

# Judge's Lakeview Commons ruling may be appealed

By Kathryn Reed

It may not matter what South Lake Tahoe wants regarding Lakeview Commons. Reeve-Knight Construction has filed notice the company intends to appeal the judge's decision that rendered its contract with the city invalid.

Multiple calls to the Roseville-based company went unreturned. However, City Attorney Patrick Enright confirmed Reeve-Knight has filed a notice to appeal.

Clark & Sullivan Construction in Sparks successfully sued the city over the bid process, which resulted in El Dorado County Superior Court Judge Steve Bailey issuing a decision Nov. 1 that blasted the city for its handling of the bid and rendered the contract null and void.



People may need to get used to this sign near El Dorado Beach. Photo/Kathryn Reed

People close to the issue have told *Lake Tahoe News* if Reeve-Knight goes through with the appeal, it's likely the city will

have another stalled construction project on its hands for what could be years with it tied up in legal wrangling.

One difference between this \$6 million stalled project and the bankrupt/foreclosed could have been \$400 million convention center project is location and functionality.

Lakeview Commons is in the center of town, and a highly trafficked area that is popular with locals and tourists. Access to El Dorado Beach is now cut off.

This compares to the convention center site near Stateline that impacts the players with money in the site, but does not take away an asset from people.

On Jan. 11 the City Council started their morning at 8 in closed session to discuss Lakeview Commons. Enright said no reportable action was taken, but in the same breath said a public hearing is scheduled for Jan. 25 to decide whether to start the bid process from scratch or to award the bid to Clark & Sullivan.

“Discussion in large part was whether to appeal the decision. We wanted this council to decide it,” Enright said of the closed session.

The city only had 60 days to appeal the decision. Tuesday’s session was 10 days after that deadline. This means it’s possible the council again violated the Brown Act by discussing litigation that isn’t relevant.

South Tahoe is also dealing with angry subcontractors on the project who have not been paid.

Dave Galicia, president of GB Construction in South Lake Tahoe and subcontractor for Reeve-Knight, spoke before the council Tuesday saying he submitted invoices to the city dated more than 120 days ago and has yet to see a dime.

Afterward he told *Lake Tahoe News*, “They are arguing over

\$35,000.” Galicia said Reeve-Knight billed the city for \$140,000 for the work done at the site and the city offered \$105,000.

Enright confirmed the city has not paid Reeve-Knight any money.

“We are negotiating with them,” Enright said.

He cited Public Contract Code that requires the city to pay hard costs, but not profits on a contract that has been rendered invalid.

Enright expects that aspect of the issue to be voted on by the council Jan. 25 – the same day it is scheduled to decide how to go forward with the bid. The latter, of course, may be a mute point depending on what Reeve-Knight does.