City, TRPA at odds over what potential Y tenants need to do

By Kathryn Reed

South Lake Tahoe officials are being vague about what the boarded up Mikasa-Miller's Outpost site might be turned into. At the same time, they are frustrated with TRPA allegedly being obstructionists to getting tenants into the Y retail center.

"The biggest stumbling block is the required traffic study and air mitigation fee," City Manager Tony O'Rourke told *Lake Tahoe News*. "Nowhere else have I run into something like this."

Work is going forward to fill in the blank sign at the Y. Photo/LTN file

O'Rourke said it's unusual for a property zoned for retail to have to go through the types of studies the Tahoe Regional Planning Agency is requesting when the use is not changing.

Based on the bi-state regulatory agency's 1987 Regional Plan, any building that has not been used for 90 days in a two-year period must go through this sort of analysis.

"It's standard throughout California for any new business to offset their traffic impacts and that's why a traffic analysis is needed for the property. Taking a fresh look at potential traffic impacts going forward is actually in the best interest of the new business to make sure any mitigation costs are based on reality during this down economy versus being tied to a textbook formula," explained Julie Regan, TRPA's chief of external affairs.

O'Rourke said the air quality fee could cost the entire center about $160,000.

To this, Regan said, "The cost estimate of $160,000 for a traffic study seems on the high side to our planners so perhaps there's an opportunity for our transportation team members to assist in making the project less expensive for the applicant."

City Councilman Tom Davis at a South Lake Tahoe Lodging Association meeting last week told that board, which he is a member of, a company out of London that has stores in Southern California is looking to move into the Y location. He reiterated his frustrations with TRPA at today's City Council meeting.

He said the tenants are proposing about $1 million in improvements. Davis said four businesses may occupy the center that was last anchored by Miller's Outpost and Mikasa.

O'Rourke said a few potential tenants have been speaking with the Garfinkle family, the property owners. This rendering is what was proposed at one time for the area.

What the area would be transformed into remains to be seen. Because a community plan has not been done at the Y, any redevelopment is limited. However, the Tahoe Valley Community

Plan is expected to be discussed in a work session by the South Lake Tahoe City Council on April 19.

"TRPA supports economic revitalization of the Y area, especially since the old Mikasa site is nearly 100 percent covered with asphalt which affects water quality," Regan said.

O'Rourke isn't convinced, stating TRPA's rules are killing redevelopment and in these competitive economic times roadblocks and added costs could send potential investors elsewhere.

DUI enforcement in S. Tahoe on St. Paddy's Day

St. Patrick's Day is a popular night out to socialize with friends, family and coworkers. However, with so many local establishments promoting alcohol sales or special promotional events, far too many drunken drivers head out onto streets, making it dangerous for all, according to police officers.

As a counter measure to all the green beer on sale St. Patty's Day, the Avoid the 6 DUI Task Force will deploy additional DUI Roving Saturation Patrols into South Lake Tahoe and Placerville March 17 in the ongoing campaign to take careless, dangerous drunk or "buzzed" drivers off the road before they crash.

The extra Avoid DUI Saturation patrols will be supplementing regularly scheduled shift deployments planned for Thursday. The specialized DUI Officers will be focusing in areas with high incidents of DUI collisions and arrests.

The South Lake Tahoe Police Department recommends the following easy steps, for a safe St. Patrick’s Day.

• Plan a safe way home before the festivities begin;

• Before drinking, designate a sober driver and leave your car keys at home;

• If you’re impaired, use a taxi, call a sober friend or family member, or use public transportation so you are sure to get home safely;

• If you happen to see a drunk driver on the road, don’t hesitate to Call 911;

• And remember, if you know someone who is about to drive or ride while impaired, take their keys and help them make other arrangements to get to where they are going safely.

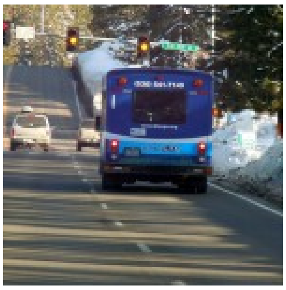
The Avoid the 6 DUI Campaign is funded by a grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration. The coalition’s next DUI Campaigns are set for Cinco de Mayo and Memorial Day Weekend.

Defendants in South Shore transit case gain ground

By Kathryn Reed

RENO – A federal judge on Monday dismissed the majority of the 16 complaints filed by MV Transportation against STATA, its board members and the organizations the individuals represent.

The Fairfield-based transit agency that once ran BlueGo, the bus system on the South Shore, sued the nonprofit South Tahoe Area Transit Authority last year on a number of issues. STATA then filed for bankruptcy and has since disbanded.



