

State taking \$2 mil. from South Lake Tahoe



To the community,

The city of South Lake Tahoe/South Tahoe Redevelopment Agency will be required on May 10, 2010, to turn over \$2,070,160 to the El Dorado County auditor, a required payment resulting from the state's decision to raid \$2.05 billion in local redevelopment funds as part of the 2009-10 state budget.

Instead of this locally generated tax dollars going to fund local job creation, economic growth, and community improvements, this money will now be siphoned off to help pay the bills of a State government deeply in debt with spending out of control.

This payment will be made in accordance with a ruling by Sacramento Superior Court Judge Lloyd Connelly last week which instructed local redevelopment agencies to abide by the provisions of ABX4-26 passed last year as part of the state budget. The bill allows the State of California to take \$2.05 billion in redevelopment funding to use for state obligations.

The California Redevelopment Association (CRA) is appealing the Superior Court ruling to the state Court of Appeals in what will likely be a long and difficult appeal process.

Taking these funds that are generated in South Lake Tahoe at this time is tragic and irresponsible on the part of state government. These locally generated tax dollars are needed to address pressing economic development, business assistance and

infrastructure needs of the city of South Lake Tahoe during this slower economic time. This decision to take local taxpayers dollars cannot stand and must be fought in the courts by all cities whose leaders pride themselves in self government and local control. The City Council in South Lake Tahoe is on record opposing this confiscation of local funds.

California Redevelopment Association (CRA) Executive Director John Shirey vowed to fight the Superior Court ruling: "We strongly disagree with Judge Connelly's ruling which effectively says the Legislature has unlimited discretion to redirect local redevelopment funds to any purpose it wishes. Under that logic any state program could be called redevelopment. The Legislature needs to deal with its budget problems by making hard decisions using its own limited resources – not by taking away local government funds...

"Despite this ruling we continue to believe taking local redevelopment funds and using them to fund State obligations is unconstitutional. We have a strong case and feel confident the lower court ruling will be overturned by the Court of Appeal," said Shirey.

Dave Jinkens, South Lake Tahoe city manager