

South Tahoe PUD gets earful about redevelopment

By Kathryn Reed

It was hard to know if the look on the faces of the South Tahoe Public Utility District board members was boredom or not really believing what was being fed to them.

South Lake Tahoe City Manager Dave Jinkens went before the board at its regular Thursday meeting to discuss the city's proposed redevelopment plan. The district is interested because the amount of property tax dollars it receives would change if the plan were implemented.



SLT
Redevelopment
Manager Gene
Palazzo
addresses the
STPUD board
Feb. 18.
Photo/Kathryn
Reed

For more information on the tax issue, [click here](#).

For information about the redevelopment plan, [click here](#).

Don Fraser, a consultant hired by the city to work on various

redevelopment projects, also spoke at the meeting. At one point he and John Runnels, president of Citizens Alliance, quarreled a bit.

Fraser told the board the district would get 35 percent less in property tax if the plan were approved by the City Council this spring.

It is the council that will make the ultimate decision about the redevelopment plan that encompasses 20 percent of the city. Other entities had a chance to comment on the environmental document. Meetings like this one are merely a courtesy on the part of the city.

The city used data going back to only 2002 to come up with a projected growth of 7 percent a year in property tax. It's those numbers and the 45-year plan that they are touting as good for everyone in the long run. This is because redevelopment, according to the city, is designed to spur improvements, which in turn makes a property more valuable, and therefore it would be taxed more, which then brings greater income to various entities.

However, Fraser admitted last year growth was 1 percent and it's expected to be a negative number this year.

Jenkins believes redevelopment is good for the economy and can create jobs. He said the unemployment rate in South Lake Tahoe is nearly 17 percent.

Runnels called redevelopment "excrement financing" instead of tax increment financing. He took issue with how the city defines blight, pointed out development like the Ski Run Center and South Tahoe Refuse building occurred without a redevelopment area being declared, and called the city negligent in its duty regarding its franchise agreement with Lukins Brothers Water Co. to ensure infrastructure has been improved.

That water company that services more than 900 customers mostly along Highway 89 doesn't have the infrastructure to fight a major fire, as was highlighted when the 2007 Angora Fire breached the district boundaries.

Jinkens said those customers should not be saddled with the entire expense to upgrade the system, but did not address the city's role in having not made sure improvements were made through the years.

Without adequate fire capabilities, improvements at the boarded up northeast corner of the Y aren't likely to happen, Jinkens said.

Also addressing the board for the city was Redevelopment Agency Manager Gene Palazzo. City Attorney Patrick Enright and Finance Director Christine Vuletich sat at the front table.

El Dorado County Supervisor Norma Santiago asked about the relationship between the redevelopment area and the embattled Tahoe Valley Community Plan.

Jinkens gave a response that didn't seem to answer the question.

The city was supposed to take its redevelopment show to Placerville earlier this month for the entire Board of Supervisors to hear, but it was canceled less than 24 hours before show time. It has yet to be rescheduled, Santiago said.

STPUD Board member Eric Schafer asked about the cumulative compounding of the numbers and questioned what was presented.

Board member Mary Lou Mosbacher said, "I think it's ludicrous to go 45 years out." She was critical of the documents presented, saying they read like something that came out of the White House.

"It's not confusing. It's ridiculous," she said holding the papers presented by the city. "It's why I have a tea bag on my

rearview mirror.”