

# Supervisor questions South Tahoe's stance on redevelopment

By Norma Santiago

You have no doubt heard about redevelopment as tool in a community's toolbox for revitalizing the community and making needed improvements. This much is true. Properly deployed, redevelopment can spur public and private investment in neglected areas of the City South Lake Tahoe and provide a boost to a struggling economy. For these reasons redevelopment is often an appropriate exercise of local government authority.

City officials have recently launched another redevelopment effort known as "Project Area No.2" which encompasses approximately 1,300 acres from the airport, through the Y and most of Lake Tahoe Boulevard. It is discouraging to think about the commercial core and key residential areas of our city as fraught with physical and economic blight, but continuing to ignore these challenges would only further erode the South Lake Tahoe economy. Designating these properties as redevelopment area will allow the city to keep an additional share of your property tax so it can address these challenges. City officials have extolled the benefits that redevelopment may bring such as local job creation, economic growth and community improvements. We hope this much is true.



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With any decision there are costs and benefits. While we like to contemplate the benefits of redevelopment and hope for the future, we are wise to also consider the costs. What are the costs of redevelopment? Perhaps more important, who bears the costs of redevelopment?

Unfortunately there is no such thing as a free lunch, or free money for that matter. The “additional share” of your property tax money that the city will use for redevelopment purposes must come from somewhere. That “somewhere” is the county of El Dorado and other local government agencies. Revised estimates indicate that the county of El Dorado will lose between \$23 million and \$48 million over the life of the 45-year redevelopment effort. These losses could impact the county’s ability to provide services which are also important to the success of the South Lake Tahoe community such as corrections and prosecution, public health and mental health services, social safety net programs and veterans assistance. We can’t know for certain how much the county stands to surrender under redevelopment because the actual dollar amount depends on the success of the city’s efforts. In that regard, we genuinely hope that this new round of redevelopment is a successful endeavor.

Recognizing the potential benefits and costs of redevelopment, the county has taken a cautious approach, requesting more time and discussion from the city. As currently conceived, the city’s plan contains some potential weaknesses which do not strike an appropriate balance between redevelopment efforts and the potential impact on county services provided to the citizens of South Lake Tahoe. Specifically, the inclusion of non-blighted parcels in the redevelopment plan unnecessary burdens the county with unwarranted property tax loss. Additional dialogue, shared analysis and negotiation between the city and county is warranted to ensure a proper balance of

public services is maintained.

To be certain, state law provides the city with the legal ability to divert property taxes for redevelopment purposes. Given the amount of time and resources that city officials have invested in the effort so far, I am confident that additional redevelopment in some new form will occur in South Lake Tahoe. However, recognizing that the city's redevelopment effort is inextricably linked with the county's ability to fund critical services, we should ensure that redevelopment goals are realistic and sustainable. Although I support the principles of redevelopment, I also support doing everything possible at this early stage to ensure that it is successful in practice. This includes a realistic discussion and balancing of costs and benefits. After all, it is the citizens of South Lake Tahoe who will live with results.

*Supervisor Norma Santiago represents District 5 on the El Dorado County Board of Supervisors, including all El Dorado County communities in the Lake Tahoe Basin.*