



**MEMORANDUM  
COUNTY EXECUTIVE OFFICE  
ADMINISTRATION  
County of Placer**

**TO:** Honorable Board of Supervisors **DATE:** June 24, 2025  
**FROM:** Daniel Chatigny, County Executive Officer  
**BY:** Stephanie Holloway, Deputy County Executive Officer  
Nicholas Martin, Senior Management Analyst  
**SUBJECT:** Tourist Accommodation Unit Transfer and Rebate Option Agreement for the  
Proposed 39N Project.

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**ACTION REQUESTED**

1. Conduct a public hearing to consider a proposed economic development subsidy to KB Kings Beach, LLC ("Kingsbarn") for development of a proposed 170-unit hotel and condominium project in Kings Beach, CA ("39N Project").
2. Approve and authorize the County Executive Officer, or designee, to execute a Tourist Accommodation Unit Transfer and Rebate Option Agreement ("Option Agreement") between the County and Kingsbarn, subject to County Counsel and Risk Management concurrence.
3. Determine the proposed actions are each not a project pursuant to CEQA Guidelines Section 15378.

**BACKGROUND**

On May 17, 2016, your Board approved the North Lake Tahoe Economic Development Incentive Program ("Incentive Program") to help spur investment in environmental and economic development and/or redevelopment projects in the Placer County portion of the Lake Tahoe Basin. The primary goals of the Incentive Program include:

- Help offset the extraordinarily high costs of developing lodging projects in the Tahoe Basin where no new lodging projects of scale have been built since the early 1960's.
- Bank development rights, including TAUs, to spur investment.
- Offset infrastructure costs such as parking facilities.
- Incentivize environmental and economic revitalization.
- Support implementation of the Tahoe Basin Area Plan, as approved in 2018 and subsequent amendments in 2023, which supports and encourages this type of redevelopment.
- Support implementation of the Tourism Master Plan, as approved in 2015, which highlights the need to redevelop lodging in the Tahoe Basin.

In March 2020, the County commissioned a study with Bay Area Economics (BAE) to determine why new and renovated lodging projects were not progressing, even with the Incentive Program in place. The BAE study was presented to your Board in April 2020 and determined that additional incentives were needed to help spur development and recommended a TOT rebate be added to the existing Incentives Program, which was approved by your Board in 2021.

Details regarding the Incentives Program are at:

[www.placer.ca.gov/DocumentCenter/View/76243/North-Lake-Tahoe-Economic-Development-Incentives-Program](http://www.placer.ca.gov/DocumentCenter/View/76243/North-Lake-Tahoe-Economic-Development-Incentives-Program)

### The Proposed 39N Project

The proposed 39N Project has undergone several iterations of proposed ownership and project design since the County acquired ownership of underlying real property from the Successor Agency. The proposed project site includes Sixteen (16) County-owned parcels that comprise what is commonly referred to as the Kings Beach Center site. Most recently the County entered into a purchase and sale agreement with Kingsbarn and subsequently your Board approved a fourth amendment to that agreement on December 5, 2023. A summary of the proposed project timeline is below.

- February 6, 2018: Board of Supervisors authorized staff to finalize and execute a Purchase and Sale Agreement (“Sale Agreement”) for the Kings Beach Center
- May 15, 2018: Sale Agreement with the Kings Beach Center, LLC executed
- May 23, 2018: March 10, 2021: the Board approved the First, Second and Third Amendments to the Sale Agreement, extending the Project Approvals Contingency Period and the term of the Agreement
- October 20, 2022: Kings Beach Center, LLC, requested to assign interest in the Sale Agreement and all amendments thereto to KB Kings Beach, LLC (Buyer)
- December 5, 2023: Board approved an extension of the term of the Sale Agreement and the Project Approvals Contingency period for an additional two years until March 31, 2026, with two additional 1-year options to extend the Project Approvals Contingency Period subject to certain milestones as follows:
  - Submittal and acceptance of a stable Project Description to the Community Development Resources Agency (CDRA) by February 27, 2024
  - Development and funding by Buyer of an environmental review scope of work and four-way environmental consultant contract by July 31, 2024
  - Completion of final CEQA EIR/EIS submittal available for County review by March 31, 2026
  - Quarterly submittal to County of written updates on project status, anticipated schedule for submittal of documents and status of project milestones
- January 23, 2024: Board of Supervisors received a staff presentation and discussed a previous version of the proposed option agreement that called for an option to Kingsbarn

for 146 TAUs. The Board did not approve the proposed 146-unit option agreement and requested that staff work with the Developer and return with a revised proposal.

