

Lane wants to stay involved with bankrupt S. Tahoe project

By Kathryn Reed

Randy Lane is not giving up on being an integral part of whatever the rebar and concrete near the state line in South Lake Tahoe eventually becomes.

His firm, Lake Tahoe Development Company, this month asked the bankruptcy judge in Sacramento for more time to come up with a plan. South Lake Tahoe and the creditors have until Aug. 16 to file with the court their views on Lane's plan.

City Attorney Patrick Enright told *Lake Tahoe News* the city has no desire to allow Lane more time to figure out what to do with the 11 acres.



Debris covers parts of the rebar-concrete bankrupt construction site in South Lake Tahoe. Photo/Kathryn Reed

“It’s the same thing he has been saying for the last two years,” Enright said.

That site was supposed to be a \$400 million convention center, with two boutique hotels, retail and open space.

The idea is it would have complemented the Heavenly Village development on the other side of Highway 50.

Without all the parties foreclosing, Lane still has ownership of nine of the 29 parcels. Owens Financial is owed the most – about \$25 million.

Lane admits something different than originally planned is what the market now dictates.

“The units will be smaller so you can be more competitive from a pricing standpoint. The market doesn’t want \$2 million units,” Lane said.

Several entities have looked at the project, though all turned out to be false starts. Since the foreclosures started Vail Resorts has revisited the possibility of having a roll in the project. Initially the Colorado company was the hotelier. Vail backed out long before LTDC filed for bankruptcy.

Heavenly Mountain Resort is Vail’s only ski resort without a high-end hotel nearby.

JMA Ventures out of San Francisco, which owns Alpine and Homewood ski resorts, also studied the possibility of taking over the project.

“Every week there seems to be more interest than the previous week,” Lane told *Lake Tahoe News*. “The solution is not filling in the hole and starting over again.”

For now, though, there is no serious investor.

City officials allowed construction to start without the

Zephyr Cove developer having financing definitively in place. Lane was also allowed to go forward without a consolidated map being filed. That is why the bankruptcy process that started in October 2009 and subsequent foreclosures in December 2010 are convoluted.

The site continues to look more rundown by the day, with graffiti on fences, no passable sidewalks for pedestrians and debris inside the compound.

Lane would like to change some of that by October.

"I want to clean the place up, maybe fix the sidewalks," Lane said.

Asked who would pay for that, Lane said, "Us, and a couple of the creditors and maybe the city."

It's possible at the early September court hearing the judge will put an end to Lane's continuous pleas for more time. The judge could dismiss the case, which means the bankruptcy goes away. This could create a mess with property owners

The judge could also turn it into a Chapter 7 bankruptcy. This would mean liquidating the assets.