

# TAUs secured for Tahoe City Lodge

By Kathryn Reed

KINGS BEACH – Despite an ongoing **lawsuit** that could upend the Tahoe City Lodge project, more pieces of the development were secured last week at the California Tahoe Conservancy meeting.

The state board on June 15 agreed to sell 16 residential and tourist accommodation units that would equate to 61 usable units based on a bonus formula. The TRPA still needs to certify the transaction.

The Tahoe Regional Planning Agency has created commodities out of these units as well as commercial floor area, so now they have a monetary value. The initial goal was to limit development. The policy now restricts redevelopment and adds significantly to the cost of a project. It puts a cog in the wheel of the free market.

The bi-state regulatory agency subsequently came up with “bonus units” if the commodities came from a stream environmental zone. So, the overall amount of potential development is somewhat arbitrary.

Placer County was the one doing the purchasing at the CTC meeting.

The hotel is 118 units. It will be 78 condos and 40 traditional hotel rooms. The four-story structure will front Highway 28 and replace a dilapidated structure. The condos can be put into the rental pool as hotel rooms.

Some, though, question how tourist accommodation units are being used for the condos.

Ann Nichols with the North Tahoe Preservation Alliance is

worried the CTC is becoming a development agency and told the board as much. (Board member Larry Sevison was absent.)

The mission of the CTC "is to lead California's efforts to restore and enhance the extraordinary natural and recreational resources of the Lake Tahoe Basin."

Having the bank of commodities helps ensure the CTC's solvency, especially as state bond money dwindles.

CTC and Placer had been negotiating a price of \$12,000 per unit. When the state got wind the city of South Lake Tahoe was selling TAUs to Placer at \$12,500, they inflated their price last month. That 64-unit transaction, though, with the city and Placer is not complete and is not expected to be until the Knights Inn in the city is demolished this summer. The \$12,500 figure was agreed to about three years ago.

Jennifer Merchant, deputy CEO for Placer, told the board that changing the price at the last minute was not fair. Ultimately the board agreed to a per unit price of \$12,250, for a total of \$747,250.