

South Lake Tahoe air show aiming to go higher

By Kathryn Reed

With the centennial of naval aviation in 2011, preparations are under way to commemorate this event. South Lake Tahoe may be part of those of festivities.

The Navy asked Lake of the Sky Air Show officials to apply to be one of the 25 sites to host a celebration next year. Word should come in March if South Lake Tahoe has been selected.



Planes of all kinds come to the annual Lake of the Sky Air Show. Photo/Kathryn Reed

Rick Jenkins, who heads the volunteer committee that puts on the annual air show, said this would be huge for the South Shore. Admirals, a Navy squadron and more would be part of the spectacle. The monetary benefits could be substantial as well as the media exposure.

For now, though, the committee is focused on Aug. 28. That is the date of this year's 21st annual Lake in the Sky Air Show.

Even though it is months away, every month the committee meets at Lake Tahoe Airport in order to pull off the event that can attract 10,000 people. Volunteers get two months off between wrapping up the last show and beginning work on the next one.

On Wednesday night the 14 people gathered at the table tackled a three-page agenda.

"They are concerned about security. They have never landed anywhere other than a military base," Jenkins said of the EA-18 Growler. This electric plane has been part of the military fleet since August.

Discussions centered on what type of 24-hour security could be made available.

Talks are ongoing about having a C-5 transport aircraft do a flyover. There's one at Travis Air Force Base.

The MV-22 Osprey, which flies like a plane and lands like a helicopter, may come to the show. A squadron is based in Miramar.

War birds are being secured, like an OV-10.

Last year more than \$300 million in aircraft came to the one-day Tahoe air show.

On the tarmac each year are planes of all sizes. Some are one-seaters, other can haul several tanks or other military vehicles. Some are privately owned, some the taxpayers of the United States have paid for.

As Jenkins describes it, "We put on a \$100,000 show for \$20,000."

At the most recent planning session, it was discussed that local law enforcement will be returning. New this year is the possibility of the Douglas County bomb squad using its high-pressure air tool to blow things up.

“Absent an emergency, these guys love to bring their toys out,” Lt. Les Lovell of the El Dorado County Sheriff’s Department said of all law enforcement. Lovell is a member of the committee.

K-9 demonstrations are also part of the fun. So are a pancake breakfast, 5K run and motorcycle display.

Coming up with a sky diving demonstration is still being worked on.

As with most events, much of the minutia that must be attended to happens at meetings like the one Wednesday night. It means discussing portable toilets, assigning someone to talk to Caltrans about verbiage on reader boards, attracting sponsors, discussing entertainment beyond the aircraft and the three acrobatic pilots, where handicapped parking should be, and that it will cost \$5 to walk-in to the all day show or \$15 per car.

For more information about the air show, [click here](#).

Ritz Carlton, Northstar Village developer in bankruptcy

Updated 1pm Feb. 17.

By Kathryn Reed

Most of East West Partners’ holdings in the greater Lake Tahoe area are now under bankruptcy protection.

The 335-undeveloped acres known as Northstar Highlands which East West has the rights to build 1,450 units on below the Ritz Carlton; the golf courses Old Greenwood and Gray's Crossing; and the amenities arm called Tahoe Mountain Club went into bankruptcy in Delaware on Feb. 16.

"We are optimistic we will be well positioned for the long term," Blake Riva, a partner with East West, told *Lake Tahoe News*. "We don't intend to liquidate any of our holdings."



Old Greenwood
golf course
is in
bankruptcy.
Photo/Provided

East West Partners is headquartered in Avon, Colo. Its California operations are based in the Village at Northstar, which it developed. Truckee is the address for all of the properties now in Chapter 11 bankruptcy.

The Village at Northstar is not part of the bankruptcy, nor is the ski resort Northstar-at-Tahoe, nor any of the company's other holdings.

The village's commercial operation is run by CNL, which also owns the ski resort. Booth Creek operates the ski resort. East West Partners sold the residential aspect of the village to individuals. A homeowners association manages the condominiums.

"This filing will not impact the experience of guests enjoying Northstar-at-Tahoe Resort – either on the mountain or in the

Village at Northstar. Lodging guests at Northstar-at-Tahoe Resort will also be unaffected," Betsy Cole, CFO of Booth Creek Ski Holdings, said in a press release.

Riva said the bankruptcy is a "combination of the current economic environment and changing financial partners."

The company went from Morgan Stanley to Barclays. Morgan Stanley took a major hit as the banking industry nose-dived in the last couple of years. It could not meet its debt so that's how Barclays got involved.

"(Barclays) reviewed all of our business ventures in Tahoe and concluded the best path forward would be to go through this reorganization," Riva said.

He would not put a dollar figure on the debt owed creditors. However, court documents show the company's real estate holdings have collapsed in value by 60 percent and that it has \$61 million in debt.

"The larger amounts are bank loans for projects," Riva said.

Until a reorganization plan is approved by the bankruptcy judge, Riva said a short-term plan is in place to keep the operation going so the public will not notice a hiccup in service.

This should be good news to the Ritz-Carlton, which opened mid-mountain at Northstar in December. East West Partners was the developer of the five-star multi-million dollar resort and is the owner of it.

Ritz officials touted the Tahoe Mountain Club as a selling point to buyers and guests of the high-end hotel before it opened. Now they are downplaying the significance.

"Ultimately it doesn't mean anything to us," Ritz spokesman Steven Holt said Wednesday of the bankruptcy. "The Ritz-Carlton is not included in the filing. Our operation is not impacted."

Riva also said, "The Ritz is a separate entity. We have a separate ownership structure."

The Hyatt Residence Club, which is at the base of the gondola that whisks people to the Ritz from the Northstar Village, is also excluded from these bankruptcy proceedings. Guests at this Hyatt also have access to the Tahoe Mountain Club.

Riva said the golf courses will be open when the snow melts.

Old Greenwood is a Jack Nicklaus Signature course. The development also includes luxury custom homes and fractional ownership.

