Gamesmanship impacts SLT Knights Inn project

By Kathryn Reed

The animosity between the California Tahoe Conservancy and city of South Lake Tahoe was palpable last week at the state agency's board meeting.

Tom Davis, who is the city's rep on the CTC board, said it's time to clarify what the staff can do and what should come to the board.

The acrimony is about the CTC staff, Executive Director Patrick Wright in particular, deciding without the board weighing in to pull funding for a city project on Highway 50 near Ski Run Boulevard.

At the **March CTC board meeting**, the state put $4 million aside for the project that in some circles is known as Bijou Park Creek Watershed and SEZ restoration project, to some it's the Knights Inn project and to others it is the Whole Foods project. It was to be on the September agenda. Instead, the agenda item was a $397,900 planning grant to study an even larger swath of land beyond the Knights Inn parcel.

While the CTC board approved it, the City Council could turn it down.

Razing the Knights Inn, bringing the stream that is piped underground to the surface, and other improvements paired with work at the neighboring parcel at Highway 50 and Ski Run would prohibit about 11,000 pounds of sediment a year from reaching Lake Tahoe.

While City Manager Nancy Kerry gave the CTC board a fast, detailed rundown of the last six months, Wright stared in the

opposite direction at the screen that showed the text for the item the board would vote on. Then while City Councilman Austin Sass spoke, Wright stared at him intently. The hostility was evident from everyone.

The hang-up appears to be over bonus units, which is yet **another commodity** the Tahoe Regional Planning Agency has created. The bi-state regulatory agency allocates extra tourist accommodation units (TAUs) when stream environmental zones are restored. These TAUs have value – and the city and CTC each have a pot. They can be sold; and Placer County is an eager buyer because it has so few TAUs.

While Wright's written report to the board questioned whether Proposition 1 money would be appropriate for this project, this is just the sort of thing Prop. 1 dollars have been used for in the past. And in March it was all but a done deal; the exact dollar amount was more of the question than whether a check would ever be written.

In August, Wright would not return phone calls to *Lake Tahoe News* to talk about the project and board Chair Larry Sevison had no idea what was going on. Last week Sevison said maybe something could be worked out at the December meeting. Otherwise the board was silent.

After everyone spoke Sept. 15, Wright said, "We will do everything we can to make this work." This was also after Kerry and Sass had left the room, and Davis had made his statement.

The city intends to go forward with the development. What remains to be seen is if Pradip Patel, who owns the Knights Inn, will abide by the tentative agreement or keep asking for more money. It's Halferty Development out of Southern California that wants to buy both parcels and essentially do one project.

A private developer, though, is under no obligation to do the

environmental upgrades. That is why government dollars were being sought – to make this not just an economic project, but also an environmental one.