

Parking garage keeps losing money; rates to increase

By Kathryn Reed

Owning the parking garage at Heavenly Village continues to be a financial quagmire for South Lake Tahoe.

The albatross will be on the books until at least December 2012. Based on how the bonds are structured, the city cannot attempt to unload the concrete facility until then.



It will cost more to park at Heavenly Village in January.

The 425-space garage is 50-60 percent empty most of the time. Projections are for another year of losing money – about \$140,000 this fiscal year. It costs \$1.3 million a year to operate the garage and pay the debt on the 7-year-old facility.

Raising rates is the prime way to increase cash flow. That will happen Jan. 15.

The City Council this month approved going from 30-minute increments to 20 minute. It now costs \$1.75 per half hour and next month it will be \$1.25 every 20 minutes. This is an

increase of 25 cents an hour.

The daily rate will go from \$23 to \$25.

Winter is the busiest time of year for the garage because skiers and boarders park there to access the gondola to ride to the top of Heavenly Mountain Resort.

Blaise Carrig, chief operating officer for the resort, was at the council meeting to see what would be approved and how it might affect his guests. The bulk of Heavenly's riders access the mountain via the gondola, though many of them walk from the surrounding hotels.

Carrig and Gene Palazzo, who oversees the Parking Authority and Redevelopment Agency for the city, have talked in the past about creating a lift ticket-parking package. Nothing has come of those discussions.

"We see the fee being nominal, but during the current economic climate we would like to see prices remain steady for guests," Russ Pecoraro, Heavenly spokesman, said.

Palazzo had recommended the four-hour validation for the movie theater be reduced to three. In 2007 the council boosted it to four hours from 2.5 hours. The council this month chose to leave it at four hours.

Jerry Bindel, who is on the Lake Tahoe Visitors Authority board and president of the South Lake Tahoe Lodging Association, has suggested to the city that it have a couple free days of parking a year for locals in an attempt to drive traffic to Heavenly Village. The city isn't biting on that suggestion.

Locals tend to park at Harrah's for free and walk over to the village.

One moneymaker for the city is selling advertising space in the garage to merchants in Heavenly Village.

Becoming automated has also cut costs – and it eliminated jobs, too.

The city got stuck with the garage when the developer of the entire project backed out of building it. This forced the city to meet parking demand and infuse another \$6 million into the redevelopment area.

This is on top of the \$7.2 million that was “borrowed” from the general fund to build the center. The Redevelopment Agency is paying back that money in \$500,000 increments each year.