Council to undertake South Tahoe Y Community Plan

Blight and empty buildings are the foundation of declaring a large segment of South Lake Tahoe a redevelopment area.

By Susan Wood

A bold plan to redevelop the better part of South Lake Tahoe will be before the City Council Tuesday. The ambitious plan could cost millions of dollars if the city has to acquire property and will require the cooperation of land and business owners — two things not everyone believes are achievable.

No longer just the Y, the proposal goes along Highway 50 to the Bijou area.

At the 9am meeting the council will vote on the draft redevelopment plan for the proposed South Tahoe redevelopment project known as Project 2.

Revitalization of the town's west-end area was known as the Tahoe Valley Community Plan two years ago. Community plans are requirements by the Tahoe Regional Planning Agency, but what is before the council goes beyond anything the bi-state regulatory agency mandates.

Two years ago, through the efforts of a citizen's group created by the city a plan was developed and abandoned.

It has become a launching pad for a redevelopment project area spanning a swath beyond the Lake Tahoe Airport along Highway 50, up 89 to West Way and continuing on 50 to Al Tahoe Boulevard. From there, it leapfrogs to Harrison Avenue down to Glenwood Way.

If the project goes forward, the formal public hearing will be next February.

Blight is the key word

There's a history for the city – one wrought with controversy over $12 million spent on eminent domain, displaced businesses, its largest redevelopment project remaining a hole in the ground and some disgruntled citizens feeling the Y plan they spent two years on was ripped out of their hands.

The South Lake Tahoe Redevelopment Agency will review a 1-inch binder that essentially makes the case for redevelopment in an area so large it almost reaches the Ski Run-to-Stateline redevelopment zone.

In fall 2007, the city approved the revised survey area and contracted with Southern California consultant Fraser & Associates to reevaluate the level of blight in the area. The report concludes that 86 percent of the 2,681 parcels in the area are considered physically blighted.

More shocking, it continues to say, "The entire project area is affected by conditions of economic blight." Photos dot the proposed plan, including the old Re/Max building near the Y labeled economically blighted just because it’s empty.

The report highlights crime in the proposed redevelopment zone, using pictures of graffiti to make the point. It adds the need for investment in the Y area because it accounts for a third of the retail sales in town. Also mentioned is a 33-acre individual plan called the Mikasa Gateway that encompasses 49,000 square feet of commercial space. The idea is to position the boarded-up, privately owned shopping center as a retail destination.

The Tahoe Valley plan of 2007 calls for mixed commercial use, public plazas and native landscaping. The same goes for this one.

With the city’s franchise agreement making the local government accountable, Lukins Brothers water customers have a right to an adequate system. This is why the city has included the water company in the latest redevelopment plan. The city has not found a way to rectify a huge problem that could have spelled disaster during the Angora Fire.

It will cost nearly $30 million to fix Lukins’ infrastructure, though the consultant had the outdated $18 million figure. The small water company services more than 40 percent of the proposed redevelopment area’s parcels.

Questions about businesses

Another section of the proposed plan highlights relocation assistance for businesses. The rules of participation declare the agency may buy land and improve the property “at fair market value from existing owners.” For months, the city has contended it would not use eminent domain on residential properties in respect to the Tahoe Valley plan, but how far the city will go to push for its agenda appears questionable.

City Councilman and Redevelopment Agency board member Bill

Crawford, for years a critic of the government practice, insisted Sunday the city wouldn't opt for eminent domain based on recent board actions prohibiting its use.

"The city can't afford any more debt," Crawford said. "And I don't think the community would support it."

He has concerns about what's considered blight and references in the plan to tax increment, which is property tax aimed at servicing debt incurred through eminent domain. The city pays more than $7 million each year to service the debt from Heavenly Village.

"The problem with redevelopment in this town is that redevelopment on the public side has been a failure," Crawford said. The latest example is the non-existent convention center.

It could be a bane and blessing to Pat Frega, who served as a city planning commissioner and a Tahoe Valley Community Plan committee member. Frega said that even after two years, a majority of the dozen citizens who served on the community group still feel the project "was hijacked" by a council subcommittee because "we were going on a different course than what they wanted."

Councilmen Ted Long and Hal Cole served on the subcommittee. Long no longer serves. Phone calls to Cole were unreturned. He is the liaison to the Tahoe Valley Community Plan and the architect of the convention center contract that did not include a performance bond.

"We told them we didn't want to see Stateline at the Y," Frega said, adding he's not happy with the magnitude of the project area.

Problems have arisen since then over the allowable height of buildings in the gateway district. At one point, the city was suggesting six-story structures, but that idea has since been cut in half.

"I understand how cities would use redevelopment as a tool to jump-start community plans, but shouldn't our energy be focused on what we've already started," he said, referring to the stalled convention center project near Stateline.

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