

Chateau land under 1 ownership for first time



The Chateau project in South Lake Tahoe is beginning to look like the original designs.

By Kathryn Reed

For the first time in the project's history, South Lake Tahoe's "hole in the ground" is now under the control of one owner.

Tahoe Stateline Ventures, a subsidiary of Owens Realty Mortgage, has closed escrow on the nine parcels that encompass 3.4 acres at the site that it did not own. The company paid City National Bank \$6 million in cash.

TSV is in the process of developing the retail along Highway 50. The construction fence is expected to come down by June, if not sooner. Stores will open in late summer or early fall, though tenants have yet to be named.

"It's very exciting news that Mr. (Bill) Owens is continuing to invest significant resources into the community and is committed to this project and to see it to fruition one way or another," South Lake Tahoe City Manager Nancy Kerry told *Lake Tahoe News*. "This is the perfect outcome – one owner who can

now design the right project or attract the right capital investors.”

It was in June 2007 that construction started at the 11-plus acre site on what was to be the largest redevelopment project in the city’s history. At the time it was going to cost \$410 million to build two hotels, a convention center, nightclub, retail and open spaces. The opening was to be two years later.

Instead, Lake Tahoe Development Company, run by Randy Lane of Zephyr Cove, went bankrupt. The more than 20 parcels were never consolidated into one map. Locals lost their life savings. And the city was left with an eyesore.

Last year construction started on the first phase. There will be 19,000-square-feet of retail, which does not include the restaurant-night club. (By comparison, Heavenly Village has about 120,000-square-feet of retail.) The restaurant will be the new McP’s, which was the original plan. The circular entrance is now visible over the fence at the corner of the highway and Stateline Avenue.

What comes next remains to be seen.

Attorney Lew Feldman, who represents TSV, was not available for comment.

“This acquisition provides ORM the flexibility to make minor project reconfigurations resulting in greater development opportunities, which should enhance the marketability of the project,” Owens said in a statement. What that really means is not known.