



Report: Firehouse redevelopment 'not financially viable'

Fire | July 18, 2019

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Redevelopment of the Tahoe City Firehouse properties would turn the site into a valuable community asset, according to proponents of the project.

However, a report shows the commercial building and arts center proposed are not financially viable.

“Based on our analysis there wouldn’t be any project that would be commercially, financially viable on this site,” said Rob Hunden of Hunden Strategic Partners, the company hired to complete a feasibility study. “That’s not to say that they couldn’t be with some jumpstart.”

According to the report “the site size, environmental constraints, allowable uses, parking restrictions and building envelope restrictions all contribute to making this jewel of a site too expensive to develop without assistance.” The report stated that even a hotel, which is likely the best use but not allowed on the site, would not be financially viable.

Hunden, who presented the report to the North Tahoe Advisory Council on July 11, said anything developed on the site would need an investment from Placer County or an outside entity.

PROPOSED OPTIONS

The Firehouse properties are comprised of two buildings that sit on a 4.3-acre parcel and makes up Commons Beach. The site located in downtown Tahoe City, includes the former North Tahoe Fire Station 51, the Tahoe Community Center Building Tahoe Community Center building and the former visitor center building located at 300 and 380 North Lake Boulevard.

One proposal for the site is the Commonwell Project, which consists of a 20,000 square-foot Retail space and 35 parking spots for a total projected cost of \$14.5 million. The reports estimates a \$9.7 million funding gap for the Commonwell project, more than double what was estimated by the Commonwell project team.

A second proposal, Siren Arts at Tahoe City, would feature a 23,000-square foot community arts center, performance space that could accommodate 250 people, artist studios and classrooms, retail and exhibition galleries and a concession area. The Siren Arts’ original proposal suggested \$30 million in donated funds to cover upfront costs and ongoing development, while Hunden’s firm estimated \$18.7 million in upfront costs and \$2.1 million needed for the first 10 years of operation, a total of \$20.8 million.

“They would have to raise a significant amount of money to make this project happen,” said Hunden.

Representatives from the project team insisted that they would be able to complete the project.

“What you don’t see from the whole report is that our project is phased,” said Renee Kojane of the Siren Arts project. “We didn’t expect to run out of the gate with a \$20 million project. We’re very realistic and we’re very low risk.”

BACKGROUND

As outside funding will be needed for the projects, Hunden said the county must determine how much funding it is willing to dedicate to the redevelopment of the site. He suggested the groups behind each project be given the chance to prove their ability to develop the projects.

The entire parcel was deeded to the public through an act of congress by Ulysses S. Grant in 1872. In April 2017, Placer County began exploring options for the properties through a series of community workshops. A committee, comprised of four county staff members and four community members then reviewed four submitted proposals of which two were selected, as they were most aligned with the community’s vision.

In December, the county contracted Chicago-based Hunden Strategic Partners to conduct the feasibility study of the projects.

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