

Bondholders say Caesars defaulted on debt terms

By Eli Segall, Las Vegas Sun

Bondholders are ratcheting up pressure on Caesars Entertainment Corp., saying the debt-laden casino giant defaulted on the terms of possibly more than \$1 billion in debt when it sold four casinos to an affiliate this year.

Las Vegas-based Caesars, which received the default notice Thursday, rejected the claim as “baseless” and said the company would “defend itself vigorously against any action” the creditors take.

Caesars did not say which bondholders filed the notice against subsidiary Caesars Entertainment Operating Co., nor did it explicitly say how much debt the creditors claim is at stake.

However, the lenders say they hold 30 percent of \$3.7 billion in bonds that were issued in 2009, according to Caesars.

[Read the whole story](#)

Growing dome to teach South Shore students where produce comes from



Sierra Houses' growing domes will be much like the Truckee dome. Photos/Provided

Publisher's note: *This is one in a random series of stories about growing vegetables in South Lake Tahoe.*

By Kathryn Reed

Students at Sierra House Elementary School are about to get two nontraditional classrooms. They are going to be full of dirt – and ideally a lot of edible plants.

Parents and community members for some time have been working on bringing a growing dome to the South Shore campus. They are on track to have two domes installed by October.

Domes are a four-season geodesic greenhouse structure that use a fish pond and passive solar design to heat itself.

The original plan was one dome, 28-feet in diameter that would be 600-square-feet. Now the plan is two domes, each 18-feet in diameter for a total space of about 500-square-feet. They will

lose a little space this way, but gain more, too, in terms of teaching possibilities. Different crops and growing methods could be taught with two domes.

The smaller dome comes with fewer restrictions when it comes to permitting. Lake Tahoe Unified School District and Tahoe Regional Planning Agency still need to have final approval, but school board members told the group at a May meeting to carry on with the two-dome idea.

“The main goal of having a dome is for kids to see food growing year-round,” parent Rebecca Bryson told *Lake Tahoe News*.

It might mean a salad bar is created in the school cafeteria using all ingredients from the dome, or a veggie side dish is served from dome-grown produce. A lemon tree may be part of the dome and then kids could see what it’s like to have fresh squeezed lemons on a variety of things.

“We really envision during recess kids will go in there. We want it not just for instruction,” Bryson said. She expects kids will want to see how things have changed, to touch plants and explore on their own.

And the goal is not to limit it to Sierra House kids, but have other schools come for regular visits. Instructors will be teachers and parents.

This project is a collaboration between Sierra House PTA, Small World Parents Network, Lake Tahoe Sustainability Collaborative and the Truckee Dome Raising Project.

Truckee has had a dome for a couple years, but on private property. However, schoolchildren are there regularly. The South Shore contingency made another trip to Truckee this month to get more insight. Truckee’s dome at 36-square-feet is twice as big as one of Sierra House’s domes.

While the dome will be on district property, taxpayer money is not going into this. So far the group has raised \$85,330 of the estimated \$120,000 that is believed to be needed.

Part of that money is from a grant Gardens 4 A Healthy Tahoe secured through the General Mills Foundation. The \$20,000 awarded locally is going toward the domes and the South Lake Tahoe Family Resource Center's garden.

Once these domes are erected, the organizers would like to find a way for domes to be the norm throughout Lake Tahoe Unified. If this happens, then there is the possibility through AmeriCorps to have someone full time overseeing the domes.

Nutrition has been a growing quest of parents. They have been working with Kathy Martinez, the district's nutrition coordinator, to create parent-led nutrition classes. Bryson said they've found kids who've never eaten celery before or didn't know bell peppers could be orange. They also find that students will taste unusual produce in a classroom, but toss the same thing in the garbage in the cafeteria.

That is one way the dome may help – making different food fun, not scary and gross.

But not all of the food being wasted at the schools is ending up at a landfill. Sierra House began a composting program about 1½ years ago, Bijou and the magnet school started last fall, and Tahoe Valley will have one next school year.

At Bijou, the garbage had to be picked up every three business days. With composting, the garbage truck now comes about every 10 days. For health code reasons, compost is picked up weekly.

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Notes:

- For more info about the dome project, email

TahoeDomes@gmail.com.

- To donate to the cause, go online or write a check to LTUSD: SHGD and drop it off at the school or district office.

California Chrome owner a sore loser

By Beth Harris, AP

NEW YORK — California Chrome went home to the West Coast on Sunday with a bandaged right front foot — and no Triple Crown — after bumping another horse leaving the Belmont Stakes starting gate.

