

S. Tahoe weighing how to pay for rehabbing roads

By Kathryn Reed

South Lake Tahoe is between a pothole and a debt payment when it comes to dealing with the roads that crumble a bit more each day.

At the Aug. 2 City Council meeting, the five are likely to be asked if they are willing use a certificate of participation to pay for the millions of dollars needed to repair the asphalt.



Potholes can cause serious tire damage.

The COP is the preferred method instead of a general obligation bond that had first been floated by City Manager Tony O'Rourke. A main difference is all bonds – which are a tax – must be passed by two-thirds of the voters. A COP doesn't need the taxpayers' blessing.

While a COP is not tax on the people directly, the repayment of the money is taxpayer dollars from the general fund.

The council in April through the passage of the five-year financial plan OK'd spending \$5 million for each of the next five years on capital improvements, with the bulk to go to

roads.

Councilmen Tom Davis and Hal Cole expressed the least amount of enthusiasm to go into debt to pay for the roads.

"The interest is \$32 million over a 30-year period so really it's \$10 million a year," Davis said of the cost going to roads. "(The COP) just doubled the cost."

Cole said, "The roads may not last 30 years."

While the city's Redevelopment Agency has outstanding debt, the city does not. The two are distinctly separate entities even though how the council and RDA business is conducted in public does not make that fact obvious.

The city has the money to pay for the first two years of the capital improvement plan, but would need another source of income going forward. Raising the hotel room tax has been broached as a possibility down the road.

"We need to get the ball rolling. We need to deliver something," O'Rourke said. "To date there has been a lot of talk. The infrastructure we have demonstrates that."

At a workshop this month, Jim Marino, who is in charge of the roads plan, told the council that staff had identified 168 capital improvement projects within the city limits. Those were narrowed down to a short list that could begin to be implemented in fiscal year 2011-12, which begins Oct. 1.