Gray's Crossing is on the outskirts of the town of Truckee off Highway 89. The private 18-hole golf course by Peter Jacobsen and Jim Hardy is surrounded by houses, including *Sunset* magazine's 2007 Idea House.

East West Partners is not the only developer in ski towns to face economic hardship. Intrawest earlier this year sold the Village at Squaw to Squaw Valley Ski Corp. Intrawest also owns Whistler Blackcomb, site of the alpine skiing events for the Olympics.

Lake Tahoe Development Company is in bankruptcy over the \$410 million hotel-retail-convention center complex in South Lake Tahoe across the street from Heavenly Mountain Resort's gondola.

South Tahoe takes convention

center developer's side

By Kathryn Reed

Divided along what has become the usual line, the South Lake Tahoe City Council voted 3-2 on Feb. 15 to support Lake Tahoe Development Company having 30 more days to own sole rights to coming up with a plan to get the stalled convention center project out of bankruptcy.

Today is the deadline for interested parties to submit comments to the court regarding LTDC's request to have exclusivity rights that expired Feb. 2 to be extended to July 2 – the date LTDC wants.

Councilmen Jerry Birdwell and Bill Crawford believe the developer has had long enough to come up with a plan.



An artist's rendering of the Chateau at Heavenly Village.

"He's had a 120 days to work on it and he didn't," Birdwell said of developer Randy Lane before the council deliberated for 20 minutes in closed session.

Crawford said, "If there is a reorganization, it will be very lengthy, especially if he is going to change the project, and that is his plan."

The “he” Crawford referenced is Michael Rosenfeld, founder and CEO of Woodridge Capital Partners based in Los Angeles. That firm along with Pacific Coast Capital Partners of El Segundo, also in Southern California, wrote letters to the council dated Feb. 11 stating their interest in taking over what locals call “the hole.”

Nicholas Colonna, with PCCP, and Rosenfeld wrote, “We are committed to moving forward immediately to address the financial problems plaguing the property [currently in bankruptcy] and work with the city to insure (sic) the property assemblage remains intact and entitlements are maintained. Our goal is to preserve long term value for the property and for the community of South Lake Tahoe.”

Kenny Curtzwiler and Harry Segal were the only members of the public to show up for Monday’s 1pm special meeting. No one representing the developer or the potential investor was present.

Curtzwiler is in favor of giving the investor time to come up with a viable plan, but wants the council to ensure Lane has nothing to do with the project in the future.

Segal, who owned one of the parcels and is part of the bankruptcy proceedings, told the council to do whatever it can to “protect the interest of the original property owners.”

“In the end the judge will be the one who decides. But we owe the taxpayers of this community, and people who invested and are holding notes an opportunity to get paid,” Mayor Kathy Lovell said after the meeting. Lovell participated by phone because she was out of town.

Lovell, along with Councilmen Hal Cole and Bruce Grego voted in support of a 30-day extension.

“I just felt like we needed to provide this guy some level of support if he is the real deal. And that’s a big if,” Lovell

said of the investor.

Cole said after the meeting that he isn't even sure the court will be swayed by the city's stance, believing the judge will put more weight on what the creditors have to say. A decision will come March 2.

"I don't think the 30 days is going to make it or break it one way or the other," Cole said after the meeting.

Lane, principal for the Zephyr Cove-based developer, filed for bankruptcy in October. No work has been done on the project since winter 2007.

City National Bank, which is owed nearly \$8 million by LTDC, has filed a motion with the court to not extend the exclusivity period.

"Lane has provided me with the name of the so-called investor referenced in the Debtor's motion to extend the exclusivity periods, but such investor has not contacted me, or, to the best of my knowledge, anyone else at CNB. Thus, I have no reason to believe that a plan of reorganization built around such person is in the offing. Nor do I have a clue as to any of the details of such a plan, including its treatment of the Loan and other secured debt, the means for its implementation and whether such plan is feasible," Raymond Walsh, senior vice president of special assets for City National Bank, wrote the court.

In that same document Walsh says the bank plans to submit a reorganization plan.

"Allowing the debtor more time with which only it may file a plan does not accomplish anything other than delay the case, allow interest to accrue on the Loan, and exacerbate the risk that the TRPA and building permits will expire before the Chateau Project is sold or completed," Marc Levinson, attorney for City National Bank, writes in his statement to the court.

Levinson also writes, “The Debtor is flailing about, hoping that magic happens – thus the unidentified investor featured in the Motion.”

The project

Concrete and rebar cover much of the 11-plus acre site on the far eastern edge of South Lake Tahoe. The \$410-million Chateau at Heavenly Village project, as it has been called, was to encompass two hotels, a convention center, retail and open space.

It has been wrought with trouble since what is generically known as Project 3 was approved by the council in 1997. Marriott, Harrah’s Entertainment and Harveys when it was owned by Colony Capital had rights to develop the site. All three backed out.

Lane came along and said he’d do it with partner John Serpa. Lake Tahoe Development Company secured all the permits. An owner participation agreement was negotiated by then-Councilmen Cole and John Upton.

It has since been revised and when Cole was off the council it was decided by the council of Lovell, Mike Weber, Ted Long, Crawford and Birdwell to allow construction to start without financing in place.

Lane told the council he had financing, but that fell apart. Somehow work started.

That council also approved construction to begin without a final map in place. Right now 29 parcels – not one as would be normal for something like this – is covered in concrete. That just adds to the complexities of the eventual bankruptcy reorganization plan.

It would be hard to give the property back to the owners with their business gone, the structure gone, the land covered with

concrete and utilities ripped out.

Eminent domain had to be used to secure many of the parcels.

A marketing study was done in February 2007 by Hospitality Valuation Services and Strategic Marketing Group allegedly proving the need for a convention center. Cole and Upton said they saw the document, but the other three council members at the time (Lovell, Weber and Long) never did.

An earlier study from 1995 by Coopers & Lybrand concluded a convention center would do well in South Lake Tahoe.

The 4-year-old marketing study in part projected the convention center would host 95,900 conventioners the first year. (The convention center was supposed to open in summer 2009.) That number was expected to grow to 181,450 in year four.