- Various outreach activities in May 2025 and a community meeting hosted in Kings Beach on June 5, 2025.

The proposed project which is under review by the County Community Development Resource Agency includes three main components. The proposed Hotel consists of 132 rooms, podium deck amenities on level 2, a rooftop bar on level 4, street level lobby, restaurants, retail, and (189) parking spaces on L1 and B1. There are (38) condominiums proposed in small / medium / large configurations with (2) garage parking spaces each. The proposed Workforce Housing component included (63) studio, 1-bedroom, & 2-bedroom units along with (68) parking spaces on grade.

Located in the town center of Kings Beach, and on the main corridor, the proposed project provides a walkable location for its guests to the beach and local businesses. The proposed project will improve adjacent sidewalks and transportation infrastructure for better pedestrian access.

This staff report outlines the request for two Incentive Program components including the Development Rights Cost Offset and a TOT Rebate, proposed 39N project details, and findings related to economic development subsidies as required by California Government Code Section 53083.

#### Incentive Program Project Requirements and Request

In April 2022, Kingsbarn submitted a first draft application for the Incentive Program which included two program components, a development rights cost offset and a TOT rebate for their proposed hotel and mixed-use project. Over the course of the past few years, which includes a Board of Supervisors presentation in January 2024, the proposed project has evolved based on input from the Board of Supervisors and members of the community. Kingsbarn submitted a revised application to the Incentive Program which reflects those changes to the proposed project description.

After hearing the community comments in May of 2024, the project team revised the proposed design to accommodate several concerns. The proposed Hotel design was changed from “Mountain Modern” to “Old Tahoe”. The proposed Hotel reduced the height from 6 stories to 4 bringing the height to within the current code limit. The proposed Hotel rooms were thereby reduced from 179 to 132 while leaving the original 189 parking spaces which increases the parking ratio. The proposed Hotel vehicular entrance was moved from Highway 28 to enter off Salmon Avenue. There are no longer any curb cuts on Highway 28 along the proposed Hotel or condominiums. The ground floor of the proposed Hotel and commercial space along Highway 28 has been broken up with a street level pedestrian entrance to the lobby and valet area that opens up the view through to Salmon Avenue. The proposed condominiums were also

redesigned to the “Old Tahoe” aesthetic. The proposed condominiums along Fox Street were two larger buildings and are now broken up into five smaller buildings. The proposed Workforce Housing building length was reduced to bring it within code compliance without a variance. The unit proposed count was increased to (63) including (7) 2-bedroom units from (62) by increasing the middle portion of the building to four levels from three. The ends of the proposed building remain at three level high. By shortening the proposed building, it allowed for more green space as well as an increase in parking spaces from (50) to (68), a parking ratio of 1.08.

For the development rights cost offset component, Kingsbarn has applied for 106 TAUs through the TAU transfer component of the Incentive Program to allow for the construction of the proposed 170-unit hotel and mixed-use project which includes 38 condominiums in downtown Kings Beach, and it is anticipated that all 170 units will require a TAU from the TRPA. There are currently 146 TAUs in the County TAU bank, which if the Option Agreement is approved by your Board, a surplus of 40 TAUs would remain. Kingsbarn plans to cover 64 TAUs by a combination of conversion of other development rights on the site and are included with the Purchase and Sale agreement.

The TOT rebate component of the application includes a request for a rebate on newly-generated TOT from the 132 proposed hotel units as well as the 38 proposed condominium units. It is proposed that 80% of the newly generated TOT collected from the proposed project will be rebated back to the Developer, and the remaining 20% will be split between County general fund and TAU loan payback, until such a time the TAU loan is paid back in full. This is consistent with other applications to the Incentive Program.