Steve Coburn, who co-owns California Chrome, was still smarting, too.

He was irked Belmont winner Tonalist didn't run in either of the first two legs of the Triple Crown. After the race, he complained others took "the coward's way out" by skipping the Derby and/or the Preakness.

A day later, Coburn was unrepentant.

"It's not fair to these horses that are running to entertain these people in all three legs of the Triple Crown," he said. "It's not fair to them to have somebody just show up at the last minute and run. I may have gone off half-cocked yesterday, but that's the way I feel."

Under Coburn's premise, there would have been just three

horses in the \$1.5 million Belmont, making it unlikely the third-largest crowd of 102,199 would have shown up or that a record \$19,105,877 would have been wagered on-track.

California Chrome, General a Rod and Ride On Curlin were the only horses to run in the Derby, Preakness and Belmont. General a Rod finished seventh and Ride On Curlin did not finish.

Art Sherman, the 77-year-old trainer of California Chrome, distanced himself from Coburn's comments.

"Horses aren't cowards and the people aren't cowards," he said. "He was at the heat of the moment. Don't forget he's a fairly new owner. Sometimes your emotions get in front of you. He hasn't been in the game long and hasn't had any bad luck."

Coburn and Perry Martin named their racing operation Dumb Ass Partners, with California Chrome the lone horse in their stable. The chestnut colt has earned \$3,317,800 this year and brought a six-race winning streak into the Belmont.

California Chrome had smooth trips in winning the Kentucky Derby and Preakness to set up a shot at racing's first Triple Crown in 36 years. But he had a rough trip in the 1 1/2-mile Belmont on Saturday, getting a chunk of flesh torn from his foot after bumping with Matterhorn coming out of the starting gate. California Chrome finished in a dead heat for fourth with Wicked Strong.

"It was kind of scary. You come back and see a horse bleeding from the foot," Sherman said. "He's never had anything wrong with him. We've been awful fortunate."

Sherman said California Chrome has a superficial wound that should heal in two to three weeks. The colt will then rest for six to seven weeks after a tough Triple Crown campaign that involved running in three races at different tracks and distances over five weeks.

His camp plans to point him toward the Breeders' Cup this fall at Santa Anita.

Sherman thought Coburn would apologize for his comments. Instead, the outspoken co-owner went even further Sunday.

"It wouldn't be fair if I played basketball with a child in a wheelchair because I got an unfair advantage," Coburn said. "If your horse is good enough to run in the Belmont, where was he in the Kentucky Derby and Preakness? It says Triple Crown, not one out of two, one out of three or two out of three."

Sherman said, "I can't make excuses. That's not really what you should do in these type of races."

Frenchman Christophe Clement, who won his first Triple Crown race with Totalist, declined to comment on Coburn's remarks.

Coburn had predicted California Chrome would win the Triple Crown.

"If they want to call me a sore loser, I don't care," he said.

Horses are made eligible for the Triple Crown races in January. Owners and trainers of horses not nominated can pay a late fee of \$6,000 in March to get in. The 20-horse field for the Kentucky Derby is decided by a points system, with horses earning points for running in prep races. The Preakness and Belmont have maximum fields of 14, but no points system is used.

It's common for horses to drop in and out of the Triple Crown series. In 1978, when Affirmed won the Triple Crown, the Belmont had a five-horse field. Two of the colt's rivals did not run in the first two legs and one only ran in the Derby.

In 1977, Seattle Slew won the Triple Crown. The Belmont had eight horses, and five did not run in the first two legs. One ran only in the Preakness, and one other besides Slew raced in all three legs.

On Saturday, second-place finisher Commissioner was new to the Triple Crown series. Winner Tonalist wasn't ready for the Derby, so trainer Clement prepared him for the Belmont.

"California Chrome was running with tough, fresh horses that were waiting in the wings, and that's what happens," Sherman said. "We all know when you're on this trail you got to have an iron horse."

The veteran trainer hopes California Chrome's owners will keep him running next year as a 4-year-old. He credited the colt for having a lot of talent and taking his handlers on an exciting ride.

"This is one of them races that we couldn't win," Sherman said, "but he didn't disgrace us any."

Stay at home dads on the rise; many are poor

By Jennifer Ludden, KQED-TV

The number of dads staying at home with their children has nearly doubled in the past two decades, and the diversity among them defies the stereotype of the highly educated young father who stays home to let his wife focus on her career.

A study from the Pew Research Center finds that almost 2 million fathers are at home, up from 1.1 million in 1989. Nearly half of those men live in poverty.