It's 2010. No one on the council in open session has asked if the project as approved is still needed or wanted, or what should go there if this investor or another wants to alter plans.

Whistler-Blackcomb defines big-mountain skiing

By Susan Wood

WHISTLER, British Columbia –The stiffest competition for Lake Tahoe athletes and others showing their stuff at the 2010 Winter Games may not be with each other. It may be sharing the spotlight with the mountain, or mountains.

As the largest ski area in North America, Whistler Blackcomb located in Canada's Coastal Mountain Range is hosting the Olympics in a grand way – much like the beauty of its scenery and magnitude of its terrain. It's steep, deep, vast, inviting, gorgeous and involves a level of concentration few ski mountains in the United States command.



Views from
Whistler-
Blackcomb are
stunning in
all
directions.
Photos/Kathryn
Reed

Nearly double Heavenly Mountain Resort's 4,800 acres of terrain, and you have Whistler-Blackcomb mountains, which are linked by the \$52 million Peak-2-Peak Gondola that can whisk 28 skiers and boarders – 4,100 per hour – from the high elevation of one to the other in 11 minutes.

The views, including those provided from the nearly 3-mile gondola that opened in December 2008, offer something out of the most dramatic scenery in Europe – Zermatt, for example. The Switzerland ski area boasts the world's longest run, 8 miles into Italy. Whistler is a close second with a 7-mile connection of runs from Sidewinder to Upper and Lower Olympic runs. The mountain's summit to base adds up to a 5,000-foot vertical drop from 7,494 feet to the 2,140-foot bottom.

Traversing to other trails is refreshing compared to some Tahoe resorts. The terrain heads where it's supposed to – down. For skiers and boarders wanting to get down and dirty on the slopes, the angles – at times 45-plus degrees – along with the degree of difficulty, make it challenging.

Skiing Whistler is like being in the center of a magical vista of rugged, jagged peaks that seem to envelop the resort.

And the beauty of this Winter Games venue goes beyond the stunning scenery of white-capped mountains. Ninety percent of this massive ski resort will be open while competition is going on. The men's and women's downhill runs, along with the super G and giant slalom courses, lay near to one another or overlap above the Whistler Creekside area. (See *Lake Tahoe News* archives for a firsthand look of the downhill courses.) This leaves the Whistler Village base and all of Blackcomb Mountain to ski during the Olympics.

Even the Whistler Sliding Centre – which features the bobsled, luge and skeleton runs – was built in the lower elevation above the tubing park outside the ski area boundary. The Nordic events, including the ski jumping, are set for Callaghan Valley just south of Whistler.

And the freestyle and snowboarding events such as skiercross and halfpipe competitions will be staged at Cypress Mountain just north of Vancouver. Organizing committee officials were feverishly trucking in loads of snow placed over hay bales and wood to support the terrain parks for the event, as Cypress Mountain's lack of snow and pounding rain became an issue in mid-January. (*Lake Tahoe News* recently witnessed the construction effort.)

But the British Columbia resort of Whistler, 90 miles north of Vancouver, is having a banner year of snow. Shortly before hosting the world's premier sporting event, more than 32 feet had collected. That's about the seasonal average in most

years.

And although the ski resort was experiencing a bit of a pre-Olympic lull like many host cities do, the Martin Luther King holiday weekend brought out record crowds to enjoy the windfall of soft snow. Whistler logged three times its usual number of customers with more than 21,000 riders hitting the slopes. The holiday turned out to be busier than Christmas.

The snow in mass quantities has covered much of the trees and most every bowl and glacier. Blackcomb has two glaciers, a namesake and Horstman. There, mountain host tour guide Susan Sommer reminded her group they were standing on 200 feet of glacial ice situated between the Jersey Cream Express and Glacier Express chairlifts.

No need for “express” in the chairlift names. All the lifts are fast, faster than what many U.S. resorts tout as high-speed.

Lighted boards placed in convenient areas tell a visitor what’s open and closed. They also indicate the length of wait in lift lines.

Little things like having the lift lines taper into a single shoot by strategically placing barriers to force skiers to merge makes for a more pleasant experience than the pushing-shoving herd mentality in Tahoe, or dealing with less than efficient lifties who can’t seem to get people to fill a chairlift.

Friendliness is another component of Whistler that seems to be as big as the mountain. The employees, the locals, the tourists – everyone is friendly.

And the skiers – who dominate in number over snowboarders – are predominately at a high skill level. That’s not to say all are. But even the little tykes in ski school were taken in and out of the trees and through the multiple, massive terrain

parks.

And if you're lucky enough to catch a powder day, Whistler-Blackcomb can make every run a giddy experience.

It's easy to fall in love with Whistler's sweeping views and challenging terrain. Blue runs would be considered black throughout much of the United States. One that goes off the charts in expert terrain is off the 7th Heaven Express chairlift. A ridgetop peninsula stops at a sheer drop in both directions and is fondly referred to as Proposal Point. A little folklore says men were thought to have proposed marriage at the cliff. If the prospective mate said "no" to the suitor, she's pushed off.

John from England, who was on the free tour, told Sommer he thought she called it "disposal point."

"I don't think I like the sound of that," he joked.

From the Hughes Heaven and Crystal Traverse trails to the Ridge Runner and Cruiser runs, Blackcomb offers spectacular views and many options for terrain that extend to Whistler mountain's four bowls and cute names for runs like Doom and Gloom and Grande Finale.

"You can come up here the rest of your life and never get tired of it," Sommer said, glancing off to the distant mountains from Blackcomb. The tour guide, who has lived in the Whistler area for 34 years, pointed out the Black Tusk – a volcanic cone of molten ice.

It's recommended a visitor make time on vacation to grasp all there is to offer at Whistler because even three days on a well-worth-it \$93 adult lift ticket does not cover it – especially if electing to go in for lunch in the resort's 17 restaurants. Both mountains have two large-scale mountain restaurant-retail complexes – the Rendezvous on Blackcomb and Roundhouse on Whistler. Others are smaller like the Crystal

Hut at Blackcomb's mid-mountain, which touts the waffle zone for its infamous breakfast meal.

