

SLT council to vote on smaller redevelopment area in May

By Kathryn Reed

It will be May before a decision is made regarding the future of redevelopment in South Lake Tahoe.

The City Council on Tuesday approved Councilman Jerry Birdwell's motion to have staff bring back the project with the boundaries redefined, any mention of Lukins Brothers Water District removed, and a resolution with El Dorado County and South Tahoe Public Utility District sought.

Councilman Bruce Grego wants the performance bond language to be rewritten to reflect the various size projects that might come forth as well as compensate for inflation during the 40-year lifetime of the proposal.



Consultant Don Fraser explains redevelopment on April 6. Photo/Kathryn Reed

Councilman Hal Cole recused himself from the proceedings that

lasted most of the day because he has property that borders the area.

The city's planning commission will first be tasked with going over the new proposal. That meeting date has not been set. The council is expected to vote May 4.

The redevelopment area will not change near the Y, but now the idea is to have it stop at the Upper Truckee River before hitting Al Tahoe Boulevard, and then leapfrog to include Harrison Avenue.

John Runnels was the first to speak at the public hearing. Representing the Citizens Alliance, he said, "We don't believe the size is helpful or needed."

He would prefer redevelopment were put on hold longer so the Tahoe Valley Community Plan could be approved. That plan is expected to be up for a vote late this year.

Adrian Gooch, a city employee who retired this year and has worked in redevelopment, spoke as a citizen in favor of the project. She pointed out how the county ignored the city's concerns regarding Red Hawk Casino and the financial consequences the Indian casino would have on the South Shore, as well as how STPUD didn't work with the city regarding water hookups.

A mantra on Tuesday was the city needs to do what's best for it. But on the flip side was a drum beat for cooperation and working together. Several people suggested the plan be put the voters.

City Attorney Patrick Enright said he knows of no city to have done this, but it is possible.

Between the letters and verbal comments on Tuesday the 40 people who weighed-in were in favor of the project by a margin of more than 2-to-1.

Lake Tahoe Visitors Authority, Lake Tahoe South Shore Chamber of Commerce, South Tahoe Association of Realtors and Heavenly Mountain Resort all favor the project.

Staff and consultants reiterated how the plan that first began percolating in 2005 will not involve eminent domain, no specific projects are planned, no taxes will be increased and that the purpose is to create a funding mechanism for future improvements through tax increment.

What has the county and STPUD alarmed is that once a redevelopment area becomes law, it freezes their allotment of property tax dollars. It's possible if the city's 4 percent growth model comes to fruition, these entities could see increases to the property taxes awarded them. It's also possible they will reap fewer property tax dollars.

There are 10 entities in the city receiving property tax allocations that would be affected by redevelopment. Lumped together, all education gets 34 percent of the taxes, El Dorado county 21 percent, the city 18 percent, special districts 11.5 percent and South Tahoe PUD 11 percent.

Another issue with the county is whether five parcels are in the city limits.

“(Resolution) of the five parcels would not mitigate our concerns,” Mike Applegarth with the county told *Lake Tahoe News*. “It boils down to a significant loss for the county in tax increment.”

He said the county doesn't believe the city has proved economic blight exists.

Ken Weitzman, who has lived in the area for decades, said he considers the tax increment collection to be a slush fund that could be used at the discretion of any seated council for their favorite projects without oversight by the citizenry.

Another resident, Michael Cullan, said the city needs to do something, and fast.

“We are spiraling the drain. We need to take action,” Cullan said.