

# S. Tahoe to finance Harrison Avenue upgrades



This is what Harrison Avenue at Modesto Avenue will look like by the end of the year. Artists rendering/Design Workshop

**By Kathryn Reed**

Funky, hodgepodge, outdated. Those are just some of the descriptions people use to describe the architecture along Harrison Avenue in South Lake Tahoe.

And while it's not a mandate that the 19 property owners spruce up their Highway 50 frontage buildings, some are in the planning stages to do just that. With the Feb. 18 approval by the City Council to go forward with the Harrison Avenue project after 19 years of planning, property owners are getting more serious.

John Cefalu, who owns the Globin Building that houses the Al

Tahoe Laundry Center, told *Lake Tahoe News* after the meeting that he has preliminary designs done. He was waiting for the council to stop talking and act on Harrison's future before he committed more resources. That building is more than 50 years old.

Cefalu's goal is to coordinate the improvements to his structure to coincide with the street improvements.

On Tuesday the council agreed to finance \$3 million over 15 years to compensate for the funding gap that was created when the lowest bid of \$4,806,307 came in 13 percent higher than the engineer's estimates. One of the reasons estimates were so off is that they were more than a year old.

When construction support and contingency funds are added, the actual total cost comes to \$5,688,920. That doesn't include the \$720,074 that has been spent on design and engineering.

Sierra Nevada Construction out of Sparks was the low bidder. Because federal dollars are in part funding the project the city's rule to give preference to local contractors was superseded.

The city has \$2,878,115 in cash to go forward. That comes primarily from a \$1.5 million certificate of participation bond the city took out in 2012. (The total bond was \$5 million; with \$1.5 million allocated to Harrison.) The rest is from federal agencies and \$79,000 from South Tahoe Public Utility District. (STPUD can pay to have utilities relocated or do the work itself.)

This leaves a gap of \$2,810,805. The city is seeking to finance slightly more than that amount to build in a cushion or in case add-ons are sought.



Harrison Avenue will get a multi-million dollar face lift this summer. Photo/LTN file

The council members on Tuesday approved going into debt for Harrison, saying the project will never get less expensive, they don't want to tie up reserves, and it's time to spend money to improve the city.

Property owners in the area have created a special district and will be paying \$971,000 of the total project. A handful of property owners have paid the first installment that is now overdue. Some were waiting to give the city money after the city committed in earnest to do the project.

To pay back the estimated \$294,000 annual debt on the bond the city could use the \$100,000 a year it will be getting from property owners for the next 20 years. There is also an estimated \$970,000 budget surplus that has not been allocated that could be used. There is also parking revenue, assuming there is a parking program. Ironically, the parking program brings in about the same amount of money the bond debt will be.

The one thing the council could not do Tuesday was award the contract to Sierra Nevada Construction. This is because legally the city must have the cash in hand to do so. That should occur within a month.

Mitch Grayson, superintendent with SNC, said his firm is

willing to go forward with the assumption it has the job and funding will be secured.

The goal is to start May 1 and be done by the end of the construction season. Minor improvements may carry over into 2015.

The plans call for a complete overhaul along Harrison Avenue between Los Angeles and San Jose avenues, going back to Riverside Avenue.

A class 1 bike trail will go along Harrison from Los Angeles, down Modesto Avenue, along Riverside, up San Jose and connect to the trail at Lakeview Commons.

Improvements will be made at the triangular parking lot near the boat launch. A new parking lot will go in along Modesto Avenue at the vacant lot across from Sno-Flake Drive-In.

Councilwoman JoAnn Conner asked whether that lot would be paid or free.

City Manager Nancy Kerry said free. She added the area will need a parking management plan so people are limited to how long they park. This will lessen the likelihood of people using those spaces for beach parking and taking spots away from customers of area businesses.

Some of the streets will be one-way to improve traffic flow and better accommodate parking. All of the streets will be completely redone. Right now they all are rated an F.

Landscaping will also be incorporated.

Overhead lights will be installed along Harrison Avenue and the side streets to complement what is already on Highway 50 and Pioneer Trail. On Riverside the lights will be closer to the ground so as not to bother residents.

A future expense is the operating and maintenance costs. Sarah

Hussong-Johnson, deputy public works director, said lighting, parking lot upkeep and snow removal of the bike trail will cost the city. Councilwoman Brooke Laine asked her to come back with what those annual expenses are estimated to be.