The food choices are phenomenal, their prices are less than in the States and no smoking signs make it clear what the priority is. A variety of accents can be heard on the slopes and lodges.

Scott Wright, who originally hails from the Fresno area, brought his family of six to the slopes from New Zealand.

"We usually go to Colorado, but this is a better value," he said, while exiting a chairlift. Wright was able to get a direct flight from Auckland to Vancouver. He also commented on the lodging and food being less expensive at Whistler than Aspen.

Tahoe roots exist

Whistler-Blackcomb ski area was inspired by a trip to the 1960 Squaw Valley Olympics by Franz Wilhelmsen, whose name graces the women's downhill run. He formed Garibaldi Lift Limited with the intention of creating a ski area on what was called London Mountain in Whistler.

It was renamed Whistler Mountain in August 1965 in honor of the local alpine marmot who whistles when it communicates. Whistler opened for skiing in 1966, and its neighbor Blackcomb Mountain threw open its gates 14 years later.

Now the mountain has 38 lifts, including two T-bars and the latest Peak-2-Peak Gondola. The latter is the showcase lift for skiing and sightseeing.

Below the gondola, the Fitzsimmons Creek meanders through a deep valley where a renewable energy project plans to offset the total annual energy consumption of the resort – 33 gigawatts of power. Sustainable practices are a part of the plan here, with recycling programs that include using ceramic

mugs for hot chocolate. With that, the resort was able to reduce its single-use cups by 833,100 cups in one year during the season beginning 2008.

Kathryn Reed contributed to this story.

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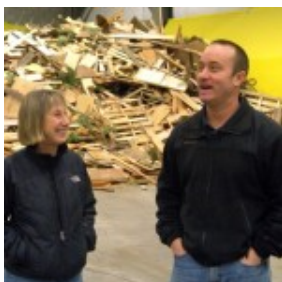
Recycling organic material about to be a whole lot easier

By Kathryn Reed

Pine fills the senses. A chill is in the air. The building seems massive with only a few pieces of equipment inside. A pile of wood fills one corner; wood chips are at the other end of a large red chipper that looks like it could spit out an entire pine tree.

This is the scene at the Resource Recovery Center – South Tahoe Refuse company’s organic materials recycling center.

“Once you get a loader and a couple cars on the scales it won’t be too big,” said John Marchini, who runs STR.



Jeanne Lear
and John
Marchini in
STR's Resource
Recovery
Center.
Photos/Kathryn
Reed

Construction milled wood, slash, wood pallets and few Christmas trees have come through the facility. It will officially open in April to contractors.

The purpose of the 33,700-square-foot facility on Ruth Avenue in South Lake Tahoe is to process about 30 tons of organic material a day.

Lawn clippings, pine needles and recyclable construction waste currently cross the assembly line of the Materials Recovery Facility next door.

"The new Resource Recovery Facility will increase efficiency by directing organic material to a single, dedicated operation with existing markets and end-uses for these resources," according to STR officials.

Bentley and Full Circle Compost, both in the Carson Valley area, are interested in this material for their operations.

Contractors will have a card to swipe that has all of their information stored on it. A scale weighs their load. They dump their goods. Then they go out a different door, get weighed again, swipe the card one more time and then receive a quarterly bill in the mail.

Before this center came along, contractors paid by the yard instead of weight.

This system should speed up the process for contractors to get

in and out. Plus, it is designed to make recycling of this material more efficient.



The chipper is operated remotely.

South Tahoe Refuse is still working out with the joint powers authority, which is made up of the city and both counties, to see how best to have residents sort out green waste. It may be a green bag or special tie to signify yard waste is inside.

Wood chips and pine needles will be available for contractors to use for erosion control on construction sites. For now, the processed material will not be doled out to residents.

Bunkers will store the various processed materials.

The center will be open Monday-Friday. It's possible Saturdays will be devoted to grinding.

In 2000, the garbage company realized it was not going to accomplish the state mandated recycling diversion goals with the facility it had. California is incrementally increasing the amount of trash jurisdictions much divert from landfills.

The state says it should be 50 percent, while South Lake Tahoe has set a goal of 55 percent. Jeanne Lear of STR says the new center will get STR over the 50 percent threshold.

Between 62 and 70 percent of the waste coming to STR is from South Lake Tahoe, with the remainder from El Dorado and Douglas counties.

The building at times has been controversial because some believe the garbage company should be in the industrial area.

“The cost to move would have been cost prohibitive. We’ve been here since 1962,” said Marchini, whose grandparents started STR.

Marchini said the city approached him about moving. Twelve locations were looked at, with three making the short list. None penciled out financially. Besides the cost involved in moving the operation, neighbors of the sites that were looked at were not thrilled with the prospect of a garbage company moving in.

STR responded to a request for proposal from El Dorado County and won the bid to be the operator of the mixed waste facility. Construction began in May 2008.

STR owns the land and facility. The company took out a loan for the project. Ratepayers are paying part of the expense of the building.

The cost to separate out trash is expensive. Lear said because consumers have said sustainability is important, lawmakers listened and trash companies are doing their part per mandates from the jurisdictions they serve. The consumer in turn has to pay for living greener.

Marchini said it would be a whole lot cheaper to take everything to the landfill.

For more information about South Tahoe Refuse, [click here](#).

Publisher’s note: *On Monday, read about how the economy is affecting South Tahoe Refuse.*

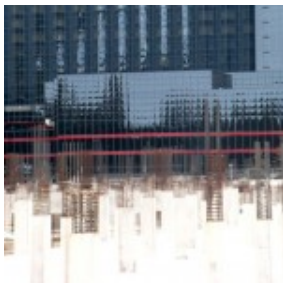
Developer lines up investor to take over convention center

By Kathryn Reed

Randy Lane has an investor to take over the convention center project in South Lake Tahoe.

“We are still going to be involved, but these other people will be the face of the project,” said Lane, the main force behind Lake Tahoe Development Company.

