Probe of Sac businessman includes videotaping in Tahoe home

By Sam Stanton, Marjie Lundstrom and Denny Walsh, Sacramento Bee

For nearly 18 months, Sacramento businessman Michael Lyon has faced the twin crises of a bitter divorce and a criminal probe.

The fallout escalates as the 54-year-old executive, who has stepped aside as CEO of Lyon Real Estate, resigned this week as a Boy Scout leader and remains out of town.

Lyon learned two weeks ago that a federal probe would be closed without charges being filed. But the Sacramento County sheriff and district attorney since have launched their own investigation into whether he secretly videotaped guests and family members in bedrooms and bathrooms in his Sacramento and Lake Tahoe homes.

Read the whole story

Nevada gaming revenue keeps heading south

The Nevada Gaming Control Board today said casinos statewide won $829.7 million in July, compared with $872.7 million the year before. This is a 4.9 percent drop.

On the South Shore, the decline was by 12.8 percent. Casinos collected $23.7 million this year compared to $27.5 million in 2009.

North Shore casinos had a slight uptick of 2.23 percent. Collected in July 2010 was $3.79 million compared to $3.7 million a year ago.

Nevada gaming revenues have dropped six out of the seven months reported this year.

– Compiled by Kathryn Reed

Lake Tahoe's future clarity may come down to money

By Kathryn Reed

Money – that was an overriding theme of the eight people who spoke before the Lahontan Regional Water Control Board about the proposed amendment to the plan to reduce sediment into Lake Tahoe. How the plan will be implemented was another concern.

No one argued at the Sept. 8 meeting at Lake Tahoe Community College that reducing sediment into one of the world's most pristine lakes isn't a worthy endeavor. Even how to go about it wasn't met with much argument. But the jurisdictions responsible for the work wonder where the billions of dollars needed to do the work will come from.



Bob Larsen speaks to the Lahontan water board on Sept. 8. Photo/Kathryn Reed

Bob Larsen, environmental scientist with the water board, said it's estimated to take $100 million a year for 15 years to accomplish his agency's clarity goal. But he was quick to say the estimates are "very rough."

The goal is to reduce fine sediment flowing into Lake Tahoe by one-third in the next 15 years so people could see into the water 77 to 80 feet.

Of the more than $1 billion that has been spent in the last 10 years on the environmental improvement program, about half has gone to water quality projects.

Although Lahontan represents only the California side of the lake, the plan before the board has been a cooperative effort with the Nevada Environmental Protection Agency. This means the entire lake would be operating under this plan if it were approved.

Wednesday's meeting was a chance for the board to hear the proposed amendment to the Tahoe Total Maximum Daily Load (TMDL) plan and for the public to address the board. Comments on the proposal will be taken through Sept. 13.

Representatives from Placer and El Dorado counties, and South

Lake Tahoe said in these economic times the dollars to do what is being asked of them aren't available. And with California mired in a $19 billion budget quagmire, local jurisdictions don't know how Sacramento might further cripple them when a budget is eventually passed. Even Lahontan employees know how legislators dink with others and not their own pay. It's a state furlough day – meaning no work, no pay for Lahontan and other state employees even though lawmakers keep getting paid for not doing their job. (The fiscal year began July 1.)

Steve Teshara, with Sustainable Community Advocates, spoke of the need to tap into private investments. He, along with others, wanted more detail about how the plan will be implemented.

Before the lunch break, Russ Nygaard with El Dorado County, said it's imperative flexibility be built into the plan when it comes to time lines.

"Without state and federal funding, this will be difficult," Nygaard said of being able to meet the TMDL requirements.

Leslie Case with Caltrans expressed concerns with the various TMDL regulations being adopted throughout the state and how her agency will be able to comply with them all.

Jennifer Quashnick with the Tahoe Area Sierra Club spoke to the need for better monitoring of the projects to ensure they are working.

The Lahontan board is scheduled to vote on the amendment to the Tahoe TMDL at the Nov. 9-10 meeting. It is possible that meeting will be delayed a week so it does not fall in a holiday and furlough week.

El Dorado County supes to discuss revised budget

By Kathryn Reed

El Dorado County has more budget hearing scheduled for this month even though a budget was passed in June for the fiscal year that began July 1.

The first budget is a "recommended budget" while what the supervisors will vote on this month is the final budget. Even though state law requires all counties to have their budgets done before the start of the fiscal year, without a state budget in place it makes the process a bit of a guessing game.

"A lot of uncertainty exists when the state doesn't have a budget, but we are required to have a final budget regardless of whether the state does or not," Mike Applegarth, the county's chief administrative analyst, said.

