

South Tahoe defends redevelopment plan



Dear City Residents and Neighbors of South Lake Tahoe,

I am writing this letter to provide you with information in addition to what you recently received from our friends at the South Tahoe Public Utility District (STPUD).

The city of South Lake Tahoe has been engaged in a process that we hope and intend will support and encourage the growth and diversification of the city's economy as a means of improving the lives of our residents, improving the built environment, and providing for environmental improvements. A strong economy and environmental protection go hand in hand and are essential ingredients for our future.

Plan Your Work, Work your Plan

To this end, city officials are moving forward with the adoption of a new city General Plan [that includes an economic development element], the Tahoe Valley Community Plan, and implementation of the city's Sustainability Plan. All of these local plans are important and inter-related to the future well being of the Tahoe area, but some funding mechanism is needed to help to make them work. That is why we are proposing Redevelopment Project Area No. 2. No, RDA cannot finance everything we want and desire as a community, but it can help.

We see the adoption of a new redevelopment plan as helping us to do the following:

1. Attract businesses locals want in town and encourage local shopping.
2. Provide loans/grants to smaller existing business owners for business expansion.
3. Foster the growth of more local jobs.
4. Help to develop quality workforce housing.
5. Help support green rehabilitation of homes and businesses.
6. Generate more dollars for street reconstruction, storm drainage improvements, sidewalks [where needed] and lighting as appropriate.
7. Assist in developing a green technology park for new business.
8. Assist in financing needed improvements to water systems for fire suppression response under a public-private partnership.

We Made Our Best Estimates, but We Do Not Have a Crystal Ball

RDA dollars do not grow on trees. We know there are some cautions from our friends on the board of STPUD about the adoption of the new redevelopment area. We have had meetings with staff and the board, and we hope to be able to demonstrate that implementation of our plan will provide many benefits to our 24,000 residents and all agencies including new STPUD customers. We have shown them that if we can grow the local "economic pie" sufficiently [at an average of around 6 percent per year] that this will result in the mitigation of almost all possible losses in property taxes they may sustain. STPUD customers and all residents will not pay more property taxes as the result of a new Project Area.

Even with a slower growth rate of 5 percent per year, the average annual loss to the district would be less than 1

percent of the total revenues budgeted by the district in 2009-10. We can partner with the district and help to finance district capital improvements in the project area that would offset any negative financial impacts if they occur.

The growth projections could be lower in these unusual economic times with or without RDA. Our experts and our experience tell us that we are more likely to see economic and property value growth with the help of RDA than without it.

When we take actions to improve our economy as we have proposed, quality workforce housing is built, new commercial is attracted to town and new green jobs are created, this improves STPUD revenues as well. No one wins in a no-growth local economy.

Doing Nothing is Not an Option

We cannot create prosperity in our community without new capital investment. Without putting our collective planning efforts in place, and then having some means to finance these plans [in part through redevelopment], our chances for economic growth and local prosperity will be minimized if not substantially curtailed. City government will continue to aggressively pursue Federal and State grant funds as well to pursue our economic growth and community improvement objectives. With new vigorous economic growth all levels of government benefit and most importantly the people of our community benefit. Failure in our efforts is not an option. As John F. Kennedy said, "a rising tide lifts all boats."

No RDA Eminent Domain/Your Property is Protected

As you may have heard as well, the new RDA Project Area No.2 plan does not give the Agency the power of eminent domain. We will build our community the old fashioned way ... by voluntary cooperation and mutual respect.

City staff and I welcome your questions and comments.

Sincerely,

Dave M. Jinkens, city manager/executive director STRA