But who the investor is is not being disclosed because no contracts have been signed. LTDC’s contract with the city cannot be transferred to a buyer/investor without the City Council’s approval.



Harveys casino looms over the rebar and concrete laid years ago by Lake Tahoe Development Company.

Photo/Kathryn Reed

Lane said the projects the investor has worked on would be recognizable even if the investor's name is not.

On Monday at 1pm the council is meeting in closed session. Notification was sent out at 4:30pm on Friday.

The meeting is to discuss the city's position on whether the developer should have his exclusivity rights in bankruptcy court extended until July 3.

"The investor absolutely weighs in the decision regarding an extension," Councilman Hal Cole said.

Cole would not say who the investor is, but said he didn't recognize the name of the company.

Zephyr Cove-based Lake Tahoe Development Company has been in bankruptcy since October. The firm owes creditors \$54 million. The project at the state line was expected to cost more than \$400 million to build. The council allowed demolition of existing businesses and concrete to be poured without a final map filed or financing secured.

A debtor has 120 days to file a reorganization plan in bankruptcy court. That time period ended Feb. 2. At that time the city said no to Lane's request for an extension and the court denied a hearing on the issue.

The need for a special meeting on another extension request is because the paperwork must be filed in Sacramento on Feb. 16. But the city has known this date so why the last-minute meeting on a holiday when city offices are otherwise closed raises questions.

Lane has until Feb. 23 to offer rebuttals to any denials, which are expected by two of the major creditors. The judge will make a ruling March 2.

"The issue is whether or not we want to extend it for a period of time to see if he has the financial wherewithal to do it or

let the exclusivity end," City Attorney Patrick Enright said.

But not all the council members like how this is being handled, nor understand the eleventh-hour nature of doing business. Councilman Bruce Grego was the only one not to return phone calls.

"It's 5:52 in the afternoon (Friday) and I just received a packet over a half-inch thick and I have to go over it between now and Monday. This is information I was told I would receive Wednesday. I didn't even receive a phone call about it," Councilman Jerry Birdwell said. "It's a Friday on a holiday weekend and they are calling for a special meeting. They expect me to go through all of this and digest it and I don't even know who these (investors) are. I am not pleased with the way this has been handled."

Cole hand delivered the information to Birdwell's bed and breakfast.

Cole and former Councilman John Upton are the two who brokered the deal with the city and developer.

The operating agreement with the city and developer calls for two hotels, a convention center and retail to be built on a little more than 11 acres.

What the project may evolve into is unknown.

"We talked a little about the owner participation agreement. We are still wanting meeting spaces and not a major deviation in the OPA," Cole said.

Cole met this week with Lane and a representative of the potential investor.

"My job is to work something out in the best interest of the public. My opinion is Hal Cole is not doing that," Councilman Bill Crawford said. "Enright promised an email to be sent Wednesday late afternoon to let the rest of us know what

happened in those meetings. It hasn't happened." (This was as of late Friday afternoon.)

Mayor Kathay Lovell met separately this week with Lane, the investor's rep and the two city attorneys.

Lovell said the Feb. 15 meeting is in closed session because it has to do with potential litigation and nothing to do with a potential investor, which contradicts what Cole said.

Lovell said if and when the developer formally comes forward with a desire to modify the agreement or have others take over the OPA, that meeting would have to be in open session.

But apparently decisions are going to be made Monday regarding the largest redevelopment project in South Lake Tahoe's history without the public having input or at least being able to hear the dialogue.

It would seem if the council favors an extension of exclusivity for LTDC, that it likes the investor who is lined up since the city has once already said no to an extension.

It's unknown how much weight the city has in bankruptcy court because it is not a creditor.

The extension being sought by Lane in court would mean he has exclusive rights to present a reorganization plan. However, because the 120 days has passed, it's possible creditors could bring plans forward in March. Lane and his investor could present a plan in March as well.

Another issue facing the project is that permits are set to expire this year. If that happens, the value of the project to potential investors diminishes even more.

Economic gain of 2010 Olympics a moving target

By Susan Wood

WHISTLER, British Columbia – When the 2010 Winter Games launch tonight, tourism officials and business owners may wonder how to put a price on hope and optimism – two mantras of the Olympic athlete.

From small village retailer to large hotelier, the economic gain in revenue to Whistler is so up in the air even its tourism agency admits to wishing it had hard numbers to justify millions of dollars spent in time, effort and infrastructure. All this is going on amid one of the worst global economic recessions.



Business
people in
Whistler are
cautiously
optimistic the
Games will be
a boon.
Photos/Kathryn
Reed

“The recession has increased the intensity of the competition Whistler faces (as a tourism destination) because travelers have less to spend and have more options on where to spend

their money," Tourism Whistler spokesman Jeff McDonald told *Lake Tahoe News*. "We are in competition with ski resorts and sun resorts all over the world."

Tourism Whistler predicts the lodging reservations for the 2009-10 season from November to April will increase at least 1 percent compared to the year before. Last year, the area was down by 12 percent as the global economic downturn took hold, McDonald added. The agency declined to provide what the actual numbers were.

The budget for this Winter Games was set at \$1.6 billion. As a comparison, host city Salt Lake City in 2002 had a \$3 billion budget with a \$76 million profit. Many host cities view prior Olympic years to get a benchmark. Most consider the tourism aftermath of those wanting to experience an Olympic city as one of the biggest benefits.

Tourism is one of the world's largest economic sectors. In Canada, the industry generated about 633,000 jobs in 2006, with industry expenditures reaching \$66.8 billion – a 6.5 percent increase over the prior year, according to a recent PricewaterhouseCoopers report.

Vancouver's gross domestic product is projected to grow 4.5 percent in 2010, the Conference Board of Canada indicated in its latest outlook. A rebound in housing and consumer spending is anticipated to accompany the overall boost of hosting the Olympic Games.

