

County to close parking lot used by Stateline businesses

By Kathryn Reed

STATELINE – Douglas County officials on Thursday let businesses in the Nugget Building at Stateline know the 57 parking spaces on the west side of the building will be off-limits to their patrons.

Today, property owner Chuck Bluth plans to deliver a letter to each county commissioner expressing his side of the story and asking to be put on a future agenda so the matter can be worked out.



The parking lot angling to the left of the Nugget Building in Stateline will be off-limits as of June 1.

Photo/Kathryn Reed

When Bluth bought the property earlier this year from Mike Laub he knew nothing about the parking lot deal that had been in place. In July 2009 a 15-year lease between the county and Laub expired. The county has not received a dime since then

even though it has tried to collect from Bluth and Laub.

The odd-shaped lot is partly off Kahle Drive, borders Kahle Community Park, has an entrance off Highway 50 and goes to the edge of the building that is anchored by Sushi Pier. It's still referred to as the Nugget Building because a casino by that name was once there.

Justina Caviglia, deputy district attorney for Douglas County, said before the 1994 deal was inked the county was getting \$5,000 a month for the parcel. A lump sum of \$99,500 was paid for the lot's use 15 years ago, with the money going to the neighboring park.

Prior to the sale of the Nugget Building the county had been working with Laub to work out a month-to-month lease. That never came to fruition.

The other side of the building has parking, with a couple spots in the back.

What it will mean to the businesses in the complex if the county parking spaces are removed remains to be seen. The entire building is not occupied. But with three restaurants, the need for parking is evident.

Laub sold the Nugget Building early this year and then bought the former Bill's Casino parcel, which he had intended to turn into a strip club. (Commissioners' thwarted those plans with a vote after Laub bought the property from Harrah's Entertainment.)

It was Laub's responsibility, according to the county, to maintain the lot, which included plowing it. But the county plowed it this winter.

Bluth said he knew nothing about the parking lot issue until the county contacted him.

Clearly the lot has not been kept up by anyone. Some potholes

are filled with muddy water. Others are 3-feet in diameter. Curbs are decaying. Landscaping appears to be non-existent, though an argument could be made it's native vegetation.

What is it worth?

In April the county secured two appraisals on the lot. Johnson Perkins & Associates Inc. say it's valued at \$5,000/month and Anthony J. Wren, MAI put a \$7,732/month price tag on the parcel. A 2007 state law requires the county to charge the higher price.

Bluth said he isn't about to pay more than \$90,000 a year for a parking lot.

"That would be 76 percent of my gross rental revenue on that property," Bluth told *Lake Tahoe News*.

Bluth contends the parcel was appraised based on it being developed in the future and not its current use, which is all he would use it for.

Differing opinions

Caviglia and Steve Mokrohisky, assistant county manager, met with *Lake Tahoe News* in Stateline on May 20 to talk about the issue. They said Bluth doesn't return phone calls.

"Mr. Bluth has never responded to my offers," Caviglia said.

Bluth shared with *Lake Tahoe News* his written communications with the county. A letter from Caviglia to Bluth dated April 14 talks about the appraisals, mentions a draft lease and a desire to meet and discuss the issue.

The assistant district attorney sent a letter April 19 to Bluth telling him not to contact the appraisers.

"Any attempt to influence or attempt to influence either appraiser to change its appraisal is a criminal act ...," the

letter says.

Bluth told *Lake Tahoe News* that as a developer for the last 40 years he is well aware of the role of an appraiser. He also believes the county didn't tell the appraisers the parcel is only for parking.

Caviglia said a corner of the property has gone through the Tahoe Regional Planning Agency with approval to be developed, but that she does not know where that stands or what might go there.

On April 26 Bluth wrote a letter to county Commissioner Nancy McDermid because she represents the lake, even though she lives in the valley. She is also on the TRPA board.

"It is my belief that approaching this in a positive manner is the best way to resolve what I inherited when I purchased the building, because I was not informed of the parking situation that has been ongoing for many years with previous owners," the letter says. He then offered seven dates in May, all of which have since passed, as possible meeting dates.

A letter dated April 29 from Caviglia to Bluth gave him a deadline of May 5 to respond to her. "Douglas County will take appropriate action to protect its ownership rights of the property, which may include closing the parking lot," the letter states.

On May 5, McDermid responds via email to Bluth saying county counsel has advised against a meeting.

On May 11, Bluth emails McDermid his disappointment with her response and further said, "I attempted to set up a meeting with the District Attorney's office and one of the appraisers, but I was turned down and threatened, which simply amazes me."

Digging in their heels

Bluth is not one to shy away from a fight. Bluth and the TRPA

have gone back and forth in court and out of it regarding his house near Glenbrook. He is the former owner of the Cal Neva casino in Crystal Bay. He sold it in 2005.

“When I owned the Cal Neva I dealt with 12 agencies and none with this kind of behavior,” he said.

He is to the point where he doesn't see it making economic sense to rent the parcel at the price quoted.

The county plans to block access the Tuesday after Memorial Day weekend.

“We are in a tough spot. We tried to go through the process,” Mokrohisky, the assistant county manager, said. “Our belief is business owners didn't do anything to cause this.”

He and Caviglia had a letter to hand the business owners, which include attorney William Cole, Cilantros Mexican Grill, UPS, Sushi Pier and Thai Delight.

“If they close off the lots so no one can get to my space, what are they going to prove, they are the big dog in town? We all know that. They have the authority to do what they want. Usually they don't abuse power,” Bluth said of Douglas County officials.