority’s Regulations;

WHEREAS, Truckee Development Associates, LLC has submitted an application for the CALReUSE Remediation Program for a grant in the amount of \$1,585,724 for the Truckee Rail Yard Project;

WHEREAS, the Strategic Partner Center for Creative Land Recycling (CCLR) has reviewed the application and determined to recommend the Truckee Railyard Project to the Authority for funding consideration;

WHEREAS, the Authority staff has reviewed the Strategic Partner’s recommendation and has determined to recommend the Truckee Rail Yard Project for funding; and

WHEREAS, approval of a grant for the Truckee Development Associates, LLC (The “Applicant” and “Grantee”) by the Authority is now sought;

NOW THEREFORE BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. Pursuant to the Regulations, the Authority hereby finds that the Truckee Rail Yard Project (the “Project”) is eligible for financing and hereby approves the grant described in the staff summary for the Project described in the Applicant’s CALReUSE Infill Application to the Authority.

Section 2. The Executive Director is hereby authorized for and on behalf of the Authority to take all steps necessary with respect to the Applicant including notifying the Applicant that its Application has been approved for funding, preparing a commitment letter that contains the terms and conditions of funding for the Grantee, preparing and executing the final form of grant agreement and disbursing funds pursuant to the grant agreement and the Authority’s Regulations.

Section 3. The Executive Director is hereby authorized for and on behalf of the Authority to approve any changes in the Project described in Exhibit A of the grant agreement as the Executive Director shall deem appropriate and authorized under the Regulations (provided that the amount of the grant may not be increased above the amount approved by the Authority).

Section 4. The Executive Director is hereby authorized and directed, for and on behalf of the Authority, to draw money from the Proposition 1C (2006) funds allocated to this Program not to exceed those amounts approved by the Authority for the Project approved in Section 1. The Executive Director is further authorized and directed, for and on behalf of the Authority, to execute and deliver for the Project identified in Section 1 any and all documents necessary to complete the transfer of funds. The authority of the Executive Director is limited to payment of claims made by the Grantee in accordance with the Regulations and the grant Agreement.

Section 5. Any notice to the Applicant approved hereunder shall indicate that the Authority shall not be liable to the Applicant in any manner whatsoever should such funding not be completed for any reason whatsoever. Notice to the Applicant shall include a provision making it clear that continued funding under the program is not guaranteed but is entirely dependent upon funds being available to the CALReUSE Program and the Grantee continued compliance with the grant agreement and the regulations governing the CALReUSE Program.

Section 6. The Executive Director of the Authority is hereby authorized and directed, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby, and which have heretofore been approved as to form by the Authority.

**EXHIBIT A**

TERM SHEET

<b>Name of Project:</b>	Truckee Rail Yard
<b>Maximum Amount of Grant/Loan:</b>	\$1,585,724
<b>Strategic Partner:</b>	Center for Creative Land Recycling
<b>Grantee:</b>	Truckee Development Associates, LLP
<b>Financing Structure:</b>	Grant
<b>Maximum Grant/Loan Term:</b>	Not to exceed 6 years from first draw on funds
<b>Oversight Agency:</b>	Regional Water Quality Control Board, Lahontan Region
<b>Project Location:</b>	Former Union Pacific Railroad Rail Yard, Parcel Numbers 19-420-15, 68, 69, 70, 71, 72; Zip Code 96160
<b>Infill Development Description:</b>	483 for-sale and rental units; 30% Affordable; 60 for-sale units at 50-120% of the area median income (AMI); 12 for-sale units at 40%-50% AMI; 73 rental units at less than or equal to 40% AMI.

<b>Description of Activity</b>	<b>Cost</b>
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<b>TOTAL ELIGIBLE BROWNFIELD INFILL COSTS:</b>	<b><u>\$1,585,724</u></b>

Attachment A



Monday, October 20, 2008

Center for Creative Land Recycling  
200 Pine Street, Suite 400  
San Francisco, CA 94104

RE: Truckee Rallyard Grant

Dear Sir or Madam:

The Sierra Business Council is a regional business based non-profit organization with more than 750 business members dedicated to the development of a sustainable Sierra Nevada.

The Sierra Business Council (SBC) is a strong supporter of the redevelopment of the Truckee Rallyard property, located adjacent to historic downtown Truckee. We believe that this site is the appropriate location for high-density commercial/mixed-use and residential development.

SBC worked with a team of local interests to help create a vision for the development of the Truckee Rallyard site as part of the Truckee Downtown Specific Plan process. SBC also wrote the original grant application to the Sustainable Communities Grant and Loan Program (SCGL) in 2002 that helped lead to the development of the Draft Rallyard Master Plan.

This site offers a unique opportunity to meet multiple community goals, such as: infill housing to meet our Regional Housing Needs Plan, development of a previously used brown field site, transit oriented development, affordable housing, water quality improvement and greenhouse gas emission reduction.

Sierra Business Council strongly supports grant funding to assist with soil remediation at the Truckee Rallyard site.

If you have any further questions, please feel free to call me.

Sincerely,

A handwritten signature in black ink that reads "Steven R. Frisch".

Steven R. Frisch  
President  
Sierra Business Council

PO Box 2428  
Truckee, CA 96160



Attachment A

Town Council

Bertha Green, Mayor  
Dr. Mark Brown, Vice Mayor  
Richard Anderson, Councilmember  
Joseph J. Seltzer, Councilmember  
Cynthia Walker Dea, Councilmember



Department Heads

Tony Lamborn, Town Manager  
Scott Berry, Chief of Police  
J. David Childs, Town Attorney  
John McLaughlin, Community Development Director  
Kim Accursi, Administrative Services Director  
Judy Pfla, Town Clerk  
Alec Thompson, Assistant to the Town Manager  
David Wilkins, Public Works Director/Town Engineer

October 2, 2008

Center for Creative Land Recycling  
200 Fize Street, Suite 400  
San Francisco, CA 94104

RE: Truckee Railyard Master Plan

Dear Grant Review Team:

The Town of Truckee strongly supports the development of the Truckee Railyard area as outlined in the Truckee Railyard Master Plan. The Town, through its General Plan and Council Priorities, has identified the development of the Railyard as a top priority.

Specifically, the Town's General Plan contains the following policy:

**GSA-79:** Develop the old mill site (the Railyard) as a location for future mixed use development, including both local- and tourist-serving commercial uses, as well as residences, and public uses, incorporating the suggested components described in Action A7.1 in the Community Character Element."

Further, the Town Council's Goals state:

**Support the Downtown Core as the "Heart and Soul of Truckee"**

One of the methods outlined by the Council to accomplish this goal is the development of the Railyard area.

The development of the Railyard will further both the Town's adopted direction in the General Plan, and the Town Council's goal for a strong downtown. Again, to reinforce these statements, the Town of Truckee strongly supports the development of the Railyard Master Plan area.

Sincerely,  
  
John McLaughlin  
Director of Community Development  
Town of Truckee

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Community Development: 530-582-7820 / Fax: 530-582-7889 / email: cd@townoftruckee.com  
Animal Services/Vehicle Abatement: 530-582-7830 / Fax: 530-582-7889 / email: animal@townoftruckee.com  
Police Department: 530-550-2328 / Fax: 530-550-2328 / email: police@townoftruckee.com  
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