

El Dorado's letter to South Tahoe regarding redevelopment



Publisher's note: The following is El Dorado County's letter to South Lake Tahoe regarding redevelopment.

Dear Mayor Lovell and Councilmembers:

The County of El Dorado continues to object strongly to the proposed Redevelopment Plan for the South Tahoe Redevelopment Project Area No. 2 as outlined in previous letters [April 6, 2010 and May 3, 2010].

The County must respectfully request that the City not adopt the Redevelopment Plan at this time. Furthermore, the County requests that the Council direct City and Redevelopment Agency staff to meet with the County to discuss its concerns and explore opportunities for negotiation rather than leaving the County with no option but to pursue litigation.

We were disappointed to learn that you did not revise the recommended boundary of Project Area No. 2 as we had thought you would. While the County does not wish to impede the City's planning and development goals in the proposed Project Area, the documentation prepared by the Redevelopment Agency does not provide sufficient evidence that the proposed Project Area is blighted, as defined by California State Community Redevelopment Law (CRL).

We incorporate all our previously stated objections, but emphasize the following three areas:

- Remove the Airport area from the project area. The Airport

area is not blighted, and in fact, improvements to the runway were recently completed and staff is confident of securing federal funds for other airport needs. The Agency fails to demonstrate that the Airport suffers from physical or economic blight.

- Remove other industrial property included in the project area.
- Provide assurance that the City, under the Teeter Plan, will bear the cost of project area property taxes that go delinquent.

The County continues to express concern that the primary purpose of forming the proposed project area is not to address blight conditions, but simply to capture tax increment, which will have a detrimental effect to the County and other agencies.

The County's Auditor and Controller estimates that, even with statutory pass-through payments, the County is likely to lose between \$4,660,176 and \$16,953,025 in property tax increment over the life of the proposed Redevelopment Project, depending on the success of the Project. This loss of tax increment would put a severe strain on the County's ability to provide needed public health and safety programs throughout the region.

The CRL is a powerful and extreme tool to be used only when extraordinarily serious problems cannot be remedied by use of regulatory authority and available financing methods.

The proposed Project area does not meet the requirements of the law and will serve only to disrupt viable businesses and put an undue burden on the rest of the community.

For the reasons cited above and set forth in previous letters and incorporated herein, the County objects to the formation of the Proposed Redevelopment Project Area No. 2 and urges the

City not to adopt this plan.

Sincerely,

Norma Santiago, chair Board of Supervisors County of El Dorado