"The largest share of stay-at-home dads are actually home because they're ill or disabled," says Gretchen Livingston, a senior researcher at Pew. "So that could be contributing to

their low income, obviously.”

Another chunk of men say they’re at home because they can’t find a job.

“About 22 percent don’t have a high school diploma,” says Livingston, “and 36 percent have just a high school diploma but no college experience.”

Read the whole story

‘Bigfoot and the Baby’ captures the imagination

By Kathryn Reed

Is it any more irrational to believe in God than it is to believe in Bigfoot?

While that is not a direct question posed by Ann Gelder in her first full-length novel “Bigfoot and the Baby,” it is a thread that is woven throughout the book.



This is also Bona Fide Books’ first foray into fiction. The Meyers publishing house will release the book June 13.

It’s 1986 and Jackie Majesky has suddenly become obsessed with God and the need to be saved. Her husband, Kyle, is a chronic TV watcher of a show that tracks Bigfoot. Together they have two daughters – a slightly rebellious and disinterested

teenager and a newborn who wails incessantly. That is, until she meets Carl.

In the quest to find – and briefly live in what was to be a Utopian society – the Majeskys are tested in their beliefs of each other and humankind. And while that might sound like everyday life, theirs is anything but that.

Gelder is able to paint a picture with prose to describe a world consumed by materialism and the need to believe in something bigger than us. The characters are believable even in their outlandish moments. That's part of what is captivating about the book – that while the story is fiction, there are elements of it that seem so plausible.

The book ends in such a manner that a sequel seems possible. But the author says there are no plans at this time to revisit this quirky family.

While clearly the book is fiction, it does make you wonder why people believe in fictional characters they've never seen.

At this time Bona Fide has no other works of fiction in the pipeline. In 2015 Bona Fide plans to publish three nonfiction books: "Permanent Vacation II," "Tahoe Sepia," and "July & Winter: Farming and Gardening in the Sierra."

"I didn't plan to expand into literary fiction, but I read this manuscript a few years ago and couldn't stop thinking about it. It's the kind of book I like to read: smart, weird, and funny with great characters," Kim Wyatt, publisher at Bona Fide, told *Lake Tahoe News*.

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Notes:

• Events:

June 13, 7pm, Lake Tahoe Community College library South Lake

Tahoe.

June 14, 10am-1pm Making It Strange: A Workshop for Fiction Writers Bona Fide Books headquarters, Meyers. Sign up [here](#).

June 22, 6pm Tongue and Groove, The Hotel Cafe, 1623 1/2 No. Cahuenga Blvd., Hollywood.

June 26, 6-8pm, Village House of Books, 326 Village Lane, Los Gatos.

July 10, 7-9pm, Folio Books, 3957 24th St., San Francisco.

Aug, 14, 7pm, Why There Are Words, Studio 333, Caledonia St., Sausalito.

- The book is available online for \$15.

Growing number of boomers are problem gamblers

By Mark Miller, Reuters

Once upon a time, bingo was the biggest game in town at the local senior center. But you're far more likely to find today's seniors manning a slot machine at the local casino – and some have become gambling addicts.

Problem gambling among older people is on the rise. Seniors have time and money on their hands, and the proliferation of casinos in most regions of the country has made gambling more convenient.

"What we are seeing is that seniors are the backbone of the modern casino industry," says Keith Whyte, executive director

of the National Council on Problem Gambling (NCPG), a nonprofit organization that advocates for programs and services to help problem gamblers and their families. “The marketing and promotion to seniors is light-years from what it was.”

Experts say gray gambling addiction will become more prevalent as the baby boomers age.

Read the whole story

Read the whole story

1 in 8 U.S. kids will experience serious abuse or neglect

By Karen Kaplan, Los Angeles Times

About 1 in 8 American children will experience some form of maltreatment serious enough to be confirmed by government authorities, new research shows.

Slightly more than 2 percent of kids are victimized during their first year of life, 5.8 percent are mistreated before their fifth birthday, and 12.5 percent experience some form of abuse or neglect before they turn 18, according to a study published Monday in JAMA Pediatrics.

“Confirmed child maltreatment is common, on the scale of other major public health concerns that affect child health and well-being,” the study authors wrote.

The estimates are based on data from the National Child Abuse and Neglect Data System Child Files, which identified nearly 5.7 million children who suffered documented cases of neglect or physical, sexual or emotional abuse between 2004 and 2011. (The true count of victims is believed to be much higher, since most cases never make it to government officials.)