Kingsbarn requires a total of 170 TAUs to commence construction of the proposed 39N project. The County currently has 146 remaining TAUs that have been banked for the Incentive Program. The proposed project plans to take advantage of a pilot program established in the Tahoe Basin Area Plan that allows for limited conversion of Commercial Floor Area (CFA) to TAUs. According to TRPA, the conversion rate is: 1 TAU = 300 square feet of CFA, and Kingsbarn would be responsible for working through these conversions with TRPA directly to achieve that outcome. As described in the table below, Kingsbarn is planning to use conversions of TRPA development rights to achieve 64 TAUs on the site, and if the Option Agreement is approved and the County's bank is utilized to place 106 TAUs on the site, this would leave a balance of 40 TAUs in the County bank.

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<b>Proposed Project</b>	
Hotel Units	132
Condominiums	38
<b>Total Units</b>	<b>170</b>
<b>Verified Development Rights on site</b>	
Commercial Floor Area on site (SF)	22,100
Commercial Floor Area after Hotel need	13,800
Units of Use (RUU/TAU not already included in County bank)	16
Mobile Units of Use	2
<b>TRPA Conversion Ratios</b>	
RUU --> TAU	1:1
CFA (SF) --> RUU/TAU	300:1
<b>Development Rights Current Calculation</b>	
Proposed project TAU/RUU need	170
Verified Units onsite (RUU/Mobile)	18
Conversion of 7,800 CFA (condos)	26
Conversion of 6,000 CFA (condos)	20
<b>Subtotal of Project TAU need</b>	<b>106</b>
County TAU Bank available	146
<b>Remaining TAUs</b>	<b>40</b>

#### AB 562 Findings

Pursuant to California Government Code Section 53083 (AB 562), the County is required to provide public notice and a hearing prior to granting of a proposed economic development subsidy

of One Hundred Thousand Dollars (\$100,000) or more. Today's hearing was noticed consistent with those requirements. A copy of the public notice is attached as Attachment B. Details are as follows:

- KB Kings Beach, LLC will be the beneficiary of the proposed economic development subsidy.
- The Option Agreement provides a two (2) year term upon approval by the Board of Supervisors, with two (2) one (1) year extension periods, for negotiation of the Transfer Agreement. The Transfer Agreement, if approved, would commence approximately on or around December 31, 2028 for up to fifteen (15) years for the forgivable TAU loan and a period of twenty (20) years for the TOT rebate beginning upon occupancy of the proposed Project, unless sooner terminated as provided for in the proposed Transfer Agreement..
- The transfer of 106 TAUs would be secured by a forgivable loan with a principal amount of \$1,552,900, to be repaid over a period of 15 years.
- The TOT rebate is estimated to be between \$22,876,480 – \$30,947,840 total over the 20-year rebate period, and total amounts may be higher or lower depending on total TOT amounts received.
- The public purposes of this economic development subsidy are to expedite renovation of dated existing lodging stock, complete entitled projects, and generate investment in new lodging development that will stimulate the local economy and provide an overall net positive impact on county property tax roll, increase sales tax revenues, and over time increase county TOT revenues.
- Projected tax revenue from the proposed subsidy is estimated to be between \$1,429,780 and \$1,934,240 per year in TOT revenue collected, 80% of which will be rebated back to Kingsbarn for the first 20 years. The proposed project is also expected to generate sales tax and property tax revenues.

When fully operational, based on information provided by Kingsbarn and reviewed by County staff, staff has estimated that the proposed project, as supported by the economic development subsidy, would create approximately Ninety-Nine (99) full time and part time jobs. Construction and entitlement of the proposed project is anticipated to create approximately Six Hundred Thirty Six (636) temporary positions.

## **ENVIRONMENTAL IMPACT**

The proposed actions are each not a project pursuant to California Environment Quality Act (CEQA) Guidelines Section 15378 because they are each an administrative action that does not result in any direct or indirect physical changes to the environment. The actions requested of your Board today do not approve or take any action on the proposed project itself. The proposed project is subject obtaining required environmental clearances and approvals from all appropriate authorities and governmental agencies having jurisdiction over the proposed

project, including those approvals required under CEQA. By approving the Option Agreement, the County does not approve, or irreversibly commit to, the proposed project. The County further maintains full lawful discretion to consider, approve, deny, or modify the proposed project, including the authority to adopt any mitigation measures or alternatives necessary to avoid or substantially lessen any environmental impacts of the proposed project.

