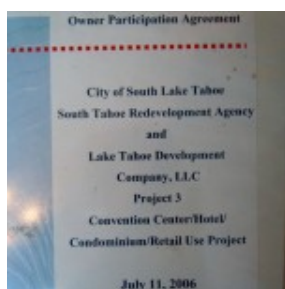


Validity of convention center permits being investigated

By Kathryn Reed

Research is being done by the Tahoe Regional Planning Agency to figure out where the permits for the would-be convention center project stand.

When the project went into bankruptcy in October 2009 the permits were tolled by TRPA. This means the clock stopped ticking against the three-year validity of the permit while the project was in bankruptcy court.



How many new documents are needed for the convention center site is being worked out.

The project came out of bankruptcy last month when creditors decided to foreclose on the project, rendering Lake Tahoe Development Company mute.

"If permits are held longer than three years, chances are likely conditions have changed so environmental analysis would be inaccurate," Julie Regan, spokeswoman with TRPA, told *Lake Tahoe News*. This is one reason permits have an expiration

date.

Last week South Lake Tahoe's city manager met with TRPA's executive director and chief legal counsel to discuss what changes are possible and what is valid. A decision is likely in the next couple weeks.

"If this project has to go back to square one, we are looking at a four or five year process with new environmental studies. That would be devastating," City Manager Tony O'Rourke said.

Regan said TRPA wants to work with the city, but also wants to ensure all the legal aspects are covered.

"We don't see a radical change in the footprint," O'Rourke said. But he does foresee a more traditional hotel being built.

Most of the creditors have foreclosed on the 11-acre site near Stateline, though this week Owens Financial – the largest creditor – had still not filed the paperwork.

The foreclosure process essentially leaves the second and third tier creditors without anything, while the first tier are apt to recover some money, but not all that has been sunk into the hole.

For the entity that eventually takes over the project that originally called for a convention center, two hotels, retail and open space it means dealing with fewer people in a more simplified manner.

"Our biggest hurdle is nationally there is a lot of good product already built that you can get cheap," O'Rourke said. "That is what we are competing with."