BlueGo buses keep rolling despite a federal lawsuit involving a former operator. Photo/Kathryn Reed

The proceedings March 14 were in U.S. Bankruptcy Court in Reno because STATA was a Nevada entity.

Judge Gregg Zive throughout the nearly 3½-hour proceeding told the two attorneys representing MV that they had much to still prove and that he wasn't convinced of most of their allegations.

"To me this looks like straight action with only one defendant – STATA. It's a contract action and you want to liquidate the claim," Zive said.

MV contends it is owed $2 million from STATA. There is nearly $700,000 sitting in an account being overseen by the Douglas County Sheriff's Office because MV was able to get a different judge to freeze the account. Zive ordered it put in the registry of the court so DCSO would no longer be part of the proceedings.

“The cause of action against STATA primarily remains. That was our argument all along. This is between MV and STATA,” South Lake Tahoe City Attorney Patrick Enright told *Lake Tahoe News* outside of court. “I would call it significant progress for the city. It significantly narrows the scope of the issues. I think MV will struggle to put together a complaint to meet the federal standards.”

The judge dismissed the breach of contract issue as it relates to the public entities, but is allowing MV to argue the point again in regards to the private companies.

All of the entities involved in the case were part of the hearing except for Douglas County, which was supposed to have its own court appearance in April. However, the judge decided to wrap the county into future proceedings.

Douglas County’s attorney after the session was adjourned told Jessica Woelfel and Dale Campbell, MV’s attorneys, his client never signed the operating agreement that other STATA members agreed to years ago so there would no basis to continue with their charges against Douglas County.

Several of the complaints by MV relate to the operating agreement.

Woelfel said an official quote was not possible without first speaking to her client.

About a dozen attorneys were in court representing the various defendants. Not all parties are named in each complaint. El Dorado County settled after mediation hearings in the fall.

The defendants are:

- STATA

- Tahoe Regional Planning Agency
- Douglas County
- South Lake Tahoe
- Heavenly Mountain Resort
- Tropicana Entertainment
- Harrah’s Operating Company
- Harvey’s Tahoe Management Company
- Lakeside Inn
- Michelle Bertgstrom
- Jerald Higgenson
- Nancy McDermid
- Troy McGregor
- Glenn Koehler
- Stacy Dingman
- Rick Angelocci
- Kathay Lovell
- Dan Garrison
- Casey Blann
- Andrew Strain
- Matt Krystofiak
- Norma Santiago
- Bruce Grego

- Horizon Casino
- Lake Tahoe Casino Realty
- Columbia Properties Tahoe
- Anna Hastie
- Ridge Tahoe Property Owners Association
- Tahoe Transportation District.

In the 11 motions South Lake Tahoe was named in, seven were dismissed without leave – meaning they no longer exist. The remaining issues were dismissed with leave – meaning MV can try again to convince the judge.

To whatever MV files next, Enright said the defendants will "have to file an answer to the complaint or another motion to dismiss."

Enright estimates $20,000 has been paid to Louis Bubala to have him represent South Lake Tahoe in this case.

MV attorneys have until April 22 to file their amendments. The defendants have until May 23 to respond.

Deputies recover stolen property in El Dorado County

When El Dorado County sheriff's deputies conducted a probation search of a home in the 2300 block of Apache Pass Road in Somerset on Saturday morning it resulted in two people being arrested and the recovery of stolen property.

“A search of the residence and outbuildings revealed an overwhelming amount of suspected stolen property,” deputies said in a press release. “It is believed the stolen items were taken during multiple residential burglaries and thefts which occurred in both El Dorado and Amador counties.

The primary suspect in the case, Alyssa Carole Rossetta, 40, resident of Somerset is still on the run. Officers did not immediately release the names of the two who were detained.

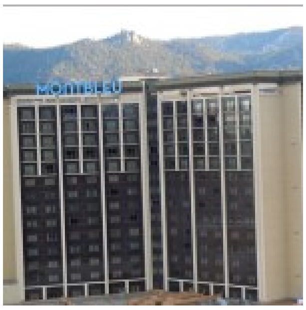
Anyone with information regarding her whereabouts should call (530) 621.6600.

All of the seized property, which is suspected of being stolen, is in the care of sheriff’s office for identification and further follow-up. Victims of thefts and burglaries wishing to see property for identification may call (530) 642.4729.

MontBleu’s parent company writes down quarterly asset values

By Steve Green, Las Vegas Sun

Tropicana Entertainment Inc., investor Carl Icahn’s gaming company, on Monday said it took $20.7 million in noncash accounting charges to write down the value of certain intangible assets in the fourth quarter.