Employment, tax revenue and long-term facility investment have been considered economic advantages to the host cities. But these communities must also weigh those benefits with the impacts on the cultural heritage of the area, consumption of money as well as land and facility space, along with the transportation issues that accompany such events that attract the masses. The latter is called the "Olympic aversion" in which visitors avoid an area perceived as having crowds, jack

hammers and traffic delays.

The Vancouver Organizing Committee, with the help of Tourism Whistler, shot out of the starting gate when it won the bid in 2003 and went right to work on the infrastructure to create a pleasant buzz that the improvements would be an advantage to welcome the world, McDonald contends. He also added that Whistler dispelled the myth that host cities' prices are inflated, streets under constant construction and sidewalks and venues too crowded to move around.

(Note: When *Lake Tahoe News* was on the scene 2½ weeks ago, some venues were being worked on, construction was under way in Whistler Village, and finishing touches were being made to the Sea to Sky Highway, the main artery that connects the 90-mile stretch from Vancouver to Whistler.)

Many locals and regulars said the improvement to the Sea to Sky Highway has increased substantially, citing poor road conditions in the past.

"I think it's great we're getting the Olympics. We're really looking forward to it. The only concern is getting around," Marie Johnson of North Vancouver said, while standing in a guest relations line at Whistler Blackcomb ski area. She added feeling blessed to work in a home office.

This was a major concern when the Summer Olympics came to freeway-sprawling Los Angeles in 1984, but as it turned out, the traffic was better than ever because so many motorists altered their driving patterns.

Adaptability may be the name of the game. This may apply to parking. Whistler locals have already surrendered the idea of parking in town. The village may be packed with tourists, if they're not on the massive ski area that's 90 percent open to skiers and boarders during the Olympics.

The sold-out Fairmont Chateau Whistler is located next to the

slopes of Blackcomb, which has no Olympic venues scheduled but more than 32 feet of snow – the usual seasonal average – to accommodate riders. An 11-minute Peak-2-Peak Gondola ride can transport the skiers and boarders to Whistler where the men's and women's downhill as well as super G and giant slalom events are slated.

(The luge, bobsled and skeleton are in between the mountains outside the ski area boundary.)

Location, location, location. Two doors from the Fairmont in the Upper Village, waiter Charlie Watts of Merlin's restaurant expects to rake in a lot of tips from local customers seeking their ski experience with a little Olympic buzz at the same time.

"We're going to be a locals' bar," he said, while serving up the restaurant-bar's signature nachos with two drafts of Kokanee – Merlin's Olympic-sponsored beer. During the Games, the bar will cover the outdoor patio with a tent and host bands every day.

In the main Whistler Village, the well known Araxi restaurant reported being completely booked on Feb. 13 and 14, partly because those dates fall on Valentine's weekend.

The Summit Lodge and Spa on Main Street is completely booked during the Olympics with the exception of the last five days of the Games ending Feb. 28. But interest was building, and the lodging industry has caught on to this last-minute reservation trend, General Manager Rosemary Cook said in January.

Cook admitted the recession has had some impact on tourism, but people "still want to take a trip and still want to eat," she said. "Instead of staying at a 5-star or 4-star, they may want to go to a 3-star."

She runs cooperative advertising promotions with the Tourism

Whistler agency to make the ad dollars go farther. She also believes the Olympics can only help bring that tourism dollar around, but is unsure to what extent.

Cook is not alone in her cautious optimism.

"I don't think (the Olympics) can hurt, despite Whistler already being known – as long as we keep the snow, and it doesn't rain," said Mike Wheaton of Carumba restaurant located in the village. "We're hoping it will be like the Christmas rush."

Wheaton said the restaurant needs the boost because the pre-Olympic January lull cut into profits in a significant way.

Dan Ellis of Armchair Books in the village has gotten in the spirit of the Games by putting out Olympic-oriented coffee table books for the scores of tourists and Olympic workers he expects. He believes many locals will stay away, including people he knows from Squamish "leaving the craziness" of traffic and parking issues.

Scott Aldrich, Whistler Grocery Store manager, expressed more optimism about transit issues based on "the amazing bus system." The transportation agency running it has quadrupled the bus runs around the clock to accommodate the influx of riders.

Whistler Village Sports manager Jed Hague commended the local Housing Authority for infrastructure projects designed to give employees affordable housing through Olympic-oriented infrastructure improvements. Many travel to work from the nearby communities of Pemberton and Squamish and may find the commute harder during the Olympics.

"I think people are not sure what to expect, but that's very typical of the Olympics. But the snow is fantastic. Sure, there's an impact, but it's the Olympics. Get over it," Hague said.

Summit Lodge – the Zen of Lodging at Whistler

By Susan Wood

WHISTLER, British Columbia – It's hard to imagine a hotel steps away from one of North America's most vibrant ski villages would find its guests sleeping like babies.

But that's the Summit Lodge & Spa in Whistler – tranquil, serene, relaxing and quiet in a big way. It's warm, inviting and comfortable, like the staff – with gas fireplaces in the lobby and rooms, local art hanging on the walls, Asian furnishings and some of the plushest robes ever.



Lobby at the
Summit Lodge.

Photos/Kathryn
Reed

For an 11-year-old boutique hotel located in an area about to experience its busiest time by hosting the 2010 Winter Olympics, the staff and even the nature of the place seem to approach the prospect of being on a world stage with a

reserved excitement and self-assuredness. It's not meant to be a Fairmont, Westin or Hilton with small villages inside. Instead, the Summit has comfort, style and character of its own. A Malaysian family, who also just opened Whistler's Aava Whistler Hotel near the base of the slopes, owns the Summit.

"Sometimes we compete with great difficulty. But the playing field can be very level when you're quiet," General Manager Rosemary Cook told *Lake Tahoe News* of competing with so many large hoteliers in a well-known luxury resort market.

A typical day at the Summit may start with rolling out of a comfortable king bed. From there, it's a flick of a switch for a gas fire and a glance out the two-story balcony at the outdoor heated swimming pool and hot tub. The plush robe competes with the slopes that are within walking distance or a short bus ride away.

