

Most of South Tahoe now deemed a redevelopment area

By Kathryn Reed

In less than an hour and with a split vote, the South Lake Tahoe City Council on Tuesday declared 20 percent of the city blighted in order to create a redevelopment area that encompasses 3,100 acres.

State law requires an area be deemed blighted before creating a redevelopment area. With the latest area encompassing most of the Y to Herbert Street, it means the majority of town is blighted because most of the parcels from Ski Run Boulevard to the state line are in a redevelopment area.



The redevelopment area is in blue.

It was a 3-1-1 vote, with Councilman Bill Crawford voting no and Councilman Hal Cole recusing himself because he owns property in the area. Even though Councilman Bruce Grego's law office is in the area, he can vote because he is on a month-to-month lease with his landlord.

Crawford took issue with approving the environmental documents, questioning how a negative declaration can be determined without knowing the projects that might be brought

forward. He also has issues with calling the whole town blighted.

Since the April redevelopment meeting, a flurry of letters and emails have been sent back and forth between the city and its two major opponents – South Tahoe Public Utility District and El Dorado County. Those entities believe they will be shortchanged on property tax dollars when the tax increment becomes effective.

The county asked the city to delay the decision. The city believes the county has had ample time to voice its concerns, including at a two-hour meeting where the city presented its position to the Board of Supervisors.

The property tax these entities receive is frozen instead of going up 2 percent each year. The city's Redevelopment Agency gets that money.

South Lake Tahoe believes it will generate \$178 million in tax increment in the 45 years the project will be on the books.

The issue was brought back to the council because in April the panel voted to shrink the area. The Planning Commission put the kibosh on that idea, though the council has the ultimate authority. The council reversed course from last month to include the entire area except for the handful of parcels the county says are theirs.

"This is an important day for our community," Mayor Kathay Lovell said. "(This is) so we can rebuild our tired little town."

Councilman Jerry Birdwell asked city staff for the May 18 meeting to come up with ways to show the public how redevelopment can work and to possibly assist areas like the Y and Harrison Avenue with developing business improvement districts like his street – Ski Run Boulevard – has done.

The other item on the agenda Tuesday was to review the annual report for the Ski Run BID and keep it going for another year. Birdwell and Cole recused themselves from the vote. Crawford abstained even though he didn't make any comments about the issue.

City Attorney Patrick Enright said the vote was sufficient for the matter before the council, but added three votes would be needed for approval of any matter in the future that involves spending money.