Read the whole story

Lake Tahoe Airport's financial flight plan unique



Lake Tahoe Airport runway improvements are in large part because of FAA grants. Photo/LTN line

By Joann Eisenbrandt

“There are many people in the community who question the value of the airport and why the city continues to subsidize airport operations. This persistent question must be answered.”

– Letter to South Lake Tahoe after the Feb. 13 Airport Master Plan Community Meeting

For decades, Lake Tahoe Airport has been a highly visible symbol of the lake’s acrimonious and complex balancing act between economics and environment.

Does the airport provide economic, safety and access benefits significant enough to offset any environmental impacts it may cause? This is the larger question; but for now, let’s set aside the environmental issues and focus just on the economic ones. How is the Lake Tahoe Airport funded? Is its economic value measured only by the balance sheet of revenues versus expenses, or is there a broader definition of its financial impacts on the community?

South Lake Tahoe is updating the airport’s 20-year-old master plan. The city received a \$315,000 FAA grant for completion of the master plan and contracted with C&S Companies in July 2013 to prepare the plan at a cost of \$280,212. The FAA’s share is 90 percent (\$252,191) and the city’s share is 10 percent (\$28,021), which was budgeted in fiscal year 2012-13. The city had the first community meeting on the plan Feb. 13 and the second May 29.

The master plan is the airport’s blueprint for the future – how the physical plant will be configured, how operations will be financed, what types of aircraft will use the facility, and how the needs and priorities of the community will be addressed. South Lake Tahoe City Manager Nancy Kerry described the process to *Lake Tahoe News* as, “a public process funded by the federal government to make the best use of the airport. We hired (the consultants) to talk to other airports and see what’s their strategy, to find out how to manage the airport

in the best way.”

Lake Tahoe Airport is an enterprise fund within the city’s budget. As the budget narrative explains, “Enterprise funds are used to account for activities that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user fees.”

These fees include fuel sales, passenger enplanement fees, hangar rentals, aircraft tie down fees and property taxes, and rental fees from on-site airport tenants. Lake Tahoe Airport’s user fees have not covered expenses for some time, and have been supplemented by transfers of money from the city’s General Fund – by as much as \$600,000 a year. Airport Director Sherry Miller told LTN that the budgeted General Fund transfers to the airport for FY 2013-14 is \$300,000. After the 2014-15 budget cycle, when the new hangars will be paid off, the city’s General Fund contribution could drop to \$120,000.

Still, how does this fit into the “enterprise fund” business concept? If a South Shore business operated at such a yearly deficit, many ask, how long would it remain in business? Should the airport be self-supporting in the same way a business must be in order to survive?

Kerry sees the airport as a public service and answers the question this way, “Under the definition of an enterprise fund, yes, but most public services we provide don’t capture enough revenues through user fees to be self-supporting. Most airports are not moneymakers. Other taxes subsidize public services when user fees aren’t enough.... There’s no debate that people expect us to answer the call when a fire occurs ... for the airport, it’s a fair debate to say, ‘Is this a service to the public? How does a city resident benefit from a high roller giving money to the casinos?’ City residents are paying for a city airport that a majority of them may not use.... They don’t see the direct benefit to themselves.”

League to Save Lake Tahoe Executive Director Darcie Goodman Collins recently told LTN, "We can only reiterate the facts, which are that the airport has been subsidized over the past 20 years so it's hard to see an economic benefit there. Commercial service has not worked in the past, so it's hard to imagine it working in the future, especially with the growth of the Reno airport."

"We think the potential environmental benefits of reducing the size of the airport and restoring some wetland would far outweigh economic gains from expanding service."

Others believe the airport doesn't belong in the basin. A comment from the Feb. 13 community meeting reads, "We support closing the airport."

Downsizing is one thing; entirely closing the airport is quite another. Lake Tahoe Airport has received about \$21 million in FAA funding. In taking those dollars the city made certain guarantees, one of which is reimbursing all those funds should the airport close. The city recently requested a letter from the FAA explaining in detail the airport closing process. That letter, dated April 17,

2014, to Miller from FAA Airports Compliance Specialist Robert Lee, explains that FAA approval for closing an airport is not just predicated on a return of the money granted. It notes, "...the benefit to civil aviation is the FAA's prime concern." This includes the effect a closing would have on the interests of aeronautical users and service providers, and on the state and national airport system. Approval would only come after the FAA evaluated a complex checklist of considerations.

