

SLT convention center in bankruptcy



By Kathryn Reed

Randy Lane's Lake Tahoe Development Company filed for bankruptcy Monday in regards to the largest development project ever to break ground in South Lake Tahoe.

The more than \$400 million convention center near Stateline sits idle – concrete and rebar now slightly dusted with snow.

Lane on Tuesday said this is just the next chapter of the saga that has plagued the project when financing could not be secured. He owes creditors about \$54 million.

He said he opted for Chapter 11 because this means the court will have to approve a restructuring plan with the consent of creditors. Chapter 7 would have meant the sale of assets.

With the 11-plus acre site being appraised at \$105 million in April, Lane said equity remains in the project and he is confident one day it will be a profitable endeavor.

"It's just a way for us to come up with a plan. We have a couple of new concepts we are exploring. We need the time to do that," Lane said of the months it is likely to take to settle things in federal bankruptcy court. "There are some sources of capital out there that are non-traditional. Some of them are a byproduct of the of the stimuli programs."

With the news just reaching city officials this week, they are

not sure what their course of action will.

The contract doesn't have a caveat in it if the developer files for bankruptcy.

City Manager Dave Jinkens said City Attorney Patrick Enright, who was hired to specialize in redevelopment matters, will take a look at the issue and get back to staff and the council.

Mayor Jerry Birdwell did not want to comment on the bankruptcy.