

# SLT proposing significant project near Ski Run



The triangle area in green represents the area South Lake Tahoe wants to acquire, while the gold section is the “southwest corner” property at Ski Run and Highway 50. The purple section is California Tahoe Conservancy land. Map provide by South Lake Tahoe

**By Kathryn Reed**

Bulldozing and starting over is what many people would like to do with a majority of parcels in South Lake Tahoe.

One-by-one the California Tahoe Conservancy is doing this. The board in March will have a say in whether that happens to the Knights Inn that fronts Highway 50 at the corner of Herbert Avenue.

First, though, it will be the South Lake Tahoe City Council deciding if it wants to buy the property. It is adjacent to

what is loosely known as the “southwest corner” parcel at Highway 50 and Ski Run Boulevard.

The goal is to combine the two parcels, which together is about 6 acres, into one development plan.

The city owns the parcel at Ski Run, having bought it from the now defunct Redevelopment Agency for \$800,000. It has been in escrow for more than a year with Halferty Development Company out of Sacramento for \$1.3 million.



Knights Inn may be razed, including Mo’s Place. The recently paved sidewalks will stay intact. Photo/LTN

The hotel site, which also includes a conference center on Lloyd Avenue as well as owner Pradip Patel’s residence on that street, has been appraised at \$4.5 million. On Feb. 16 the council will be asked to vote to buy it for \$6 million. The added costs account for the value of the commodities, which include 110 hotel units (which bring in approximately \$100,000 year in transit occupancy tax), about 5,000-square-feet of commercial floor area, and a substantial amount of coverage.

The bulk of the money to buy the property is projected to come from the CTC, with the city contributing the money from the sale of the southwest corner and probably a couple hundred thousand dollars. Which fund that comes out of the council will decide.

Assuming the CTC board green lights the idea, the city would spend the summer doing environmental analysis. The CTC board would then make the final decision at its October meeting. The developer and city would spend next fall-winter getting permits, and construction could begin in May 2017.

“If it all falls together, it will be a beautiful entryway. It will be remarkable,” City Councilman Austin Sass told *Lake Tahoe News*. “If it happens, it will be very exciting for our town.”

Sass with Councilman Hal Cole make up the city’s real property subcommittee, which has been negotiating the deal along with city staff.

While the specific tenants are not known, not even the types of businesses are being disclosed. What city officials would say is the retail won’t be T-shirt shops or a drug store. They said businesses not currently operating here are who the developer is wooing. The city as landowner has negotiated a deal so that it has final say over what type of business goes in.

It will be a mini-village of sorts with varied retail, that will be walkable, aesthetically appealing, and potentially have an educational component regarding the environment.



The “southwest corner” lot comes with 88 parking spaces in the adjacent garage that otherwise is controlled by Lake Tahoe Vacation Resort. Photo/LTN

The developer already bought 12,000-square-feet of CFA from the city for the southwest corner. They will need more to do the project they have in mind. Between the two parcels three buildings may be constructed. Depending on the tenant(s) it could be a build-to-suit scenario. The southwest corner can have a maximum height of 56 feet, and the hotel property can go up to 44 feet.

It’s too soon to decide if a long-term lease will be entered into or if one day the city might sell the land to the developer or another entity.

The entrance Sass referenced would be at the corner of Ski Run and Highway 50. On the hotel property a water feature is planned to capture the natural flow of the runoff that comes down from the mountain side (and is the reason the hotel for years has had flooding issues), and then have it go under the highway to the lake. Right now it flows that way without ever being treated.

This area was once a stream environmental zone.

The Conservancy funds these sorts of endeavors when there is a significant environmental gain. City officials estimate 8,000 pounds of sediment could be prevented from reaching the lake with the proper erosion control measures put into place. This in turn would meet more than 20 percent of the city's sediment reduction goals that Lahontan Water Quality Control Board has mandated for the five-year period starting this year.

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**Notes:**

- The City Council meets Feb. 16 at 9am at Lake Tahoe Airport.