### **FISCAL IMPACT**

There is no fiscal impact as a result of this item. Other than payment by the Developer of the One Dollar (\$1) option price, the financial terms of the proposed Option Agreement will commence only if the proposed project is approved and the option exercised.

The proposed Option Agreement provides for the transfer of 106 TAUs to Kingsbarn, subject to receipt by Kingsbarn of any other approvals necessary for the transfer. Subject to approval by your Board by separate action at a future date, staff proposes that the TAU transfer itself would be secured by a Fifteen (15) year forgivable loan ("TAU Loan") in the total amount of up to One Million Five Hundred Fifty-Two Thousand Nine Hundred Dollars (\$1,552,900.00), with an interest rate of Four and Four-Tenths Percent (4.04%), based on the Placer County Treasurer's Investment Pool Gross Rate. Principal and interest on the TAU Loan would be paid down on an annual basis by Ten percent (10%) of newly-generated TOT revenue produced by the proposed project.

The proposed economic development subsidy includes the value of the TAUs and related County staff costs and other expenses, as well as the potential TOT rebate as described in the Incentives Program document. The County estimates newly generated TOT revenue of at least One Million Four Hundred Twenty-Nine Thousand Seven Hundred Eighty Dollars (\$1,429,780.00) and up to One Million Nine Hundred Thirty-Four Thousand Two Hundred Forty Dollars (\$1,934,240.00) per year, Eighty percent (80%) of which would be rebated back to Kingsbarn for the first Twenty (20) years. The anticipated value of the proposed TOT Rebate incentive will be 80% of the total TOT revenue generated from the proposed project for a Twenty (20) year period, which could be in the range of Twenty-Two Million Eight Hundred Seventy-Six Thousand Four Hundred Eighty Dollars (\$22,876,480.00) to Thirty Million Nine Hundred Forty-Seven Thousand Eight Hundred Forty Dollars (\$30,947,840.00). Total amounts may be higher or lower and would depend on total TOT amounts received. The County expects the proposed project will also generate sales tax and property tax revenue, each subject to established subventions.

### **ATTACHMENTS**

Attachment A – Option Agreement

Attachment B – Public Notice

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On File with the Clerk of the Board for review:

- North Lake Tahoe Economic Development Incentive Program
- North Lake Tahoe Economic Development Incentive Program Application for 39N
- BOS Staff Report for Tahoe City Lodge Incentive Program from June 8, 2021



## **TOURIST ACCOMMODATION UNIT TRANSFER AND REBATE OPTION AGREEMENT**

This Tourist Accommodation Unit Transfer and Rebate Option Agreement (Option Agreement) is entered into on June \_\_, 2025 (Effective Date) by and between the County of Placer, a political subdivision of the State of California (County or Optionor) and KB Kings Beach, LLC, a Nevada limited liability company (Kingsbarn or Optionee). County and Kingsbarn may sometimes hereinafter individually be referred to as a "Party" or jointly as "Parties."

### **Recitals**

- A. Optionee seeks an option to acquire up to One Hundred and Six (106) Tourist Accommodation Units (TAUs) from the County and to enter into an agreement with the County to obtain a Transient Occupancy Tax (TOT) Rebate for a proposed 170-unit hotel and condominium development project (Project) in Kings Beach, CA pursuant to the County's North Lake Tahoe Economic Development Incentive Program (Incentive Program).
- B. Under the Incentive Program, the County has a bank of certain commodities regulated by the Tahoe Regional Planning Agency (TRPA), including TAUs, and may make them available to projects that meet established criteria to help offset the costs of acquiring development rights. The value of the TAUs is paid back to the County through a forgivable loan (TAU Loan). The TAU Loan is paid back with TOT generated by the proposed Project and memorialized in a TAU transfer agreement between a project applicant and the County, which will include interest and County staff costs and related expenses. To further assist in offsetting the costs of developing new lodging and lodging renovation, the Incentive Program includes the TOT Rebate program that allows qualifying lodging projects to receive up to an Eighty (80) percent TOT rebate for a Twenty (20) year period.
- C. The County owns and maintains an inventory of certain TRPA regulated commodities, including TAUs, that may be available to qualifying development projects through the Incentive Program. The proposed Project has not been approved and Kingsbarn desires, if the County approves the proposed Project, to acquire enough TAUs to operate the Project as proposed.
- D. The County is willing to enter into an option for Kingsbarn to acquire up to 106 TAUs from the County's bank of TRPA regulated commodities for the proposed Project, under the terms set forth herein, and in compliance with the Incentive Program.
- E. During the term of this Option Agreement, the parties wish to continue negotiations on a proposed TAU Transfer Agreement and Operating Covenant Agreement consistent with the following material terms: 1) The TAU transfer will