Applegarth said key factors that change from June to September that affect the budget are the impact of the state budget on county resources, the closure of the property tax role, and the close of the books for the previous fiscal year.

The Board of Supervisors will discuss the 2010-11 and 2011-12 budgets Sept. 13 at 9am at 330 Fair Lane, Placerville. If more meetings are needed, they will be Sept. 15 and Sept. 20, both at 9am and the same location.

Supervisors are expected to adopt the final 2010-11 budget Sept. 21.

Judge rejects military policy toward gays

By John Schwartz, New York Times

The “don’t ask, don’t tell” policy toward gay members of the military is unconstitutional, a federal judge in California ruled Thursday.

Judge Virginia A. Phillips of Federal District Court struck down the rule in an opinion issued late in the day. The policy was signed into law in 1993 as a compromise that would allow gay and lesbian soldiers to serve in the military.

The rule limits the military’s ability to ask about the sexual orientation of service members, and allows homosexuals to serve as long as they do not disclose their orientation and do not engage in homosexual acts.

The plaintiffs, challenged the law under the Fifth and First Amendments to the Constitution, and Judge Phillips agreed.

Read the whole story

Red fox sighting could ignite political fight

By Michael Doyle, McClatchy News Service

WASHINGTON – The rarely seen Sierra Nevada red fox could be the next candidate for federal protection, and perhaps political controversy, now that one has been photographed

prowling around Sonora Pass.

State law currently covers the fox. The federal Endangered Species Act does not. As scientists pick up the animal's elusive trail, regulatory and political choices will become more pressing.



Rare red fox. Photo/CDFG

"It looks like it may be an excellent candidate for listing," Lisa Belensky, senior attorney with the Center for Biological Diversity, said Tuesday. "We're considering it."

John Buckley, director of the Twain Harte-based Central Sierra Environmental Resource Center, agreed Tuesday that "there is justification for listing (the fox) and having a recovery plan."

Read the whole story

Northstar employee apartments in default

By Bob Shallit, Sacramento Bee

Here's the latest sign of trouble in Lake Tahoe's battered

economy: a $25 million apartment complex built to house resort-area employees is now in default and will be sold for pennies on the dollar.

The 96-unit Sawmill Heights apartment project was completed in 2006 at the base of the Northstar Resort.

It’s nearly full in the busy winter months, says Gerry Flynn, who manages the complex. But occupancy falls below 50 percent the rest of the year, he says.

The result: Its owner – the Northstar Community Housing Corp. of Truckee – has been unable to meet debt obligations to project lender US Bank.

Read the whole story

South Shore redevelopment – yesterday, today, tomorrow

By Kathryn Reed

STATELINE – The faces of redevelopment – past, present and yet to come – brought some clarity to an issue that tends to be as appealing as drinking vinegar.

All three speakers on Sept. 8 spoke of the virtues of redevelopment and how this tool has, is and will help the South Shore.

Redevelopment past

Jaye Von Klug, South Lake Tahoe’s former redevelopment manager, came up from Southern California to dispense a bit of

history about the subject to Soroptimist International of South Lake Tahoe at Harveys. Nancy Kerry, who works in the department now, spoke of what is going on today. Patrick Rhamey, director of real estate development for Edgewood Companies, talked about his company's desires to remake the Stateline area.

Von Klug said it's normal for a project to take 10 years to go from an idea to the doors opening. At the rate Edgewood's project is moving (plans first went to TRPA in June 2008), a decade-long ordeal might be playing out.

Von Klug spoke mostly of the Park Avenue project, aka Heavenly Village. She touched on the five developers working under one contract, how the gondola sufficed as the mitigating transportation component for the whole project.

She talked about how when she was in charge, parent companies of the developers were bonded so if something happened, no one could hide behind a limited liability corporation. Von Klug didn't mention how just the opposite occurred with the bankrupt convention center. She left in 2002, before the papers for that project were signed.

Although Von Klug praised the City Councils at the time for their vision and willingness to go into debt $100 million for Heavenly Village, she failed to mention how the parking garage has never made a penny and drains more than $50,000 a year from city coffers, and that on her watch the Redevelopment Agency took $7.2 million from the general fund to pay for the Heavenly Village project. The general fund pays for roads, bike trails, infrastructure, those sorts of things the city is lacking.

Redevelopment – present



Nancy Kerry talks about redevelopment on Sept. 8. Photo/Kathryn Reed

“Redevelopment can be controversial. We argue about facts based on feelings,” Kerry said.