The company, for the period March 8, 2010-Dec. 31, 2010, reported breakeven results when factoring out those expenses.

Tropicana said in its annual report that including the asset-writedown expenses, it lost $20.9 million on net revenue of $539 million for the March-December period.

Comparable results for the same period in 2009 aren't available since the company reported results beginning on March 8, 2010, when it acquired the Tropicana in Atlantic City.

Tropicana Entertainment acquired several casinos out of the Tropicana Entertainment Holdings LLC bankruptcy.

The Tropicana Las Vegas hotel-casino was acquired out of the bankruptcy by a different group of investors.

Besides the 2,129-room Tropicana Atlantic City, Icahn's Las Vegas-based Tropicana Entertainment Inc. has smaller properties in Evansville, Ind.; Laughlin and Stateline; Greenville and Vicksburg, Miss.; Baton Rouge, La.; and in Aruba.

The fourth quarter charges included $3.7 million to write down the value of the Tropicana trade name, $10.5 million related to the gaming license at Casino Aztar in Indiana, $4.8 million related to the gaming license at Belle of Baton Rouge, La., and $1.7 million related to the impairment of goodwill at Belle of Baton Rouge.

"The trade name and Baton Rouge impairments were primarily due to reduced revenue and cash flow projections while the impairment at Casino Aztar was primarily due to higher capital expenditure assumptions, lower free cash flow amounts and changes in the weighted average cost of capital, which reduced the fair value of the gaming license," the company said.

Read the whole story

Investigation: CalPERS bribery case involving Tahoe man cost fund millions

By Dale Kasler, Sacramento Bee

The bribery scandal at CalPERS likely cost the pension fund tens of millions of dollars, a lawyer hired by CalPERS to investigate the matter concluded today.

Washington securities lawyer Philip Khinda, in a 56-page report to the CalPERS board, said former board member Alfred Villalobos effectively corrupted top officials at the fund, notably former Chief Executive Fred Buenrostro, to steer investments to his clients. Khinda named four other CalPERS officials close to Villalobos: former board members Charles Valdes, Kurato Shimada and the late Robert Carlson, and former investment officer Leon Shahinian.

Villalobos and Buenrostro have been sued by the California attorney general on corruption charges. Federal prosecutors are investigating the matter, according to CalPERS documents.

Khinda said the affair created a perception in the investment industry that one needed close ties to CalPERS, as Villalobos had, to get the pension fund's attention.

"Maybe I should change my last name to Villalobos to insure that I get a call back," a financier named Dan Weinstein once told Shahinian, according to Khinda's report.

Reacting to the report, CalPERS pledged to continue its reform efforts. "Let this episode in our history never be forgotten," President Rob Feckner said.

Khinda said Buenrostro was "unfit to serve" as CEO and was ousted in 2008. At the time, CalPERS said he had retired. Buenrostro went to work for Villalobos right after.

As he was leaving, he signed dubious statements claiming CalPERS knew of Villalobos' fees. Otherwise, Villalobos would have been denied $20 million in fees by his top client, Apollo Global Management.

Khinda said Buenrostro tried to pressure the staff to direct investments to Villalobos' clients, who became known around CalPERS as "friends of Fred."

The staff didn't bend, and made investments on their merits, Khinda wrote. But when it came to negotiating terms of the deals, CalPERS was "made to overpay" the fees it gave its investment partners, probably by tens of millions of dollars.

Villalobos' clients paid him commissions totalling $50 million for securing CalPERS investments. Khinda said some firms likely inflated the fees they charged CalPERS to make up for the money they secretly paid Villalobos. In effect, if CalPERS knew of the money Villalobos was making, it could have struck a harder bargain with its investment partners.

Khinda has subsequently obtained $300 million in discounts for CalPERS, mostly from Villalobos clients.

Much of the Khinda report, which will be presented to the CalPERS board Tuesday, contains information that's already been made public, including Villalobos' alleged bribery of Buenrostro, Valdes and Shahinian. All have denied any wrongdoing.

But the Khinda report does contain striking details.

David Snow, CEO of Medco Health Solutions, a New Jersey drug benefits firm seeking a CalPERS contract, met Villalobos and Buenrostro at Villalobos' Lake Tahoe home in 2004. Later Medco paid Villalobos $4 million to help win the contract, Khinda said.

Read the whole story

Vail Resorts spending millions to upgrade its ski resorts

By Kathryn Reed

Vail Resorts plans to spend $83 million to $90 million in the upcoming building season on its six ski resorts in California and Colorado. Exactly how much of that will come to Heavenly or Northstar is not being disclosed per company policy.

However, during a March 12 media tour of both resorts, the men in charge of the respective resorts divulged some nuggets.