be secured by a fifteen (15) year forgivable loan beginning on or around December 31, 2028, or at issuance of a certificate of occupancy for the proposed Project, in the total principal amount of up to One Million Five Hundred Fifty-Two Thousand Nine Hundred Dollars (\$1,552,900.00), with an interest rate of Four and Four-Tenths Percent (4.04%) based on the Placer County Treasurer's Investment Pool Gross Rate. Principal and interest on the TAU Loan will be paid down on a yearly basis by Ten percent (10%) of the newly-generated TOT revenue produced by the proposed Project; 2) a TOT Rebate for the proposed Project consisting of eighty percent (80%) of the total TOT revenue generated from the proposed Project for a twenty (20) year period beginning on or around December 31, 2028 or at issuance of a certificate of occupancy for the proposed Project; 3) an Operating Covenant Agreement recorded against the Property that requires continuous operation of the lodging facility if and as approved by the County, that requires a separate Transient Occupancy Tax certificate for each lodging unit consistent with Placer County Code Article 4.16, as such Article may be amended from time to time..

- F. Kingsbarn agrees and acknowledges that the amount of the TAU Loan contemplated by this Option Agreement includes the value of the TAUs proposed to be transferred and related County staff costs and other County expenses.

NOW, THEREFORE the Parties agree as follows:

## 1. DEFINITIONS

- a. **"Board of Supervisors"** means the Board of Supervisors of the County of Placer.
- b. **"Kings Beach"** means the census designated place known as Kings Beach in the North Lake Tahoe Basin portion of unincorporated Placer County.
- c. **"Project"** means Optionee's proposed 39N mixed-use development project, including the deed-restricted multi-family component proposed on a 1.29-acre parcel, located along N. Lake Boulevard and Brockway Vista Avenue, abutting Chipmunk Street, and the proposed 170-unit hotel and the condominium and commercial component located on 3.86 acres along N. Lake Boulevard and Salmon Avenue, between Racoon and Fox Streets.
- d. **"Property"** means that certain real property containing approximately 3.86 acres along North Lake Boulevard and Salmon Avenue, between Racoon and Fox Streets in Kings Beach.
- e. **"TOT Rebate Program"** means the transient occupancy tax rebate program, as amended by the Board of Supervisors on May 11, 2021, to

allow all eligible applicants to receive up to an 80 percent TOT rebate for a 20-year period.

## **2. OPTION**

For good consideration, the County hereby grants Kingsbarn the option (Option) to (1) acquire up to 106 TAUs from the County's TRPA regulated commodities inventory for Fourteen Thousand Six Hundred and Fifty Dollars (\$14,650) per TAU and (2) to participate in the TOT Rebate program in effect as of the Effective Date of this Option Agreement, subject to the conditions of this Option Agreement and pending compliance with the Incentive Program, including the requirements of Government Code section 53083 et seq. During the term of this Option (see Section 3 below), the County shall ensure that at least 106 TAUs are maintained for Kingsbarn in the inventory of TRPA regulated commodities..

## **3. TERM**

Subject to Section 5 below, the term of this Option Agreement (Option Term) shall be twenty-four (24) months commencing upon on the Effective Date.

## **4. OPTION PRICE**

As independent consideration for the Option, the Optionee shall pay the County upon full execution of this Option Agreement, the sum of One Dollar (\$1) (Option Price). The Option Term shall not commence, and this Option Agreement shall not become effective, until the Option Price is paid to the County.

## **5. OPTION TERM EXTENSION**

Through written notice to the other party, Optionee or the County may extend the Option Term twice by up to an additional twelve (12) months per extension, for a total of no more than twenty-four (24) months. Any further extension will be by mutual agreement of the parties.

