

Big 5 lease may save Y Factory Stores

By Kathryn Reed

With the Factory Stores at the Y signing a multi-year lease agreement with Big 5 Sporting Goods, the South Lake Tahoe center may be able to find solid financial ground.

"I'm still in negotiations with the bank and trying to get a loan modification. Certainly the Big 5 lease helps me. But nothing has been settled yet," Shannon Casteel told *Lake Tahoe News*.



Casteel and her sister Nancy Irmer bought the center in 2004 from their brother Gary Casteel. Since Irmer's death her family and Shannon Casteel have operated the center.

As reported last month by *Lake Tahoe News*, the center that is located on one of the four corners of the Y, was about to be auctioned off. That did not happen. Casteel is trying to save her business.

Casteel said she has been talking to Big 5 for five years about moving in. All the hurdles were cleared and the retailer already has keys to the building. They will be taking over the old Adidas spot.

"They are hoping to open before Memorial Day," Casteel said.

Calls to Big 5 headquarters in El Segundo were not returned. Other Big 5 stores in the area are in Minden, Carson City, Placerville, Reno and Sparks.

City Manager Nancy Kerry told *Lake Tahoe News* she got word March 6 that Big 5 is coming to town.

“It is very exciting news. I understand they will have a job fair in the next couple weeks,” she said.

How many employees will be hired is not known.

While the Adidas store was not one of the top 25 sales tax generators in South Lake Tahoe, Kerry anticipates Big 5 being able to bring in the kind of numbers that would put it in the company of Grocery Outlet, DIY, Ross and Fresh Ketch. Those are some of the top 25 sales tax producers.

Sales, property and hotel taxes are the three main revenue sources for the city.

Kerry said when she got wind Big 5 was looking seriously at South Lake Tahoe she reached out to the company to see how the city could help.

“We are definitely doing everything we can to encourage retail. We don’t want to be a roadblock to them,” Kerry said.

On the April 2 City Council agenda will be an item to waive special use permit fees. Right now a prospective business may have to pay thousands of dollars to determine if the location they want to operate at falls within the parameters of the city’s rulebook. Even if it doesn’t, the fee, per today’s policy, must be paid.

Casteel is also in negotiations with other potential renters.

“I can’t say who because we have not signed the lease,” Casteel said. “I have another major tenant that I am negotiating with right now. They would take the area from (the Big 5) store toward where Great Outdoors was.”

She also said people are interested in renting the storefront on the corner closest to Emerald Bay Road.

The Big 5 lease is for five years, with an option for 20.