Although prices will not be disclosed until today, Heavenly Mountain Resort General Manager Pete Sonntag said two passes for 2011-12 would allow skiers to ride at Heavenly and Northstar-at-Tahoe – the Epic Local and the Tahoe Value.

Dylan exchanges his snowboard for a tub at Heavenly. Photos/Kathryn Reed

This season people who bought a Heavenly pass could ski at Northstar and Sierra-at-Tahoe per an agreement of the sale of Northstar from Booth Creek (which still owns Sierra) to Vail Resorts. Sierra will not be part of the pass equation for the 2011-12 season.

Sonntag, whose background is ski school, plans to elevate the experience for people taking lessons.

“We’re going to get rid of the yurts. We are going to build a new ski school facility,” Sonntag said. “That starts to complete the picture up here.”

He was referencing all the changes near the top of the gondola, including the Tamarack Lodge that opened this season.

Russ Pecoraro, spokesman for Heavenly, said the lodge near the lift with the same name was just what the resort needed and is doing a brisk business. This was Heavenly’s first new lodge in 30 years.

A smoker using black walnut and cherry wood has been installed. A lunch for less special, like other Vail properties, has been instituted. The interior, especially where food is purchased, has the feel of Two Elk at Vail and

Spruce Saddle at Beaver Creek.

Bob Offerle, general manager of Tamarack Lodge, knows how to take care of vegetarians because he is one. The veggie melt with its roasted green chilis and sautéed mushrooms is one of the big sellers. Most days a vegetarian chili is also available.

Something different at this lodge compared to others in the industry is a free refill on coffee, hot cocoa and soda.

"It's not just a great building, you have to have great product," Sonntag said.

The lodge will be open year-round, but closed in May and October. This coincides with when the gondola is taken offline for maintenance.

Other improvements at Heavenly for next season include installing more snowmaking and lift maintenance. Two trails off the Galaxy lift will be created.

Although replacing the Galaxy chair is in the master plan, Sonntag would not give a date when the two-seater would be upgraded.

Nor would he speculate when the California Lodge would be revamped. What will make that dramatically different is lodging will be a component of it.

Heavenly is not waiting for a recreation bill in Congress to be passed for it to move forward with creating more summer experiences for guests. Although the winter tubing hill will be open while folks from the Tour of California cycling event are in town in mid-May, a summer tubing hill will be created. Essentially, plastic matting is used instead of snow.

It costs $30 an hour to tube, plus the $32 gondola ride. Newbies to the sport, if one can call tubing a sport, seemed to be converts after experiencing the thrill of whirling down the slick white stuff Saturday.

For Vail Resorts’ California resorts, Northstar will be experiencing the most upgrades – a lift, lodge and runs. *Lake Tahoe News* will bring readers specifics about those improvements in a future story.

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2 suspected of passing forged checks in S. Tahoe

By Ryan Lillis, Sacramento Bee

Two people were arrested in South Lake Tahoe on Friday on suspicion of passing forged American Express Travelers Cheques.

Olewasami Brown, 35, of Pittsburg and Annette Powell, 35, of Merced were arrested in a hotel on Ski Run Boulevard, according to the South Lake Tahoe Police Department.

Read the whole story

State looking to replace Placerville courthouse

By Carlos Alcala, Sacramento Bee

A new Placerville courthouse site favored by locals is officially being considered, state officials announced Friday.

The Administrative Office of the Courts has been looking for a site to replace the nearly 100-year-old Main Street courthouse and two other facilities for the El Dorado Superior Court.

Late last year, Placerville and El Dorado County government leaders had expressed fears that the Office of the Courts favored sites outside Placerville.

Read the whole story

Reno expert: Japan's quake 'a completely different class'

By Steve Timko, Reno Gazette-Journal

If the world was a bell then Friday's earthquake in Japan would leave it ringing for a month, the head of the Nevada Seismological Laboratory said.

"This is a completely different class of earthquake," said Graham Kent, director of the seismology lab at the University of Nevada, Reno.

He struggled to describe the enormity of a magnitude 8.9 earthquake like that one that struck off the coast of Japan at 9:46 p.m. Thursday Reno time.

For one thing, Kent said, it's big enough that it slightly affected the earth's rotation on its axis.

"It's so big that it sets the earth in a vibration mode that will have it ringing for a month," Kent said.

He also scoffed at media reports that attempted to show the epicenter of the quake. A magnitude 9.3 earthquake that struck off the coast of Sumatra in December 2004, for instance, had a fault line move that was more than 620 miles long, he said. Kent is guessing Friday's quake in Japan had a rupture point 360 miles to 500 miles long.

"A little point on the map means nothing," he said.

Read the whole story