## **6. CONDITIONS TO EXERCISE OPTION**

The Option may not be exercised until all the following terms and conditions shall have been satisfied:

- A. Project Entitlements. The Optionee shall obtain all necessary approvals and entitlements for the proposed Project, including compliance with the Incentive Program and obtaining an Operating Covenant Agreement and TAU Transfer Agreement as described herein, as well as all permits and clearances required by law.
- B. Environmental Requirements. Prior to any approval of the proposed Project, Optionee shall diligently pursue obtaining environmental clearance for the proposed Project from all appropriate authorities and governmental agencies

having jurisdiction over the Property and comply with all applicable laws including, but not limited to, the California Environmental Quality Act (CEQA).

- i. By granting this Option, the County does not approve, or irreversibly commit to, the proposed Project. The County maintains complete lawful discretion to consider, approve, deny, or modify the proposed Project, including the authority to adopt any mitigation measures or alternatives necessary to avoid or substantially lessen any environmental impacts of the proposed Project. Any approval of Optionee's proposed Project is expressly conditioned on obtaining environmental clearance in compliance with all applicable laws, including CEQA.

## **7. GENERAL CONDITIONS**

(a) Assignment. This Option shall not be sold, assigned, or otherwise transferred without the prior written consent of the County. By executing this Option Agreement, County consents to assignment to Kingsbarn Capital & Development, a Nevada Limited Liability Company, subject to County Counsel and County Risk Management concurrence.

(b) Counterparts. This Option Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(c) Captions. The captions in this Option Agreement are inserted for convenience of reference and in no way define, describe or limit the scope or intent of this Option Agreement or any of the provisions of this Option Agreement.

(d) Partial Invalidity. Any provision of this Option Agreement which is unenforceable, invalid, or the inclusion of which would adversely affect the validity, legality, or enforcement of this Option Agreement shall have no effect, but all the remaining provisions of this Option Agreement shall remain in full effect.

(e) No Third-Party Rights. Nothing in this Option Agreement, express or implied, is intended to confer upon any person, other than the parties to this Option Agreement and their respective successors and assigns, any rights or remedies.

(f) Time Of Essence. Time is of the essence in this Option Agreement.

(g) Relationship. Nothing contained in this Option Agreement shall be deemed or construed by the parties or by any third person to create a relationship of principal and agent or partnership or a joint venture between Optionor and Optionee or between either or both of them and any third party.

(h) Further Assurances. Optionor and Optionee agree to execute all such instruments and documents and to take all actions which are reasonably necessary to carry out this Option Agreement or accomplish its intent.

(i) Incorporation of Prior Agreements. This Option Agreement contains all agreements of Optionor and Optionee with respect to any matter mentioned, or dealt with, herein. No prior agreement or understanding pertaining to any such matter shall be binding upon Optionor.

(j) Amendment. This Option Agreement may only be amended by written agreement signed by Optionor and Optionee.

(k) No Waiver. No waiver by Optionor of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach of the same or any other provision. Optionor's consent to or approval of any act shall not be deemed to render unnecessary obtaining such Optionor's consent to or approval of any subsequent act. No waiver by Optionor shall be effective unless it is in writing, executed on behalf of Optionor.

(l) Notices. Any notice to be given or other document to be delivered to any party under this Option Agreement shall be delivered as follows, with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by electronic mail upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Any notice must be in writing, and notice and other documents shall be delivered as follows:

County:

County of Placer  
Placer County Executive Office  
175 Fulweiler Avenue  
Auburn, CA 95603

w/ copy to:  
County Counsel  
Attn: Tahoe Incentive Program Counsel  
175 Fulweiler Avenue  
Auburn, CA 95603

Kingsbarn:

Kingsbarn Capital & Development  
Attn: General Counsel  
1645 Village Center Circle, Suite 200  
Las Vegas, NV 89134

w/ copy to:  
Howard F. Wilkins, III  
Remy Moose Manley, LLP  
555 Capitol Mall, Suite 800  
Sacramento, CA 95814

Any party may from time to time, by written notice to the other, designate a different address, which shall be substituted for the one above specified.

IN WITNESS WHEREOF, Optionor and Optionee have executed this Option Agreement as of the date last signed below.