While the balance sheet of Lake Tahoe Airport's expenses versus revenues is relatively straightforward, the trickier question has always been the airport's broader economic impacts. This is what economic impact studies term the "trickle-down effect" – the economic rollover as the airport's

direct revenues filter down to benefit the community as a whole. The city has long contended that the airport provides such a benefit.

In its comments after the February community meeting, the board of directors of the California-based chamber of commerce agreed, "The South Lake Tahoe Airport is a vital regional and local transportation resource. It is a connector between the Tahoe basin and the U.S. Transportation System. It is an economic engine for the South Shore."

The city has conducted economic impact studies as far back as 1987 to quantify this, specifically targeting the money generated by commercial air service, but not everyone has bought into the results. A letter to C&S Companies, the master plan consultants, from a resident following the February meeting says: "We need a 2013 study that shows a positive economic boost to the community and defines those entities that will thrive from this endeavor. What is driving the demand for a full service airport? How are these statistics being gathered?"

Looking beyond Lake Tahoe

Is the Lake Tahoe Airport the only small regional airport dealing with these issues? How are other area airports financed and how is their value perceived by the communities they serve? In looking at three such airports – Placerville, Truckee-Tahoe and Mammoth Yosemite – it's important to remember that no two airports are exactly alike, and even less so given Lake Tahoe Airport's unique environmental and regulatory constraints.



Placerville Airport is a public-use general aviation (GA) only airport situated just east of the city limits of Placerville. El Dorado County operates it. Its last master plan was completed in 2007. Like Lake Tahoe Airport, it is an

enterprise fund, and also like Tahoe, its revenues from user fees do not totally cover expenses.

As Matthew Mergen, operations and maintenance supervisor, told *Lake Tahoe News*, “We cover the majority of our expenses through leasing of land, hangars, fuel sales and property taxes on locally-based aircraft. We receive a small portion from the General Fund, which is usually equal to the amount of property taxes the county receives from on-airport uses.”

Misty Garcia, administrative services officer for the county’s Community Development Administration and Finance Division – the overseer of the airport, agrees with Kerry that airports are not moneymakers. She also agrees with Mergen that the “airport pretty much runs on its own,” pointing to the line item in the county’s 2013-14 budget showing the transferred “from General Fund for property taxes generated at airport” amount of \$30,631.

“At one point,” Mergen told *Lake Tahoe News*, “the airport covered its costs. But when the economy slowed down and fuel costs went through the roof, many people got rid of their aircraft.”

Unlike Tahoe, Placerville Airport, with between 15,000 and 20,000 yearly GA enplanements, has never considered introducing commercial air service.

“We couldn’t support it,” Mergen explains. “The biggest aircraft coming in here is a large turbo-prop aircraft. In

fire situations, CalFire helicopter crews could come in and we would make part of the airport a helicopter base.”

Placerville airport’s runway is 3,910-feet long, compared to Tahoe’s 8,541-foot runway.

No recent economic impact studies to quantify the airport’s larger financial impacts have been done or are anticipated. The last one was done in 1994. There have also been no cries to close the airport. As their Airport Land Use Compatibility Plan indicates, the facility is located, “in a hilly, low-density, rural residential area adjacent to the eastern boundary of the City of Placerville.” Long-term high-density land use changes could potentially affect that, but right now the community view of the airport is largely a positive one.

As Garcia says, “Most of those living around the airport are airport supporters.”



Truckee-Tahoe Airport

Truckee-Tahoe Airport, situated in Truckee, is not operated by a city or county, but instead came into being at the impetus of the Truckee Donner Chamber of Commerce through a ballot measure in 1957, which created a Bi-State Airport District comprised of the eastern portions of Nevada and Placer counties.

The airport’s finances are different as well. As Airport General Manager Kevin Smith explained to LTN, “It’s such a different animal with cities and counties. (Those airports)

are competing with other departments for funding when they look at allocating the monies at budget time, which I don't have to do."

While it is not an "enterprise fund" in the same sense as South Lake Tahoe and Placerville, the airport strives to recoup costs through the same type of user fees in place at those airports. The property tax revenue from the Bi-State District is used to supplement as needed, much as the general fund is for cities and counties, mainly for capital improvement projects. The airport land and improvements are valued at about \$45 million and, as Smith states, "we have no debt. We own all the buildings."

He has 19 employees. (Lake Tahoe has five.)

Asked if they had a "business plan," Smith replied that they would be codifying one as soon as the Master Plan update, which they financed themselves, is completed.

"The Master Plan," Smith noted, "is asking the community what they want us doing with this airport? We own 2,500 acres of property around the airport. What do they want us to do with all that land? We want to be a mirror of the community we serve."

