

Future of Chateau up to S. Tahoe City Council

By Kathryn Reed

While the South Lake Tahoe Planning Commission on Thursday spent hours listening to testimony about the parceled down Chateau project, it will ultimately be up to the City Council on June 11 to decide what happens.

Much of the dialogue had nothing to do with what the commissioners were asked to take action on. History of what was to be a \$410 million two hotel-convention center-retail project was hashed out, along with talk about how many locals have lost millions of dollars because of their misplaced trust in believing original developer Randy Lane would complete the project and not leverage their property.

City Manager Nancy Kerry, at the end of the meeting, said, “A lot of mistakes were made. A lot of people’s lives were harmed. We can’t undo the mistakes of the past. We agree it was a process problem.”



Harry Segal, an original property owner who is still in litigation, talks while current property owner Bill Owens (head down) listens.

Photo/Kathryn Reed

She said this time around staff is being more prudent and skeptical so those same mistakes are not repeated at the 11-plus acre site near Stateline.

This was evident when city engineer Sarah Hussong-Johnson and Deputy City Attorney Nira Feeley repeatedly said it is not up to the city to make a decision about the Caltrans right-of-way. An encroachment permit, per city regulations, is needed from Caltrans before the new building permit could be issued.

Lew Feldman, the attorney representing the developer, advocated the commission say that construction could begin without it. Staff said no way and that it is not up to the commission.

Kerry also said no authorization to go forward will be granted – assuming that is the course council takes – without proof the six parcels the applicant wants to build on this summer are consolidated into one map.

It was repeatedly brought up how the 29 parcels' never becoming one led to many of the financial woes and problems that exist with property owners.

Rick Edwards, one of the original property owners, said, "Until we are made whole, this project should not go forward. I will do everything and anything to stop this project from going forward."

He said a handful of locals are owed about \$10 million.

Before the meeting he told *Lake Tahoe News* he felt bullied and threatened by Lane back when the developer was trying to shore up financing.

About 30 people attended the meeting, including all City Council members except JoAnn Connor. Seven people spoke,

including a representative from City National Bank, which owns nine of the 29 parcels. The entrance off Cedar Avenue will affect a couple of those parcels. That person said so far they are not taking a position on the proposed project.

Three hours after all the talk the commission twice voted 3-1 to approve staff recommendations. Commissioner Tammy Wallace was the dissenter both times, but she didn't explain her vote. Commissioner Jason Drew was absent.

The commissioners recommended to the council that:

- The original environmental documents be found valid;
- That 10,000 square feet of commercial floor area be designated to the project but that an additional 1,705 square feet of CFA that would come from a special projects pool be denied;
- The design review permit be granted;
- The special use permit for the increase in number of compact car parking spaces be granted.

The second vote involved abandonment of the right-of-way of a portion of Laurel Avenue and Poplar Street.

What is expected to be a two-year project is the building of retail along Highway 50 and a much larger McP's restaurant at the corner of Stateline Avenue.