Morning continues with coffee in the fully equipped kitchenette. It's as if a cook furnished the room. But breakfast today consists of a banana to make room for on-the-slopes French fries at noon. Then, it's save-yourself-for tapas at the Elements restaurant next door later that evening before retiring for the evening in front of the movie "Downhill Racer" starring Robert Redford, which aired a few weeks before the Winter Olympics.

Nice touches make the morning pleasurable, with toiletries like seaweed soap from the Taman Sari Spa, which is located down the hall from the lobby. And yes, it's nice knowing the thoughtfully placed clothesline across the bathtub shower can dry out a swimsuit in a few hours.

A quick check of emails sitting on the soft sofa was comfy for a limited time. With needing to plug into the free high speed



A room at the Summit.

Internet and not having it automatic, meant not being able to type at the table in a more comfortable business-like setting.

If playing tunes is the thing to do, the room comes with 40 digital music channels. Yoga kits, books and games are also available. Those with a bigger staff will find 866 square feet of meeting space to accommodate 80 people.

Before a day of skiing, the best treat for muscles is a hot tub “ with coffee in hand because one never wants to become too docile before facing a mega-mountain like Whistler Blackcomb.

The Summit provides ski lockers downstairs for an easy out to the city bus or to the hotel’s part-time shuttle service.

A five-minute walk from the Summit Lodge through the invigorating Whistler Village provides access to the largest ski resort in North America with more than 8,000 acres and a 5,000-foot-plus vertical drop.

Only one ski resort comes close – Zermatt in Switzerland. In scenery and magnitude Whistler looks like a distant cousin from Europe.



The Summit is
on the edge of
Whistler
Village.

Providing a desirable environment while helping the environment is a part of the plan. The Summit has implemented a recycling program throughout the hotel, including the reuse of soap, shampoo and lotion and composting food waste from Elements. High efficiency light bulbs have also been put in fixtures and lamps.

The Summit's general manager knows the feeling of falling in love with the place. The England native arrived from Bermuda 16 years ago and hasn't looked back.

"People will go on holiday and want to walk in and be impressed," Cook said. She keeps that in mind every day.

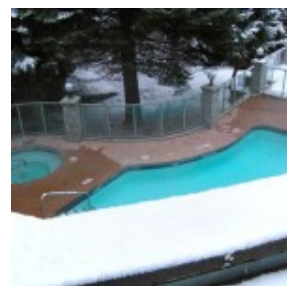
Cook advocates making improvements – whether they involve the property she manages or at the ski resort her guests come to play on. Albeit skeptical at first with its hefty \$52 million price tag, she admits to now being a big supporter of Whistler Blackcomb's most notable mountain enhancement – its Peak-2-Peak Gondola. In 11 minutes, the largest unsupported gondola in the world can whisk skiers and boarders from one mountain to another.

After all, Cook came to Whistler with the sole purpose of learning to ski.

"I couldn't imagine living anywhere else," she said.

The sentiment may well be taken from her guests, who may not imagine spending a winter vacation anywhere else – especially for such a grand occasion as the Games. It may also apply to her vendors wanting to be a part of an event intended to instill peace and goodwill among nations.

Among its artwork, the Summit is displaying the acrylic paintings of Lynn Pocklington. Whistler will feature its ArtWalks during the Feb. 12-28 Olympics, and Pocklington's bears and wolf installed at the Summit are on the route.



The hot tub and pool invite weary skiers.

"I am very excited to be a part of the ArtWalk during the Olympics. The Summit is the perfect place to be displayed being so close to everything in the village" Pocklington told *Lake Tahoe News*.

The local government commissioned artwork of black bears to represent the natural spirit of the mountain town. Prints will be gifted to visiting delegates and VIPs of the Olympic Games.

Where to Go:

The Summit Lodge and Spa is located on Main Street steps away from the Whistler Village off the Sea to Sky Highway about 90 miles north of Vancouver. Rooms – which include 81 suites and studios – start at \$169, with romance packages involving dinner, spa treatments and chocolate.

For more information, call 888.913.8811 or (604) 932.2778 or go to www.summitlodge.com.

SLT gets rid of firm that handled Poland, Mittelstadt

By Kathryn Reed



The law firm that handled the Johnny Poland and Jacqueline Mittelstadt cases for South Lake Tahoe no longer has a contract with the city.

Normally items on the consent agenda are a slam dunk for approval. Not so in this particular case.

On Tuesday, the South Lake Tahoe City Council voted 5-0 to deny City Attorney Patrick Enright's recommendation to "authorize city manager to execute agreement for special services" with Liebert Cassidy & Whitmore.

The issue was supposed to come to the council last summer, but that was just after Enright and Mittelstadt were hired and in the early discussions of the expense of outside counsel. The president and managing partner for Liebert Cassidy & Whitmore signed the agreement July 3, 2009.

The city and law firm had been operating under an agreement from 2007. The firm, which has offices in San Francisco,

Fresno and Los Angeles, had been brought in to handle labor negotiations. In the past, city personnel led by the city manager was responsible for negotiating with the various bargaining units.

Councilman Jerry Birdwell was the first to speak against retaining the group that specializes in employment labor law.

He called the firm's representation "detrimental" and expensive for the city.

An attorney for the firm unsuccessfully argued in court for Poland to not be reinstated to the South Lake Tahoe Police Department. The veteran officer returned to work this year. More than \$120,000 was paid to the firm to handle the Poland matter.

Councilman Bill Crawford accused one of the partners in the law firm of not being prepared when he tried to convince the council why Mittelstadt should be bounced from her job as city attorney.

The council in closed session reversed course and kept Mittelstadt employed, but demoted her to assistant city attorney.

"I would never employ them again," Crawford said of the firm.

Attorney fees for Liebert Cassidy & Whitmore ranged from \$160-\$290 an hour, with paraprofessional staff commanding \$110-\$130 per hour.

Although the firm has not raised its rates since 2007, Birdwell commented that in this economy fees should be coming down.

The law group also charges 15 cents per copy – which can add up in a business that is wordy and redundant in its writing.

