

# Putting perspective on SLT's proposed redevelopment area

Dear City Council,

I am a 35 year resident with 16 years as a restaurant owner at the Y. I have also run several other Y area businesses. Sadly, I must say that the buildings in that area are predominantly the same ones that were already old when I moved here in 1974. The area is a strip development frozen in time and behind in competition with other tourism towns and under-equipped to compete even with RDA 1 in our own town.

While some might say too bad for those businesses because they bet on the wrong end of town. I disagree because RDA 1 was voted on by all our citizens and business owners so an unfair advantage was created through RDA 1. It wasn't done on purpose. Most of us believed that the improvements would continue throughout our community. We wanted more than just a welcome mat into Nevada. But it was the logical place to start with large businesses willing to take the risk.



Duane Wallace

I clearly remember the very few jobs in place on those parcels at the state line prior to redevelopment. Now there is a clear advantage. The signage permitted is better at the state line, and the ability to walk from business to business that shoppers love is also in place. Redevelopment worked well on that side of the street. We have also learned lessons from the

side of the street that didn't work well. RDA is currently one for two. But had we not taken that risk, those paltry jobs that were there would have also seen a slow death. We are partially competitive now as a result of our bold risk. We need to take another.

While I do not believe government creates wealth but rather lives off it, there is an opportunity to rectify the tilted playing field the Y finds itself in. It is risky to do business in Tahoe. That is because there are more government agencies eating at the trough.

As a former elected official, I saw firsthand how each agency did not consider what other agencies were doing to projects by piling on to the point that projects either failed due to the delay in time to complete them or because the fees were endless as everyone took pieces of a pie that had not yet been baked. Or the agencies fought over which one had dominance over a project. It is a death by a thousand cuts.

Thousands of room nights, restaurant meals, bags of groceries and sales of all types have been lost each year as a result. Each of those losses meant more lost stable families for our schools. The reality was partially masked. For instance, as the actual number of rooms rented plummeted, prices rose for a while leaving revenues to local governments appearing stable.

Now a stark reality has been discovered because the economic downturn exposed the fact that business was already dying here. Raising prices to increase business has the opposite effect. Governments, including TRPA, now realize that they only survive if the businesses and projects they regulate survive. As local governments raised their prices for services their revenue dropped as projects stopped. At the macro level the federal and state governments are seeing it as well. Even those including the unions who often have animosity toward big businesses had their retirement funds invested in the stocks of those very same companies. The down turn in the economy

exposed the failure of the process by exposing the actual relationship of government needing a thriving business community in order to survive themselves.

The project really is the fix. By allowing better square footage, adequate parking, a third story with appropriate setbacks and mixed use including housing, we can put more locals back to work. Not only through the construction work itself creating jobs but also through the subsequent jobs created by businesses that are able to make it by taking a shared risk in a public private partnership. This can all be done at the Y while still being environmentally responsible. In fact the poorly drained business that are replaced by better designed businesses will accomplish what staying frozen as a monument to the '60s has never accomplished.

I do not want to be accused of ignoring the hole in the ground at the state line. It isn't our best foot forward as a community. My answer is that real estate seeks its own level. At some point the cost of doing a project there will lower because of the drop in land values or because the reduced size of the project makes it more feasible. It will happen eventually.

I clearly remember how desperate the mostly motel owners at the state line were for a project as their only hope to end the slow death they were slipping toward. Without the financial ability to remodel on their own leaving a non competitive product in place they were more than willing to take a chance on redevelopment. Someday that land will produce jobs again. We, as a community, must insist on that.

And although Monday morning quarterbacking makes geniuses of us all, the truth is that what was there would not have survived. We had more of that type of room than tourists were willing to rent. With 6,000 motel rooms on the California side and the growth of timeshares and vacation rentals motels couldn't fill up. Then as our main economic engine [gaming]

sputtered due to not being able to make the changes they needed to compete and the advent of Indian gaming we became a Saturday only town. If it weren't for our ski areas going through the expensive gauntlet of the master plan process for increased investment things would have been even worse. However, we must learn from our mistakes and make RDA 2 a better project. But, act we must.

I don't know for certain how we will make it succeed, but I am certain how we will fail. That is if we do nothing. So let's take a calculated educated risk on improving the opportunity for more jobs in our town. Let's put our finger pointing aside and work together with each other to reinvigorate the lives of our families by giving them a place to earn a living. Both our chambers, our county, our city and all the agencies including the utilities need to cooperate to create the buildings that create the jobs that keep us all enjoying and protecting this beautiful place.

**Respectfully,**

**Duane Wallace, South Lake Tahoe**