As part of the Master Plan process, they had eight community outreach meetings and received about 3,500 comments.

"We felt," Smith added, "that doing a robust and open, interactive process was important."

That process provided clear direction that district residents didn't want scheduled commercial air service. The airport has about 25,000 yearly operations. Half are turbo props and small jets bringing in visitors and the other half are itinerant aircraft from the Bay Area and Los Angeles bringing in second homeowners.

"The idea of getting on a SkyWest jet and flying from Truckee to L.A. isn't wanted," Smith explained. The Reno-Tahoe Airport is "just down the road," with easy access even in winter. "There is no push," he added, "even from larger businesses, to bring in commercial service or regional jets. They don't want to do anything with this airport that would affect the larger airlines' service to Reno-Tahoe. More direct flights from Chicago to Reno is more important than direct flights from Chicago to Truckee."

High rollers, he added, will still choose to fly into Truckee instead of flying into Reno-Tahoe and taking a shuttle. They use membership-based fractional operators and buy a share in an airplane. "They're not price sensitive," Smith added.

As with Placerville Airport, community views of the airport are largely positive. Noise complaints are minimal, Smith explains, as the majority of the higher-decibel noise contours are on the airport property itself.

"As far as environmental impacts of the airport, there are not a lot," he said.

The Bi-State Airport District hasn't done a full-scale economic impact study since 2000.

"Some agreed with the results and some weren't sure," Smith notes. "We know the airport has a substantial impact. My board is talking about doing another study after the Master Plan. There's just some caution needed in doing these that they they're not pointed or steered to a product."



Mammoth Yosemite Airport

Mammoth Yosemite Airport, situated about seven miles outside Mammoth Lakes, has many similarities with Tahoe, as well as some important differences. It's operated by the town of Mammoth Lakes as an enterprise fund, and, as with Placerville and Tahoe, the user fees it collects do not totally cover expenses. The General Fund allocation to the airport for FY 2013-14 was projected to be \$286,943.

Unlike Tahoe, in addition to general aviation traffic, the airport also has regional commercial service provided by Alaska Airlines and United, focused on the Los Angeles, San Diego and San Francisco markets. The number of overall yearly GA and commercial enplanements ranges from 30,000 to 35,000.

"We're a mountain airport," Airport and Transportation Manager Brian Picken explained, "so the terrain and technical issues are somewhat similar. We went through a period of growth about 10 years ago where the community wanted small regional jets; since that time the airport's been using Q400s or other planes of 120 seats or less. You're in a difficult operational area in Tahoe. There's been mitigation to restore the (Upper) Truckee River. You're in town and we're not. "

Acting Public Works Director Peter Bernasconi adds, "In 2007 we updated our General Plan to align the town with healthy lifestyles, basically committing the town to a 'feet first' goal – transit first, auto last. We see air service as part of that 'feet first' concept. Reno-Tahoe is the closest commercial airport, 3½ hours away in summer and up to six

hours away in winter. LAX is five hours away.”

The airport also receives funding from hotel taxes and a Tourism Business Improvement District, put into effect in September 2013, with a five-year life. The 2 percent of the 13 percent marketing TOT the airport receives and the funds from the TBID are collected by the town of Mammoth Lakes and then distributed by Mammoth Lakes Tourism, a 501(c)6 nonprofit for promotional purposes.

Unlike the General Fund subsidy, which covers airport operations, the TBID money is used to provide minimum revenue guarantees to the airlines.

The TBID, John Urdi, executive director of Mammoth Lakes Tourism, explains, “gets the businesses involved.” The assessment is on all tourism businesses within the town limits of Mammoth Lakes. The assessment for each business – restaurant, lodging, retail or the biggest contributor Mammoth Mountain – is determined by a tier structure based on annual revenues and the percentage of business from tourism.

“The guarantees are revenue related,” Urdi explains. “If a flight doesn’t meet the guaranteed revenue figure for that flight, then the difference goes into that airline’s account. It’s paid to each airline on a seasonal basis at the end of summer and winter. If load factors are high and there’s money left, then it can rollover and provide a cushion. The TBID always covers the first \$1.5 million in winter and (Mammoth Mountain) will cover above that.”

Urdi, Bernasconi and Picken all agree on the importance of commercial service for Mammoth and the necessity of revenue guarantee to get airlines to provide that service.

“Commercial service opens up the world to us,” Urdi told *Lake Tahoe News*. “Tahoe is different since you have Reno close, but we don’t have an airport close. Commercial air service has made us accessible. It’s opened up an international market.

