

# Chateau project given go-ahead for next phase

By Kathryn Reed

While concern remains about the adequate number of parking spots and the safety for pedestrians crossing Highway 50, the South Lake Tahoe Planning Commission on Thursday unanimously approved changes to the next phase of the Chateau project.

A special meeting was required April 30 to answer questions from a meeting earlier this month.

The approval will allow Tahoe Stateline Ventures (TSV) to proceed with the 32-unit condo project. This full ownership lodging facility will give owners the opportunity to put their units into a rental pool.

Also part of the next phase are amenities for the lodging property, like a pool; 19,477-square-feet of retail; upgrades to the streetscape; and public fire pits.

This next phase encompasses 3.4 acres and should break ground this summer.

The project requires 6,307 square feet of commercial floor area from South Lake Tahoe. The City Council already approved that allocation, but it must come back to that board for the commodity to be assigned to this project. That is likely to occur May 19.

TSV is a subsidiary of Owens Financial. This is the lending institution that acquired all of the parcels on the 11.4-acre site near the state line after the project went bankrupt under Randy Lane of Lake Tahoe Development Company.

"They are trying to sell it to a real developer," Lew Feldman, attorney for the TSV, told the commissioners.

It is unusual for a bank to become a developer. The thinking was if the project that was first approved in 2007 made progress from being more than concrete and rebar that it would be more enticing to prospective developers.

TSV has permits with the city and TRPA, with the former having been revised a couple times.

TSV is working under the 2007 permit from the Tahoe Regional Planning Agency that lists Lake Tahoe Development Company and the now defunct South Lake Tahoe Redevelopment Agency as the permittees. While people keep saying the permit goes with the landowner, nowhere in the permit does it state that. The permit says, "[The permittee] also understands that if the property is sold, [permittee] remains liable for the permit conditions until or unless the new owner acknowledges the transfer of the permit and notifies TRPA in writing of such acceptance."

TRPA has not received anything in writing from TSV, though TRPA and Feldman said something would be forthcoming.

In the interim, it is not known what kind of liability the city may still have if someone were to be injured at the site or other legal issues arose because City Attorney Tom Watson refused to return *Lake Tahoe News'* phone calls.

The overpass for Highway 50 linking the Chateau to Heavenly Village that was in the 2007 plans was eliminated with a recent revision. Commissioners on Thursday discussed whether this next phase should trigger TSV having to put in upgrades to pedestrian crossings along the highway.

A traffic study has shown no pedestrian accidents since the improvements were made to Friday Avenue. Jan McCarthy, who owns the nearby Stardust Lodge, said her guests do not have difficulty crossing the highway.

It was decided that in Phase A, which includes the bulk of the

lodging, that the property owner will have to pay his share for improvements.

While there are not enough parking spots for all of the potential users at the site – especially and maybe only if a convention center type entity were built – the commissioners spent the most amount of time on that issue. It's an issue that was brought up when the project was first approved. At that time using casino lots was the answer.

The commissioners acquiesced; realizing at least with the next phase there should be ample on-site parking.

No one has a crystal ball to know if a convention center will ever be built. When the Redevelopment Agency was part of the project it was going to invest \$55 million in what was to be a 40,000-square-foot community facility. That money is off the table since Gov. Jerry Brown dissolved redevelopment agencies.

In order to substantially change the project, the developer at that time would likely have to go through the environmental process again. That takes years and costs six figures. What the build out at the site will look like will in large part be determined by what the market dictates.