

Heavenly Village entities look at new era of cooperation

By Kathryn Reed

Movement is afoot to alter language in the multi-year agreement regulating who pays what and does what at Heavenly Village. South Lake Tahoe officials brought the idea to the board Tuesday with the hopes of possibly being able to offer in-kind services, help with special events and restructuring parking fees as incentives to pay less each month.

"I think everyone at this table wants it to be successful. We'll put together a group to talk about parking and the existing agreement," PADMA board Chairman Greg Campbell told City Manager Tony O'Rourke at the Feb. 15 meeting. He said the board would have something to bring to the table at or before the April meeting.

Park Avenue Development Maintenance Association is the organization formulated in 2002 to maintain the Heavenly Village. The two Marriott properties pay 55 percent collectively, Heavenly Mountain Resort 20 percent, South Lake Tahoe 20 percent, Trans Sierra Investments 2.5 percent, and Cecil's 2.5 percent for the upkeep.



The fee
structure at

Heavenly
Village garage
is likely to
be altered.
Photo/LTN file

Attorney Lew Feldman, who represents PADMA, pointed out there is a separate parking agreement between the city and PADMA that calls for the board to be consulted regarding parking fee changes at the village garage even though it is owned by the city. That hasn't been happening.

"The parking structure should be an enhancement for the village and it's not," O'Rourke told fellow PADMA board members.

He broached the idea of instituting the "Free after 3" program like Vail has, but added, "To do so we need to off-set the costs."

If the Free after 3 idea were implemented, the city would take an additional \$100,000 a year loss on the parking garage that already loses \$100,000 and has a debt of \$7.2 million that is gradually being paid off. That is why the city, as O'Rourke told the board, "wants relief with our agreement."

Officials from Vail will be in Tahoe in the next couple weeks to offer advice about what the city can do with its financially failing concrete structure.

The idea is to get more locals to use the garage and therefore frequent the businesses in the village.

But Feldman also pointed out the trend is more people are staying in vacation rentals, so a reasonable parking rate – or free at times – would be incentive for those tourists to venture to the Stateline area village.

He also noted with the garage being the most underutilized

during the midweek that in the past the idea of having a parking pass for Heavenly season passholders was brought up but went nowhere.

Pete Sonntag, general manager of the ski resort, is a PADMA board member. He didn't comment on Feldman's midweek parking incentive idea.

To offer different types of parking options for people, O'Rourke told the PADMA board it's possible about 30 spaces could be created at the transit center, with the first two or three hours free.

When it came time to discuss how much retailers pay the city per validation coupon, Feldman said the idea for the movie theater to pay so little compared to others was to get locals to the village.

O'Rourke contends with the length of time movies are in the theater – months not weeks – that would point toward the theater having an eye toward tourists, not locals and therefore wants the board's help with making the validations equitable. The city manager also asked for assistance with getting all retailers to offer validation that will provide consistency for retailers.

Gary Casteel from Trans Sierra Investments, the group that owns the bulk of the retail buildings, said it's easier for someone selling high-end art to offer validation than someone selling an ice cream cone.

In the era of trying to all play nicer together, Feldman pointed out there was resistance from officials with the city who are no longer on the payroll for things like banners and other visual displays to spruce up the area.

"Let's look at this relationship from a different perspective and bury the adversarial tones," O'Rourke said.

O'Rourke told the PADMA board how the current council wants to build partnerships – which includes with the folks at Heavenly Village. It's part of the council's economic development plan.

The more Heavenly Village is successful, the more sales and hotel taxes the city collects – not to mention parking fees.

Feldman said most of the businesses are seeing double-digit gains over the prior year. Campbell noted the Marriott properties are doing well this season, too.

“Luxury items are off a little bit like the rest of the country,” Casteel said.

Kerry David with David & Johnson certified public accountants went over the November and December financials. The numbers prove early snow isn't always a good thing.

Snowmelt was budgeted to cost \$1,746 in November, when in fact the bill came to \$16,975. For December, the deficit was \$4,584. The good news is a dry January made up \$19,000 in savings with no snow on the ground to melt.