

Redevelopment plan goes to the people



Empty storefronts are considered economic blight.

By Kathryn Reed

On a 3-1 vote, the South Lake Tahoe City Council on Tuesday said it's time to release its latest redevelopment plans for public review.

Councilman Hal Cole lives close the project area so he had to recuse himself and Councilman Bill Crawford had too many issues with the proposal to be able to vote yes.

It's not just about the Y or Tahoe Valley anymore. The plan covers the better part of the city. It includes Harrison Avenue down to Glenwood Way.

Multiple times city officials reiterated that eminent domain will not be a component of this project. Taking of land, albeit at fair market value, is something that happened on both sides of the highway in the Stateline area.

"The whole goal of the project is to create a financing tool," explained Gene Palazzo, SLT Redevelopment Agency manager.

(City councilmembers also act as Redevelopment Agency members. The meetings are continuous, with no action taken to distinguish between the two entities voting on particular matters.)

Palazzo's presentation forecasted the ability to generate \$178 million in tax increment in the next 45 years.

Crawford's contention is that even though everyone boasts this money will stay in the city and not go to the state, he says it foresees most of it going to pay debt — like the \$7 million a year the city pays for the Heavenly Village project.

Councilman Bruce Grego raised concerns about this being on the books for so long.

Palazzo said because landowners will be asked to come to the city instead of the city going to them, he expects redevelopment to be a slow process.

Per state law, an area must be deemed blighted before it can be called a redevelopment area.

"I've learned blight is in the eye of the consultant," Crawford said.

He worries about what it will do to property values if an owners want to sell and prospective buyers learns the parcel is in a blighted area.

Crawford made much of the report that says tearing down the Mikasa-Millers Outpost buildings and starting new is cost-prohibitive.

"There is no real plan. It's just hoping someone will come in and buy the land to put up some buildings," Crawford said.

Palazzo said that's why it's even more important to deem make it a redevelopment area so a financing tool is in place to help would-be developers.

The document will be available for public review for 90 days. A public hearing will be scheduled in February at the earliest. The plan was not on the city's website (www.cityofslt.us) late last night. Redevelopment Manager Gene Palazzo may be reached at (530) 542.6044.

The council may have created more work for Palazzo when on a split vote the agreement with Urban Futures for nearly \$26,000 in consulting work on the project was nixed. Cole and Mayor Jerry Birdwell abstained because of conflicts, Crawford said no.