Resolution for some of Lane's troubled South Shore land deals

By Kathryn Reed

Randy Lane, the developer of the would-be convention center in South Lake Tahoe that is a pile of rebar and concrete after his Lake Tahoe Development Company filed for bankruptcy on that project, is making news on both sides of the state line.

Regarding the property in South Tahoe, Owens Financial has filed a foreclosure notice on the remaining properties that were owned by Lane. If the trustee sale goes through on March 20, then Owens Financial will own those properties and Lane will not have any interest in the 11-acre site, South Lake Tahoe City Attorney Patrick Enright told *Lake Tahoe News*.



Lake Vista Apartments in Stateline.

A portion of the project is going forward on land that Bill Owens already owns. His proposed retail development along six parcels that front Highway 50 is in the design review stage with the city. While he wants to start the project this building season, a performance bond and consolidation of the properties must be done first. He does not need a new building

permit, just to tweak what was approved to allow for the project to go forward in stages. The proposal should be before the city Planning Commission in April or May.

In Douglas County, officials have worked out a settlement with the now-defunct Falcon Capital LCC that Lane once owned and ran.

The county filed a claim against Falcon Capital for breach of contract and misrepresentation. Falcon Capital was supposed to maintain the water quality improvements at Kahle Drive in Stateline after the county put them in. The construction of these improvements was a condition of approval imposed by the Tahoe Regional Planning Agency.

“When Falcon Capital did not perform its obligations under its contract with the county, the county filed suit and obtained a judgment against Falcon Capital on the breach of contract claim in the amount of $439,205.32,” County Manager Steve Mokrohisky told *Lake Tahoe News*. “Falcon Capital is now out-of-business and transferred its remaining assets, three parcels of undeveloped land located in Incline Village, to the county. The core claims against Meadow Brook Associates and Lake Vista Apartments are for unjust enrichment and equitable relief. Lake Vista is the managing partner for Meadow Brook Associates. These defendants were able to construct low-income housing on property formerly held by Falcon Capital.”

Douglas County commissioners at a meeting this month approved a 10-year settlement agreement that brings to a close the claims against Falcon Capital.

Mokrohisky said the only significant asset held by Meadow Brook and Lake Vista is the low-income housing project at 129 Market St. in Stateline. But, he added, it has been losing money for several years.

“The property is worth less than the amount due to the holder of the first deed of trust,” Mokrohisky said. “To settle the

case, these defendants have agreed to perform maintenance for the county at a cost of $5,000 per year. Because the county wants to encourage affordable housing at Lake Tahoe, the county is willing to work to reach a settlement.”