



TAXPAYERS ASSOCIATION OF EL DORADO COUNTY

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Placerville, California 95667

Founded in 1958

DATE: April 11, 2011

TO: Mountain Democrat
1360 Broadway
Placerville, CA 95667

El Dorado County Board of Supervisors
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FROM: Ellen Day, President
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CLERK OF SUPERVISORS
EL DORADO COUNTY

The Taxpayers Association of El Dorado County opposes El Dorado County's involvement in the Redevelopment Plan for the Placerville Redevelopment Agency.

Measure "A", "Citizen's Right to Vote on Revenue Bonds Initiative" was initiated to prevent a Board of Supervisors from "deficit spending", and indebting its residents, employees, and boards far into the future, without a vote of the people.

Rational/discussion regarding:

REDEVELOPMENT PLAN FOR THE PLACERVILLE REDEVELOPMENT PROJECT

In the way of review, in 1990 the Taxpayers Association of El Dorado County supported Measure A, "Citizen's Right to Vote on Revenue Bonds Initiative". With its passage, which is still in effect, it requires the El Dorado County Redevelopment Agency, El Dorado County Bond Authority and Joint Powers Agreement (or any similar agreement for future debt) to provide the plan in writing, the cost of the plan and go to a vote of the people and, if, a simple 51 % agree the project can move forward. This is "deficit spending" and it indebts its residents and future boards far into the future.

With the proposed "REDEVELOPMENT PLAN FOR THE PLACERVILLE REDEVELOPMENT PROJECT" containing 267 acres under the jurisdiction of El Dorado County, we believe that Measure "A" requires an ordinance stating and defining the above listed requirements to the public, and a majority vote of approval by the El Dorado County voters

April 11, 2011

Page 2 of 3

Placerville Redevelopment Agency

before being enacted. If this Redevelopment Agency is successful and in operation, the “tax increment” revenues that would be generated from county property would inure to the City of Placerville instead of El Dorado County.

El Dorado County residents should be made aware and fully understand that the Redevelopment Agency is a governmental authority, separate from the elected county government, with its own revenue, budget, staff and expanded powers to issue debt (bonds) and condemn private property. Under normal circumstances, eminent domain is used by the government to acquire private property by condemnation for public good, with the payment of just compensation. The powers of a Redevelopment Agency expand the use of the eminent domain process by allowing the acquisition of private property for the benefit of another private entity, with the intended purpose of increasing the tax base.

An important aspect that accompanies a Redevelopment Agency project is the change of taxes that potentially can affect schools, libraries, police and fire departments, community health and recreation programs, water systems, roads and sewers, and any entity relying upon local tax dollars.

The following is excerpted from *Redevelopment: the Unknown Government* by Municipal Officials for Redevelopment Reform (http://www.missionviejoca.org/pdfs/rug_2004.pdf)

In summary a redevelopment agency has four extraordinary powers held by no other government authority:

- 1. Tax Increment: A redevelopment agency has the exclusive use of all increases in property tax revenues (“tax increment”) generated in its designated project areas. This means all increases in property tax revenues are diverted to the redevelopment agency and away from the cities, counties and school districts that normally would receive them. While inflation naturally forces up expenses for public services such as education and police, their property tax revenues within a redevelopment area are thus frozen. All new revenues beyond the base year can be spent only for redevelopment purposes.*
- 2. Bonded Debt: A redevelopment agency has the power to sell bonds secured against future tax increment, and may do so without voter approval.*
- 3. Business Subsidies: An agency has the power to give public money directly to developers and other private businesses in the form of cash grants, tax rebates, free land or public improvements.*
- 4. Eminent Domain: An agency has expanded powers to condemn private property, not just for public use, but to transfer to other private owners.*

Redevelopment projects are stated to be for “public use” where “public use” includes privately owned shopping centers, auto malls and movie theaters; anything a favored developer wants to do with another individual’s land.

The Taxpayers Association of El Dorado County believes that worthy projects are best accomplished through private investments, thus avoiding extraordinary powers being given to what is frequently an unelected government established entity.

April 11, 2011

Page 3 of 3

Placerville Redevelopment Agency

The 1990 action for Measure "A" was taken due to the fact that the El Dorado County Board of Supervisors had refused to respond to the public's objection to the El Dorado County's plan; including an unsuccessful taxpayer lawsuit to allow a public vote on the huge indebtedness. Their plan, established by Resolution #371-89 and Ordinance # 4070, authorized the "El Dorado County Redevelopment Agency" and "Joint Powers Agreement", which created the "El Dorado County Bond Authority" to deficit, spend up to \$30 million for construction projects.

The original plan per Ordinance No. 4070 stated:

WHEREAS, the County now desires to acquire, construct and install the following facilities and improvements related to the following: (1) the construction of a new court/court support building in Placerville, California adjacent to the County's existing jail facility in accordance with the Criminal Justice Master Plan of the County; (2) the construction of a government center roadway exchange at the Ray Lawyer Drive in Placerville, California; (3) the construction of a new facility for the housing of Community Development, administration of the Department of Transportation, Environmental Management, the County Surveyor and other administrative functions in Placerville, California; (4) the expansion of Building "A" of the County Government Center in Placerville, California; (5) the construction of a new office building at the County Administration Center in South Lake Tahoe, California; (6) the construction of additional jail beds at the County jail facility in South Lake Tahoe, California; and (7) the construction of a new library branch in Cameron Park, California (referred herein individually as "Units of the Project" and collectively, the "Project"; and . . .

As we see local, state and federal government sinking deeper into debt, we are concerned for those who work for the local government agencies and know the importance of their service; as well as concern for the impact on taxpaying residents. Redevelopment Agencies, Bond Authority with Joint Powers Authority continue into the future and may cause for more jobs to be lost. The Taxpayers Association of El Dorado County opposes the County of El Dorado's involvement in the Placerville Redevelopment Project. We believe the intent of the El Dorado county taxpayers and voters was made clear when Measure "A" - "Citizen's Right to Vote on Revenue Bonds Initiative" was passed in 1990.