"I don't want to re-up on an agency I was not happy with," Councilman Hal Cole said.

He was the first to suggest the city go out for request for proposals to allow other firms to compete for the city's business.

Gene Harter, representing Public Employees Union Local 1, said it was time the city brought some of the work in-house.

Hiring two city attorneys last June was supposed to reduce the expense of outside counsel.

With the 5-0 vote by the council, it was included that an RFP would be sought; with the realization the two city attorneys can't do all the work this law firm specializes in.

Also at the meeting, but with no discussion, the council approved the annual litigation report. [Click on report](#) for the details.

Polluted groundwater sites on all ends of South Tahoe

By Kathryn Reed

Chemicals polluting the groundwater throughout the Lake Tahoe Basin on the California side are keeping engineers working full time.

Most toxins are related to a chemical used in dry cleaning and the now banned fuel additive MTBE.



This building will house equipment to clean up a site.

Photo/Kathryn Reed

A temporary structure has been erected behind the Y transit center in the Raley's shopping center in South Lake Tahoe to house a remediation system.

At this site tetrachloroethylene (PCE) has been found in the groundwater. It came from the laundry facility that used to have a self-serve dry cleaning machine. PCE is a chemical often used in dry cleaning. It has been in the soil at this location since the 1970s.

"As a result of that operation, leaks associated with PCE have contaminated the soil and groundwater," said Chuck Curtis, supervising engineer at Lahontan.

He said the nearest well belonging to South Tahoe Public Utility District has not operated for years because it was also contaminated by a nearby gas station with MTBE, a fuel additive that has since been banned from Lake Tahoe.

"We have no active wells in the South Y area. We have written that area off for now and the future," said Dennis Cocking, STPUD spokesman.

Insurance companies for the former property owner and current property owner will foot the bill – which is likely to hit

millions of dollars in attorney fees and cleanup costs.

Jim Meredith, who works for the property management firm contracted by property owner Seven Springs Ltd., said they are working with Lahontan to solve the problem.

The current owners of the laundry facility were not the ones who owned it when the leaks occurred.

Lisa Dernbach, senior engineering geologist for Lahontan who is overseeing this project, said, "The contaminated soil and groundwater is mostly outside the front door of the Laundromat. We believe it's from when they filled up the machine. We think they let the liquid drain out of the hose into the parking lot."

A new filter and drainage system will be constructed. Air will be injected into the groundwater and a vacuum system used to suck vapors out of the soil. It will take about two years to complete the process. Monitoring will be ongoing and continue one year after the cleanup work is done.

Ski Run situation

In the middle of South Lake is an ongoing cleanup site at the old Moss Chevron Station at Ski Run Boulevard and Highway 50 that is now Lake Tahoe Vacation Resort.

"This (cleanup) started a long time ago, in the '90s. We were hoping the ozone sparging would be really effective," Brian Grey, engineering geologist with Lahontan, said. "It's still years away before we will be looking at closing the case due to the fact they will have to employ another remedial effort out there to reduce the concentrations."

Because the ozone flushing treatment didn't work, engineers recently switched to air sparge.

Flushing the system helped with chemicals associated with gasoline, but had no affect on the MTBE, Grey said.

The toxic plume is not near any wells that STPUD owns. The nearest drinking well is in the gated Tahoe Meadows community. Lake Tahoe is the closest body of water that could be affected by the toxic plume.

Grey said extensive monitoring is in place and he doesn't foresee the toxins reaching the lake.

He said there is a potential threat of vapors from the toxins reaching the hotel. The general manager of the hotel did not return a phone call.

Compounding the situation is contaminated soil excavated from the site was returned to the site.

The cleanup is partially being paid by Chevron, with the bulk being picked up by the state's underground storage cleanup fund. Money for that fund comes from taxes drivers pay at gas pumps in California.

Grey did not have a dollar amount on what has been spent or what the final cost is projected to be.

Stateline area issues

Several years ago residents in the Tahoe Meadows subdivision complained about the taste of their drinking water. Tests done by Lahontan revealed MTBE and PCE in the water.

Some homeowners are still on private wells, having opted out of the deal to hook into South Tahoe PUD. It is six private wells that are having problems.

Some MTBE in that area long ago was traced to Tahoe Tom's gas station, according to Cocking.

Grey said the MTBE source is unknown.

"Some think some of the former gas station up there (are responsible), but our samplings don't show that," Grey said.

Lahontan is in the process of figuring out where the PCE originated. A dry cleaner used to operate at the Village Center near Stateline.

Terry Hackett, managing general partner for the company that owns the Village Center, said a dry cleaners did not exist when he bought the property in 1980. He said they are working with Lahontan to find the source, but said his company and no lessee of theirs is responsible for the groundwater contamination.

Until the source of the leak is definitively identified and a remediation plan formulated, Tahoe Meadows homeowners with contaminated wells are advised not to drink the water, Grey said. PCE can cause cancer.

These houses are lakefront, which means PCE is also in Lake Tahoe. Even though the state water agency has not tested the lake for PCE in this area, Grey said he does not believe the amounts seeping in pose a problem to humans or fish that swim in the area.

"There are no plans for testing Lake Tahoe," Grey said.

Other contaminated locations

Dernbach said the most polluted dry cleaning site around the lake is in Kings Beach. A Tahoe City site is also being worked on.

"The problem is there is no state or federal cleanup fund to help them out," Dernbach said of dry cleaning sites. "We let them drag out a little longer because they can't afford to pay the cleanup at once."

MTBE settlement

The nearly \$70 million a jury in San Francisco awarded the South Tahoe PUD in 2001 is almost gone. Cocking expects it to be used on MTBE related matters by 2012.

MTBE was first detected in 1996. STPUD sued dozens of oil companies, with Shell and a manufacturer of MTBE the last two to settle.

Cocking said the district's belief the whole time was, "We didn't put this in the water, it is going to cost millions of dollars and decades to cleanup, and the ratepayers should not shoulder the cost."

The board made the decision to not allow any trace of MTBE in drinking water, even though that is stricter than what the law requires.