People book flights from Singapore to L.A. and then from L.A. to Mammoth.”

But that service comes with a price.

“Airlines aren’t going to come into an airport like ours, or Tahoe,” Bernasconi emphasizes, “without some kind of guarantees. A revenue guarantee is a fact of life.”

Urdi believes the positive economic impacts of that commercial air service are clear. “We want to see longer stays, people staying during the shoulder seasons, or coming mid-week in winter, which are the most difficult times for the ski resort. Air service helps with that. It makes it easier to get here. Passengers that come via air spend more and stay longer.”

A report was done several years ago by American Express using data from its cardholders, showing where and what people spend money on. Based on the air) passenger numbers and spending numbers, after removing locals, it showed a winter impact of \$15 million. The airline subsidy in a normal winter, Urdi noted, would be \$1.5 million to \$2 million. “That’s a 10 to 1 return on investment.”

Tahoe stands alone

But then again, no airport is totally comparable to Lake Tahoe Airport, or has faced the same intense, ongoing debate over its value and viability. The city manager sees the unfolding Master Plan process as a positive step forward.

“We’re not approaching this process,” Kerry says, “based on what people said it should be in the past. You have to have an open mind and an open process. I want people to be inspired and encouraged.”

She adds that she has directed the consultants to proceed with an open mind as well. “Everything is on the table.”

Michael Hotaling, C&S project manager for the master plan,

told LTN, “Our job is to support what the city and the community want to do.”



Lake Tahoe Airport doubles as city hall.

Although acceptance of the master plan by the FAA does not mean it agrees with everything it contains, there are two parts of the plan they must review and approve – the Aviation Demand Forecast and the Airport Layout Plan. The Aviation Demand Forecast is the financial backbone of the Master Plan. As the FAA describes it, “Forecasts of future levels of aviation activity are the basis for effective decisions in airport planning. Once approved, the forecasts may be used to provide an initial timetable for facility improvements, as a basis for the development of alternatives to meet the projected demand, and as a basis for environmental analyses and economic and financial plans.”

Hotaling adds, “The Aviation Demand Forecast is the key driver in the long-term development of the facility.”

After the Aviation Demand Forecast is approved, a preferred alternative is selected, based in part on the financial realities the forecast has revealed. After that, a Financial Feasibility Analysis is done on that alternative, showing the airport’s ability to fund the projects in the master plan, including airport management, on-site uses and leases and operating issues that will affect the airport’s cash flow.

"We will be doing a Development Plan," Hotaling explains, "showing the financial investment required. In it there is an assessment of the current expenses and revenue generated and a cursory examination of the potential revenue streams that could develop as things change at the airport."

An analysis of the viability of commercial air service with and without revenue guarantees is part of this process.

"It's about who pays and how much," Kerry notes. "What are the costs and benefits of commercial service? If that is not a go, then what's the best use of the airport?"

Who should be paying is, of course, at the heart of the matter. A comment from the Feb. 13 meeting makes the concern clear, "Since the airport is a regional resource that crosses county lines in California and state lines, both public and private sector airport and commercial air service supporters and advocates should be asked to financially support commercial service ventures if such support is requested by commercial carriers. "

Kerry agrees that asking residents to subsidize an airline at a cost of perhaps \$2 million a year is not appropriate. Asking El Dorado County, Douglas County, the skiing and gaming industries to help support a facility that provides them significant benefit should be considered.

In the past, the city has been strongly criticized for not giving residents enough or timely input into airport planning processes. The FAA strongly encourages public input into the master plan process early on. Its Advisory Circular 150 on Airport Master Plans states, "Public involvement has its greatest impact during the early stages of the planning process, before irreversible decisions have been made and while many alternatives can be considered."

Kerry believes the city is doing a good job this time in reaching out to the community. The first public meeting on Feb

13 was “just to get initial feedback.” Hotaling agrees, noting that, “We didn’t have much information (on the status of the master plan process) for that first meeting. Now that we’ve accomplished some of the master plan tasks, we’ll have something to share. I was encouraged by the number of people who attended that first meeting.”

At the second, on May 29, Hotaling of C&S companies explained they had not yet received final FAA approval of the Aviation Demand Forecast because the FAA needed additional clarification on some of the figures.

He reviewed issues raised at the Feb. 13 meeting, including the FAA process for an airport closure, and explained the economic changes in the airline industry from 2000 to 2014. Through mergers and attrition, seven major carriers have been reduced to three and six low cost carriers have also been reduced to three. Over those years, the airlines have lost \$54 billion.

