Mixed-use retail likely at Ski Run-Hwy. 50



A developer bought this parcel from South Lake Tahoe for $1.1 million. Photo/LTN file

By Kathryn Reed

One of South Lake Tahoe's prime pieces of real estate may be more than a plot of dirt 18 months from now.

Halferty Development Corporation out of Pasadena has until June 1, 2016, to obtain a building permit for the nearly 1.5 acres at the corner of Highway 50 and Ski Run Boulevard and still retain incentives from the city.

The City Council on Jan. 20 unanimously agreed to sell the parcel to the developer for $1.1 million. For that amount the city is also throwing in 12,000 square feet of commercial floor area (CFA) if the developer follows an agreed-upon timeline.

The property did not have any CFA or tourist accommodation units (TAU). It does have coverage and 88 parking spaces in the garage next door. How many more parking spaces it will have depends on the building and the design.

CFA and TAUs are commodities the Tahoe Regional Planning Agency came up with years ago to regulate growth, but instead have backfired a bit by creating a less than free market for development and value in items that don't exist elsewhere in the world.

The city acquired this property from the South Lake Tahoe Redevelopment Agency for $800,000 after the state dissolved redevelopment agencies. At that time the council borrowed the money from reserves with the intent that it be returned to that pot. However, City Manager Nancy Kerry pointed out that this council may do what it likes with the $1.1 million. The council did not discuss where the proceeds would go.

A mixed-use retail center with the possibility of tourist units on the second floor is one concept. The city has been promised a drive-through drug store will not be going there. Other developers have wanted to build one, and Halferty has experience doing so.

James Halferty was not available for comment. He was one of three developers vying for the land.

Mayor Hal Cole told *Lake Tahoe News* the Southern California firm was chosen because it has the most experience, has the ability to start right away and came up with a price the city liked. Plus, Halferty was willing to give the city more control than the others.

"The most important thing is that it needs to look nice," Cole said.

He knows tenants will change through the years, but he wants a building that will last 50 years, not look dated and rundown. During council member comments Cole expressed his frustration with the Auto Zone and BevMo buildings looking like they could be built in any town. He wants a more rigorous design standard so there is more of a mountain feel to what is built going forward. He is proposing the Planning Commission have more

input into design.

How many millions of dollars Halferty will invest remains to be seen.

And if lodging is part of the project, he will have to obtain TAUs. Kerry said the city would work with smaller hotels and those wanting to buy them to help make that a reality.

A possible use is some sort of food court that would be attractive to the summer beach crowd and winter skiers. It could be grab and go, as well as have areas to sit around fire pits.

“He said to the negotiating committee, ‘What do you really want and I’ll build it’,” Kerry said. But with its being a small parcel, the options are somewhat limited.

There will be entrances off both streets. And pedestrians will get a crosswalk from this site to Ski Run Marina across Highway 50.