Optionor:

Dated: \_\_\_\_\_, 2025      County of Placer

\_\_\_\_\_  
Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Approved as to Form

\_\_\_\_\_  
County Counsel

Optionee:

Dated: \_\_\_\_\_, 2025      KB Kings Beach, LLC, a Nevada Limited Liability Company

\_\_\_\_\_  
Jeffrey Pori  
Manager

\_\_\_\_\_  
Philip Mader  
Manager

**NOTICE OF PUBLIC HEARING  
PLACER COUNTY BOARD OF SUPERVISORS**

WHERE: Community Development Resource Agency, 3091 County Center Drive,  
Auburn, CA 95603

WHEN: June 24, 2025 at 9 AM or as soon thereafter as may be heard.

SUBJECT: **TOURIST ACCOMMODATION UNIT TRANSFER AND REBATE OPTION  
AGREEMENT**

Notice is hereby given that, pursuant to California Government Code Section 53083, the Placer County Board of Supervisors will conduct a public hearing, on the date and time noted above, to consider a Tourist Accommodation Unit Transfer and Rebate Option Agreement, or similarly titled agreement, ("Option Agreement") between the County of Placer ("County") and KB Kings Beach, LLC ("Developer"). The proposed Option Agreement would provide Developer a two-year option, with two (2) one (1) year extensions, for the transfer One Hundred Six (106) Tourist Accommodation Units ("TAU's") to Developer for the purposes of implementing a proposed approximately 170 unit hotel and condominium project which includes 16 improved parcels located on North Lake Boulevard and Salmon Avenue in Kings Beach, CA. known as 39 North (the "Project"). The proposed Option Agreement also provides for negotiation of a separate TAU Transfer Agreement and Operating Covenant Agreement ("Transfer Agreement") involving a Transient Occupancy Tax ("TOT") rebate incentive for the Project.

The County has adopted its North Lake Tahoe Economic Development Incentive Program ("Program") to support job creation and economic development in the North Lake Tahoe region of the County. The Program was most recently updated at the May 11, 2021 Board of Supervisors meeting to establish a defined incentive structure for combined incentives. Developer has applied to the County under the Program for assistance in obtaining TAU's for use in the Project, as well as the TOT rebate incentive which would rebate eighty percent (80%) of the TOT generated from the Project back to the Developer for a period of twenty (20) years. The County and Developer are proposing to negotiate a separate Transfer Agreement that would provide for the transfer of One Hundred Six (106) TAU's to Developer and provide a TOT rebate as described above. The County is proposing to provide financial assistance in the form of an economic development subsidy to Developer as described in the proposed Option Agreement and the proposed Transfer Agreement. Pursuant to California Government Code Section 53083 (AB 562) the following information is provided and will be posted on the County's web site, [www.placer.ca.gov](http://www.placer.ca.gov).

- 1) The name and address of all corporations, or any other business entities, except for sole proprietorships, that are the beneficiary of the economic development subsidy, if applicable: KB Kings Beach, LLC, 1645 Village Center Circle, Suite 200, Las Vegas, NV 89134.
- 2) The start and end dates and schedule, if applicable, for the economic development subsidy: The Option Agreement provides a two (2) year term upon approval by the Board of Supervisors, with two (2) one (1) year extension periods, for negotiation of the Transfer Agreement. The Transfer Agreement, if approved, would commence approximately on or around December 31, 2028 for up to fifteen (15) years for the forgivable TAU loan and a period of twenty (20) years for the TOT rebate beginning upon occupancy of the Project, unless sooner terminated as provided for in the proposed Transfer Agreement.
- 3) A description of the economic development subsidy, including the estimated total amount of expenditure of public funds, or of revenue lost to, the local agency, as a result of the economic

