

Opinion: Tell NTPUD board to say no to Laulima

By Ann Nichols

Come to the events center Sept. 7 at 5:30pm to express your concern to the NTPUD board.

The 70-year proposed lease (30 years plus two 20-year options) of the North Tahoe Event Center in Kings Beach to Laulima LLC or any of their many affiliates creates huge district liabilities for North Tahoe Public Utility District (NTPUD) ratepayers in the following ways:

1. \$43,600 NTPUD attorney's fees already spent as of Aug. 31.
2. Long-term lease, really a disguised sale will require a legal validation action with the state of California which is estimated at \$40K-60K additional and there may be appeals that the ratepayers will be on the hook for.
3. It may be over two years before rent commences (in two years it begins at 22 cents per square foot; what a deal) and a further unknown amount of legal fees during that period.
4. What about the years of losses due to poor existing NTPUD management and two more years of the same during Laulima's attempt to develop the center?
5. Laulima LLC is also associated with Laulima Northstar LLC"which begs the unanswered question of who will ultimately benefit from the lease, Northstar or some other unknown principal or subdivision? The loss of our lakefront venue is priceless.
6. Once the lease is signed before vetting financial capability or experience, ratepayers are already on the hook for future litigation when the agreement fails to go as promised.

7. Ratepayers may have to finish an unfinished project or pay off mechanic's liens. A 110 percent performance bond won't cover the penalties and interest from a bankrupt LLC and an unfinished closed structure.
8. Laulima or whoever they designate claim they will spend \$5.6M on the events center. Don't ask me or the board how as Laulima has not provided a design to review.
9. The NTPUD is not considering the financial responsibility of a California Environmental Quality Analysis which could be required for the traffic impacts alone. How much will that cost the ratepayers?

The \$90K/year loss from a poorly run events center will pale against the huge liabilities the NTPUD board is proposing with this misguided association.

Ann Nichols is with the North Tahoe Preservation Alliance.