

# Alder Inn fiasco threatens LTCC students



By Kathryn Reed

Eleven Lake Tahoe Community College students may be evicted from the Alder Inn because the man who for several years represented himself as the owner of the Ski Run Boulevard property has allegedly absconded with their money and that of the real owner's.

No one is sure where Joseph Balius is – or his wife, Kira, and their children.

When he was president of the Ski Run Business Improvement District he represented himself as owner of the Alder Inn.

The truth is June Stefani owns the hotel-apartment complex. Balius had a lease option to buy the property. That option expired Sept. 30.

Stefani, who lives out of the area most of the year, had allowed Balius to be delinquent in his lease payments for about a year, which amounted to an undisclosed five-figure amount. She didn't find out about issues with the students until this month.

Until this month people were still using the inn as a lodging facility. Students said it was packed during Labor Day weekend. They don't understand why Stefani has cut off this revenue source.

The rooms the students are living in look like a basic hotel room, not even like a normal studio apartment. A dorm size refrigerator, coffee maker and microwave are the kitchen. A bed, television, table and chairs are the room, with the bath in the back.

The converted rooms still look very much like a 1970s-era hotel room.

### **LTCC students react**

Students should be studying, glued to computers. It is midterm week, after all.

But the Internet access that was supposed to be part of their rent was turned off this month when Stefani came to town.

Several students were gathered in one room Wednesday talking about their uncertain future, saying how the "for sale" sign went up on the complex that day, and that Stefani has threatened to give them a three-day eviction notice if they don't pay \$200 to cover utilities for October and November.

The students and parents say they have contracts stating utilities are included in the fees they have already paid.

"We paid for an entire year, all through until June. We have the documentation, we have the receipts, we have the contract," Donna Hall, a parent of one of the students told *Lake Tahoe News*. "I do object that we are supposed to walk away because (Stefani) is unhappy."

Six students have paid through the fall quarter, two through the spring quarter in March, and three until the end of the school year in June.

Hall has paid about \$6,500 for her daughter to live at the Alder Inn.

Steve Addison, 21, is in the college's EMT program. He

described it as a “pretty messed up situation.” He added, “It’s not our issue.”

That’s what the students keep harping on – they shouldn’t be kicked out when they haven’t done anything wrong and especially because they’ve already paid to live at the Alder Inn.

“I’m sorry (Stefani’s) business practices are bad, but I shouldn’t get screwed,” said student Katy Manoff.

### **College’s role**

Students and parents don’t believe the college is doing its part to help in the matter.

“We were under the impression they endorsed this place,” Manoff said.

Until earlier this month, the Alder Inn was listed as student housing on LTCC’s website. When the Alder Inn started allowing college students to live there in fall 2007, the college did a huge public relations push to promote the relationship. Officials were even bragging early this fall about the number of students at the Alder Inn.

The inn is mentioned in several of the board minutes during the last two years.

Minutes from the Aug. 31, 2007, board meeting state, “Susan Middleton informed the Board that we only have eight students in four rooms taking advantage of the off campus student housing offer at the Alder Inn.”

The Aug. 5, 2008, minutes reflect college President Paul Killpatrick having taken a tour of the Alder Inn.

On Wednesday night [www.tahoecollegehouse.com](http://www.tahoecollegehouse.com) still listed the inn as LTCC housing. The site says, “Our goal here at the Alder Inn is to provide students with a secure and safe living

environment while attending our beautiful campus at Lake Tahoe Community College.” The number listed on the site is disconnected.

Killpatrick on Wednesday said the college’s housing site “functioned as a bulletin board, as a listing.”

“On advice from our legal counsel we have not gotten that involved,” Killpatrick said. “We think the only bad guy in this is Joe, who ran off with the funds.”

### **Finger pointing**

But students want more. They don’t feel like the college is helping them at all, and yet, it was through the college that they ended up at the Alder Inn.

“We can’t get a straight answer out of anyone,” Manoff said.

Stefani acknowledged to *LTM* that she has been the owner of Alder Inn for about 30 years and that Balius had the lease option for the last five years.

It was former South Lake Tahoe City Councilman Ted Long who had the original lease option.

“What it was is I had loaned him the money to do the deal so it was in my name,” Long said. “I sold the option to him for a buck.”

Long said he last heard from Balius, who he describes as a good friend, about a month ago via email saying he was leaving the Alder.

Stefani said Balius told her the property was in escrow, but it fell through. All she knew is that she would get paid and the property would no longer be hers.

“I had nothing to do with the property. Zero. I had not been on it for five years until Oct. 1,” Stefani said. “He has run

off with a lot of my money and lot of the students' money and students' money who are not even here yet. I've been getting calls from parents."

Stefani says she never received a penny of the money the students paid in rent.

## **Legal matters**

Rick Martinez with the South Lake Tahoe Police Department is investigating the matter. He would not provide *LTN* with any information Wednesday.

Martinez and Assistant District Attorney Hans Uthe met Wednesday to discuss the case.

Uthe told *Lake Tahoe News* on Thursday that they are in the information gathering phase and not looking for Balius at this point.

"It is going forward as an investigation. It's too early to tell where it is going to come out," Uthe said.

The students say Martinez told them they don't have a case, it's Stefani's fight – unless they are evicted.

Attorney Bob Henderson is representing Stefani.

"We have not decided what we are going to do. We have been in contact with the community college," Henderson said. "We are going to try to solve the problem, but I don't know what solution will be reached until we reach it. We can't let the property sit there and the utilities, and no money exchanging hands."

LTCC board President Kerry David would like to find a way for the students to stay and to have Internet access turned back on – which would probably cost less than \$2,000 for the rest of the fall quarter.

"We are concerned for them,' David said of the students.

He said the college acted as a referral service, but received no monetary compensation from doing so.

"This guy should be in jail. He basically took money from students and has run," David said. "We are supportive of the students and sympathetic to the students, but their contract was with the Alder Inn, not the college."

At Tuesday's college board meeting, trustee Fritz Wenck commented how he and his wife are providing housing for a LTCC student who was homeless. Perhaps other doors could open to the 11 students at the Alder Inn if Stefani does not honor their contracts.