

STPUD questions South Lake Tahoe's redevelopment plans



Dear Valued South Tahoe Public Utility District Customer:

For the last two years, the city of South Lake Tahoe has been working to create a new redevelopment project area generally referred to as Redevelopment Area No. 2. The proposed plan would create a new redevelopment area of approximately 1,300 acres within the city limits. The District applauds the City's efforts to stimulate economic development of what amounts to a very large portion of our community.

The redevelopment projects will be funded by future property tax transfers from the District and other taxing entities within the Redevelopment Area. This means a portion of the property taxes you pay to the District will be transferred to the City's Redevelopment Agency, and will not be available to support the District's water and wastewater systems.

After a presentation of the plan, by City staff, to the District Board of Directors and a careful analysis by District finance professionals, the District has concerns regarding the inherent loss of property tax revenue and how this loss of revenue might affect our customers. The District is afraid the growth projections made in the proposed plan are too optimistic, and that the reality may result in a financial impact on the District that is far more significant than projected by the City. In the event the District is correct, it could necessitate rate increases, increased borrowing, deferment of critical capital improvements to the water and

wastewater systems, or decrease in levels of service.

The District is mindful that many of our customers and City taxpayers are one and the same. Further, the District does not wish to be viewed as an impediment to much needed revitalization of many properties within our community.

However, in light of the above stated concerns, the staff and Board of Directors are convinced that it is imperative that our customers attend the Community Meeting and Joint Public Hearing the City is conducting and make their will known.

Community Meeting:

2pm and 6pm March 24

City Council Chambers, 1901 Airport Road, South Lake Tahoe

Joint Public Hearing

9am April 6

City Council Chambers, 1901 Airport Road, South Lake Tahoe

The District looks forward to your involvement as stakeholders in this community. Active participation by fellow community members will guide the members of the City Council as they make this important long-range decision. Should you be unable to attend either of these meetings, please consider submitting written comments to the City prior to April 6.

Sincerely,

Dale Rise, president Board of Directors