“Their decisions today are based on economics,” he added. Driving those economics are load factors—how full each scheduled flight is. From 2000 to 2014, load factors have risen from 67 percent to 83 percent, with a goal of 85 percent. It costs the same to fly a plane no matter how many people are on it.

It is just those economics that caused C&S to conclude in the draft Aviation Demand Forecast that Tahoe cannot support commercial airline service.

“It is unlikely,” Hotaling confirmed, “to have commercial service return to Lake Tahoe in the (master plan) forecast period of 20 years.”

If the city wants to pursue it anyway, there are options: a subsidy such as Mammoth Yosemite Airport uses, or approaching El Dorado and Douglas counties and the gaming and skiing industries for financial support. As Kerry put it, “The South

Shore doesn't have any lines."

Finding better ways to utilize the existing airport and enhance its financial bottom line, even without commercial service, is another option. As an audience member put it, there are "other things we could sell to people with this property here."

Once the Aviation Demand Forecast is approved by the FAA, the consultants will release that data, then prepare the other parts of the Master Plan, including the selection of a preferred alternative which will outline the airport's future direction. Both Kerry and Hotaling encouraged those at the meeting to make their views known on what that direction should be.

Additional public meetings will be scheduled as the process continues, with a tentative timetable of selecting a preferred alternative by late summer or early fall.

"We anticipate as many public meetings as the public thinks should happen. The public process should be extensive," Kerry insisted.

Judge ousts Nutting from supervisor seat

By Peter Hecht, Sacramento Bee

Ray Nutting was stripped of his seat on the Board of Supervisors in a dramatic sentencing order Friday that will shake up El Dorado County's political leadership and force an election to fill his job.

Three weeks after the embattled supervisor appeared to emerge victorious when he was acquitted of felony charges of political malfeasance, a judge declared that Nutting must forfeit his elected office because of misdemeanor convictions over how he raised his bail money.

Declaring that Nutting had committed “misconduct in office,” visiting Superior Court Judge Timothy S. Buckley issued a notice to the county that Nutting’s seat is now vacant. He also sentenced Nutting to 30 days of community service in lieu of jail time.

Suddenly, Nutting’s political career appears to be over with 2 1/2 years remaining on his board term. He is out of office as a result of his actions in the frenetic moments after he was ordered to surrender on felony charges that he had failed to disclose more than \$70,000 in state grant income for brush-clearing on his family ranch.

A jury acquitted Nutting on May 14 on three felony counts and deadlocked on a fourth felony count of submitting false paperwork when the work was completed. But he was convicted of six misdemeanors for accepting loans from two county employees and a construction contractor to bail himself out of jail on May 28, 2013.

Read the whole story

Tobacco industry once had high hopes for pot

By Evan Halper, Los Angeles Times

Richard Nixon was in the White House, his “war on drugs” was in full swing, yet Big Tobacco was secretly exploring the possibility of becoming Big Pot.

Newly discovered documents from tobacco company archives at UC San Francisco show that major companies in the cigarette industry investigated joining the marijuana business in the late 1960s and early 1970s.

The companies were driven then by the same shift in public attitudes that is now pushing legalization around the country.

One company even asked a federal counter-narcotics official to secretly secure marijuana from the government for research.

“We request that there be no publicity whatsoever,” a Philip Morris vice president wrote in late 1969 to Milton Joffe, drug sciences chief at the Justice Department’s narcotics bureau. “We will provide the results to you on a confidential basis, and request that you not identify in the form of any public announcement where the work has been done.”

Joffe responded that Philip Morris could skip Food and Drug Administration review of its application for government pot. “I do not feel there is any bar to maintaining the confidentiality you request,” he wrote.

The documents, discovered by public health researchers, were disclosed Tuesday in the Milbank Quarterly, a health policy journal. They not only shed new light on the Nixon era, but appear when some Wall Street analysts and health advocates say tobacco companies may again be considering the expanding market for legalized weed.

Legalization seemed in the air in the 1970s, though Nixon staunchly opposed it. He ignored a presidential commission’s recommendation in 1972 to decriminalize possession for personal use.

But 11 states would do just that between 1973 and 1977. Jimmy Carter was elected to the White House in 1976 on a platform that included marijuana decriminalization. Views shifted dramatically in the 1980s, however, and President Ronald Reagan oversaw a harsh crackdown that included imprisonment for thousands of nonviolent offenders.

Read the whole story