She said redevelopment in a city is analogous to individuals remodeling their homes.

Kerry pointed out the public needs to be involved in the process to ensure its voice is heard.

“People forget the government is themselves,” Kerry said.

The Redevelopment Agency has been able to secure grants for programs like the ongoing lead paint removal from private residences and the small business coaching program – proving that it’s not just about building something.

But the state keeps taking money away from redevelopment agencies. South Lake Tahoe was stripped of $1.7 million this fiscal year and could lose another $400,000 if the state has its way.

Though it’s been written many times, Kerry reminded the group that even though the convention center project is stalled, the property is worth more now than when buildings were on it. This means the city is reaping more in property tax with concrete and rebar than when operating businesses were there a

few years ago.

Redevelopment – future

Edgewood Companies owns 500 acres on the South Shore, with another 4,500 in the Carson Valley.

“The 500 acres here is 90 percent of what the company is about,” Rhamey said.

With Columbia Sussex securing an extension on the Horizon casino lease until March 2014, the focus of the Park family is on developing the 230-room Edgewood Lodge on the ninth hole of Edgewood Tahoe Golf Course.

Rhamey said what the Horizon is likely to become is a center focusing on recreation first and entertainment second. He said the outdoor concert series is working in the summer at Harveys, so maybe something indoors could be profitable if the Horizon were overhauled.

“It’s a real brain teaser what economically might work,” he said of the Horizon property. “I would love to tear the whole thing down.”

For now, the future Edgewood Lodge is slated to run as a hotel, though some time-shares may be thrown in the mix. The intentions are to not be able to close off rooms to make it into bigger or smaller units like what can be done with some of the Marriott rooms across the street.

“We will raise the bar for lodging on the South Shore and improve the golf course,” Rhamey said. “If you look at food and beverage, hotel occupancy on the South Shore, those numbers decreased by 40 percent in the past four to five years. Edgewood’s revenues are not down at all.”

What Rhamey calls “the world’s most scenic parking lot” will be moved from the shoreline. The project calls for part of the beach to be public.

A sticking point may be acquiring the necessary tourist accommodation units to make the hotel a reality. Edgewood doesn't want to tap into the supply at the Horizon even though one wing is closed much of the time. Without a definitive plan for that property, Edgewood isn't ready to part with those units.

TAUs, as they are called, are limited per the Tahoe Regional Planning Agency. This makes them a commodity that can be sold and traded. Edgewood wants South Lake Tahoe to give up TAUs dilapidated hotels are using. When Dave Jinkens was city manager he was opposed to such horse-trading. With Tony O'Rourke at the helm and three new council members coming on board in December, it could be whole new ballgame.

The city is in a position to bargain – maybe ask for a convention center to be built. Talks are going on now about the Edgewood-South Tahoe TAU situation.

Rhamey, too, said it's important for the public to get involved – especially in the TRPA's Regional Plan. He never mentioned the League to Save Lake Tahoe, but alluded to the group as being obstructionists to redevelopment and the Regional Plan.

"I think we need to look at things as a region, then everything will work out in the end," Rhamey said.

South Tahoe man arrested on attempted murder charge

Updated Sept. 8 3:40pm: On Sept. 8 the South Lake Tahoe Police Department arrested Alejandro Martinez, 28, of South Lake

Tahoe on charges of attempted murder.

A 26-year-old South Lake Tahoe man was shot Friday night by someone he knows. However, the shooter remains at-large.

The bullet grazed the victim's head. He was treated and released from Barton Memorial Hospital.

The incident occurred in Tahoe Verde mobile home park about 8pm. The altercation was outdoors, though the victim was inside a Julie Lane home when authorities arrived.

Police are not releasing the names of either the victim or suspect. They said the suspect is from South Lake Tahoe and male. Police said there is nothing to confirm the shooting was gang related.

Anyone with information is asked to call Detective Jeff Roberson at (530) 542.6134.

– Compiled by Kathryn Reed

California Assembly curtailing media's access

By Jim Sanders, Sacramento Bee

The California Assembly has begun enforcing a dusty rule in which the media can watch lawmakers debate public policy on one condition: Turn off the video cameras and microphones.

Sergeants-at-arms, in a broad push by Assembly leaders to enhance decorum, recently began confronting credentialed members of the media and others who were recording or

videotaping official business during public session.

The issue pits the right of the media to document actions of public officials affecting public policy against lawmakers' concerns that a private conversation or an unseemly gesture could be captured and transmitted instantly via the Internet.

Read the whole story