

Chateau project on track to be completed

By Kathryn Reed

In less than four years it's possible the much maligned Chateau project in South Lake Tahoe will be completely built out with a hotel that includes a rooftop pool, condos that come with another pool, a high-end bowling alley where the convention center once was planned, outdoor movie theater showing family-friendly films, restaurants and retail.

Developers for the site were before the South Lake Tahoe City Council on Tuesday requesting 15,770 square feet of commercial floor area to help bring the project to fruition. After much discussion, the council agreed to set aside the CFA for the project with the caveat that if the project isn't developed, the CFA returns to the city.

CFA is something the Tahoe Regional Planning Agency came up with years ago as a way to curtail development. Instead these commodities just escalate the price of a project.

Midkiff and Associates, the local planners representing the developers, contend the CFA was part of earlier deals and that there should be no charge today because it was already promised for this project. While the city had no proof one way or the other, staff and electeds relied on what was presented and gave the CFA to the project.

Now being called the Resort at Tahoe, the plan is for a \$500 million infusion of cash into South Lake Tahoe. The goal is to have a second village on the other side of Highway 50 near the state line.

Developers say the project will bring in \$13 million a year in transient occupancy tax and \$1.4 million in sales tax. The

hotel tax is based on 14 percent TOT on hotel rooms that could go for \$550 a night, a one-bedroom condo for \$850/night and possibly \$2,500/night for a four-bedroom condo. They are expecting to be priced competitively with neighboring Zalanta.

“The project is ready to start the first phase this summer. We are intending to submit to design review to staff in the next week or two,” Gary Midkiff with Midkiff and Associates told the council March 20. This would be 16 units above the current retail.

According to the developer, the preliminary parking analysis calls for there to be enough parking already planned to accommodate what they want to do.

This is surprising considering when the project was first approved the plan was to use casino parking lots to handle overflow from the site. It's a much different world today with the Stateline casinos charging for parking at various times and no longer wanting non-patrons leaving their vehicles there.

Planning consultant Lyn Barnett was at the meeting representing neighboring Stardust hotel. He said that property has about 50 vehicles a year towed because they've parked there illegally. He is worried parking will just get worse with more development.

“Until there is an application and some type of analysis of the application, it's hard to know the impact on neighbors in the area,” Barnett said.

That's one of the unusual things about what transpired on Tuesday. This item was brought to the council just days after being requested by the planner and there was no application. This is practically unheard of in the planning world, especially in the Lake Tahoe Basin.

Barnett was with the TRPA as a planner when the two amendments

were made to the operating agreement for the Chateau project.

“We have concerns about the 1998 document even being valid. I think it’s stale. We have a new Regional Plan, a new city General Plan, we have a community plan that replaces an area plan,” Barnett said. “There should be a scoping for an environmental document if there is a third addendum.”

The developers believe because they have a valid building permit they can go forward without further review even though changes are being made to the project.

When the project was first approved it was to include two hotels, a convention center, retail and open space. The city was going to be the operator of the center and take care of the common areas. Since the original developer filed for bankruptcy the city no longer has a financial stake other than collecting taxes.

But the city does have the responsibility to ensure the project conforms to approved permits, to ensure further analysis is not required, and to insist financing is in place before construction permits are issued.