development subsidy: The proposed Transfer Agreement provides for transfer of One Hundred Six (106) TAU's to Developer, subject to receipt by Developer of any other approvals necessary for the transfer. The TAU transfer is anticipated to be secured by a fifteen (15) year forgivable loan ("Loan") in the total principal amount of up to One Million Five Hundred Fifty-Two Thousand Nine Hundred Dollars (\$1,552,900.00), with an interest rate of Four and Four-Tenths Percent (4.04%) based on the Placer County Treasurer's Investment Pool Gross Rate. Principal and interest on the Loan will be paid down on a yearly basis by Ten percent (10%) of the newly-generated TOT revenue produced by the Project. The economic development subsidy includes the value of the TAU's and related County staff costs and other expenses, as well as the TOT rebate. The County estimates newly-generated TOT revenue of at least One Million Four Hundred Twenty-Nine Thousand Seven Hundred Eighty Dollars (\$1,429,780.00) and up to One Million Nine Hundred Thirty-Four Thousand Two Hundred Forty Dollars (\$1,934,240.00) per year. The anticipated value of the TOT rebate incentive will be eighty percent (80%) of the total TOT revenue generated from the project for a twenty (20) year period, which could be in the following total range of Twenty-Two Million Eight Hundred Seventy-Six Thousand Four Hundred Eighty Dollars (\$22,876,480.00) to Thirty Million Nine Hundred Forty-Seven Thousand Eight Hundred Forty Dollars (\$30,947,840.00) for the twenty (20) year period. Total amounts may be higher or lower, and will depend on total TOT amounts received.

- 4) A statement of the public purposes for the economic development subsidy: In February 2015, the Board of Supervisors accepted a report on Economic Development Incentives for North Lake Tahoe Town Centers. The report contained recommendations regarding policies, financing, and utilization of land use commodities. As a result, the County developed the Program to help offset the cost of developing TOT-generating lodging projects by acquiring, banking, and ultimately, transferring TAU's to projects needing TAU's. In addition, as a recommendation from a 2020 BAE Urban Economics study, which determined that additional incentives were needed to help spur development consistent with community and County environmental and economic development goals and to achieve prescribed environmental standards by redeveloping the dated built environment, the Board of Supervisors approved an added TOT rebate component which will rebate eighty percent (80%) of TOT generated back to an applicant for a period of twenty (20) years. The Program is designed to expedite renovation of dated existing lodging stock in the Tahoe basin, completion of entitled projects, and generate interest in investment in proposed new lodging development that will stimulate the local economy and provide an overall net positive impact on County revenues by working to increase the assessed value of properties on the County property tax roll, increased sales tax revenues, and over time also increase County revenues from TOT. These actions provide a necessary cost offset that allows for more predictability and a reduced timetable for commencement of a project being developed under the Program. The Project will continue the County's efforts to expand economic development opportunities for lodging properties and the generation of TOT revenue in the North Lake Tahoe region. The Project is expected to increase the County's employment base and continue to generate tax and other revenue that the County can utilize to fund general governmental services.
- 5) Projected tax revenue to the local agency as a result of the economic development subsidy: The County expects the Project will generate at least One Million Four Hundred Twenty-Nine Thousand Seven Hundred Eighty Dollars (\$1,429,780.00) and up to One Million Nine Hundred Thirty-Four Thousand Two Hundred Forty Dollars (\$1,934,240.00) per year in TOT revenue collected by the County, eighty percent (80%) of which will be rebated back to Developer for the first Twenty (20) years. The County expects the Project will also generate sales tax and property tax revenue, each subject to established subventions.
- 6) Estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time and temporary positions: When fully operational, based on information provided by the Developer and reviewed by County staff, the County has estimated that the Project, as supported by the economic development subsidy, will create approximately Ninety-Nine (99) full time and part time



jobs. Construction and entitlement of the Project is anticipated to create approximately Six Hundred Thirty Six (636) temporary positions.

You may direct written comments to the Clerk of the Board of Supervisors, 175 Fulweiler Avenue, Auburn, CA 95603, or you may telephone the Clerk of the Board at (530) 889-4020.

Interested persons are invited to attend the hearing through the means provided on the meeting agenda, found at <https://www.placer.ca.gov/>. All letters, written materials, studies or reports, should be delivered to the Clerk of the Board, 175 Fulweiler Avenue, Auburn, CA 95603, or emailed to [Boardclerk@placer.ca.gov](mailto:Boardclerk@placer.ca.gov). Accommodations for disabled or non-English speaking residents will be made available upon advance request; please contact the Clerk of the Board at (530) 889-4020.

A copy of the County's analysis of TOT revenue generated by the Project and a copy of the proposed Option Agreement, including backup documentation, are available for public review beginning June 9, 2025 at the Clerk of the Board of Supervisors, 175 Fulweiler Avenue, Auburn, CA 95603. Further information on the proposed action can be obtained by calling the County Executive Office at 530-889-4030 during normal business hours.

