

SLT ready to develop prime corner lot

By Kathryn Reed

A valuable piece of real estate in South Lake Tahoe sits idle – used only by people taking a shortcut from Ski Run Boulevard to Highway 50.

City staff hopes to have development ideas in place so the City Council can vote on them in January.



South Lake Tahoe is trying to figure out what to do with this parcel.

Photo/Kathryn Reed

“A large restaurant on the corner keeps coming up (as an idea),” Gene Palazzo, city redevelopment manager said this week. “People are all over the board.”

Because the value of the swath of dirt is much less than it was a few years ago, the city isn’t interested in selling it at this point. It wants to control the use on that highly visible acreage.

With the land developed, then the city can also garner tax increment because it is in a redevelopment area, as well as sales tax once a business is operating.

These 2 acres were originally owned by Embassy Suites, which built the lodging property on the lake side of the street years ago. Even though that property changed hands a few times and is now a Diamond Resorts entity, the deal was this vacant parcel had to be developed in a certain time period or it would revert back to city ownership.

Development didn't occur, so the city has the deed.

The parking garage that belongs to Diamond Resorts that is adjacent to the city's lot has 125 spaces in it deeded to the empty parcel.

Depending on how things shake out, underground parking could become a component of the development.

Palazzo said he would be engaging Diamond Resorts and the Ski Run Business Improvement District in conversations before a plan of action is brought to the council.

The parcel comes with 24 tourism units, but Palazzo doubts they will be used. Zoning also allows for 13,000-square-feet of commercial floor area.

A request for proposal would be sent out after the council chooses the type of development it wants. With the short building season in Lake Tahoe, it's likely construction would begin in 2011.