

South Shore redevelopment – yesterday, today, tomorrow

By Kathryn Reed

STATELINE – The faces of redevelopment – past, present and yet to come – brought some clarity to an issue that tends to be as appealing as drinking vinegar.

All three speakers on Sept. 8 spoke of the virtues of redevelopment and how this tool has, is and will help the South Shore.

Redevelopment past

Jaye Von Klug, South Lake Tahoe's former redevelopment manager, came up from Southern California to dispense a bit of history about the subject to Soroptimist International of South Lake Tahoe at Harveys. Nancy Kerry, who works in the department now, spoke of what is going on today. Patrick Rhamey, director of real estate development for Edgewood Companies, talked about his company's desires to remake the Stateline area.

Von Klug said it's normal for a project to take 10 years to go from an idea to the doors opening. At the rate Edgewood's project is moving (plans first went to TRPA in June 2008), a decade-long ordeal might be playing out.

Von Klug spoke mostly of the Park Avenue project, aka Heavenly Village. She touched on the five developers working under one contract, how the gondola sufficed as the mitigating transportation component for the whole project.

She talked about how when she was in charge, parent companies of the developers were bonded so if something happened, no one could hide behind a limited liability corporation. Von Klug

didn't mention how just the opposite occurred with the bankrupt convention center. She left in 2002, before the papers for that project were signed.

Although Von Klug praised the City Councils at the time for their vision and willingness to go into debt \$100 million for Heavenly Village, she failed to mention how the parking garage has never made a penny and drains more than \$50,000 a year from city coffers, and that on her watch the Redevelopment Agency took \$7.2 million from the general fund to pay for the Heavenly Village project. The general fund pays for roads, bike trails, infrastructure, those sorts of things the city is lacking.

Redevelopment – present



Nancy Kerry talks about redevelopment on Sept. 8. Photo/Kathryn Reed

“Redevelopment can be controversial. We argue about facts based on feelings,” Kerry said.

She said redevelopment in a city is analogous to individuals remodeling their homes.

Kerry pointed out the public needs to be involved in the process to ensure its voice is heard.

“People forget the government is themselves,” Kerry said.

The Redevelopment Agency has been able to secure grants for programs like the ongoing lead paint removal from private residences and the small business coaching program – proving that it’s not just about building something.

But the state keeps taking money away from redevelopment agencies. South Lake Tahoe was stripped of \$1.7 million this fiscal year and could lose another \$400,000 if the state has its way.

Though it’s been written many times, Kerry reminded the group that even though the convention center project is stalled, the property is worth more now than when buildings were on it. This means the city is reaping more in property tax with concrete and rebar than when operating businesses were there a few years ago.

Redevelopment – future

Edgewood Companies owns 500 acres on the South Shore, with another 4,500 in the Carson Valley.

“The 500 acres here is 90 percent of what the company is about,” Rhamey said.

With Columbia Sussex securing an extension on the Horizon casino lease until March 2014, the focus of the Park family is on developing the 230-room Edgewood Lodge on the ninth hole of Edgewood Tahoe Golf Course.

Rhamey said what the Horizon is likely to become is a center focusing on recreation first and entertainment second. He said the outdoor concert series is working in the summer at Harveys, so maybe something indoors could be profitable if the Horizon were overhauled.

“It’s a real brain teaser what economically might work,” he said of the Horizon property. “I would love to tear the whole

thing down.”

For now, the future Edgewood Lodge is slated to run as a hotel, though some time-shares may be thrown in the mix. The intentions are to not be able to close off rooms to make it into bigger or smaller units like what can be done with some of the Marriott rooms across the street.

“We will raise the bar for lodging on the South Shore and improve the golf course,” Rhamey said. “If you look at food and beverage, hotel occupancy on the South Shore, those numbers decreased by 40 percent in the past four to five years. Edgewood’s revenues are not down at all.”

What Rhamey calls “the world’s most scenic parking lot” will be moved from the shoreline. The project calls for part of the beach to be public.

A sticking point may be acquiring the necessary tourist accommodation units to make the hotel a reality. Edgewood doesn’t want to tap into the supply at the Horizon even though one wing is closed much of the time. Without a definitive plan for that property, Edgewood isn’t ready to part with those units.

TAUs, as they are called, are limited per the Tahoe Regional Planning Agency. This makes them a commodity that can be sold and traded. Edgewood wants South Lake Tahoe to give up TAUs dilapidated hotels are using. When Dave Jinkens was city manager he was opposed to such horse-trading. With Tony O’Rourke at the helm and three new council members coming on board in December, it could be whole new ballgame.

The city is in a position to bargain – maybe ask for a convention center to be built. Talks are going on now about the Edgewood-South Tahoe TAU situation.

Rhamey, too, said it’s important for the public to get involved – especially in the TRPA’s Regional Plan. He never

mentioned the League to Save Lake Tahoe, but alluded to the group as being obstructionists to redevelopment and the Regional Plan.

“I think we need to look at things as a region, then everything will work out in the end,” Rhamey said.