



NORTH LAKE TAHOE

Tourism and Community Investment Master Plan

September 2004



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North Lake Tahoe Resort Association

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VISION STATEMENT

The natural environment of the North Lake Tahoe region is our greatest economic asset. Because of our community's unique sense of place and values, the *North Lake Tahoe Tourism and Community Investment Master Plan* has been developed as a guiding document and investment strategy for the cooperative efforts necessary to achieve economic and environmental sustainability and community improvement. Our goal is to ensure the long-term enhancement of our natural and human environment, and historical and cultural heritage. The result of our vision will be an improved visitor experience and quality of life for residents in the North Lake Tahoe area.





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BACKGROUND AND FRAMEWORK:

a. Introduction

There have been many accomplishments since the *North Lake Tahoe Tourism Development Master Plan* was completed and approved in 1995. One of the most significant has been the consolidation of a fragmented constituency into the single voice of the North Lake Tahoe Resort Association (NLTRA). The organization has assisted in influencing and shaping tourism-related policy at a local and county level. It has increased its activities and role as the lead organization responsible for marketing the region. It has evolved during a period of rapid change in the tourism industry. It has helped to develop and fund more than 30 tourism and community infrastructure projects. It has made modest but vital financial contributions to improving transit and mobility in the region. Perhaps most importantly, the NLTRA recognizes that much remains to be done to make the region more competitive as a destination resort and a more livable place for all those who make the community their home.

The world has seen major changes in the past nine years, events that have had a profound effect on tourism – locally, regionally and nationally. In an effort to build upon its past achievements, manage change and establish a vision and strategy for the future, the NLTRA has undertaken development of a new Master Plan. This plan focuses on investments that will support not only tourism as the region’s primary industry and economic engine, but work to meet the changing needs of those who live, work and have a stake in the community. The purpose of this, the North Lake Tahoe Tourism and Community Investment Master Plan (TCIMP), is to provide a practical roadmap for the tourism industry and community of North Lake Tahoe by defining a long-term vision, and an investment plan for the area which supports the vision and the specific goals and objectives set forth in the plan.

Project Context

Blessed with magnificent natural beauty and located relatively close to large populations in the Sacramento region and the San Francisco Bay Area, North Lake Tahoe has long been a favored retreat for northern California’s urban dwellers. As documented in the recent report, *The Economic Significance of Travel to the North Lake Tahoe Area*, tourism remains the largest component of North Tahoe’s economic foundation. It accounts for some 71 percent of the area’s jobs and millions of dollars annually in personal and business income, and in local, county and state tax revenues. Clearly, tourism, and the income and



1.

BACKGROUND AND FRAMEWORK: a. INTRODUCTION

revenue it drives, must be sustained and grown to ensure regional prosperity and health. This must and can be accomplished in a responsible manner, consistent with environmental and community values. Recognizing the importance of the economy, environment, and community in balance is a fundamental foundation of this Master Plan.



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Nearly 10 years ago, Placer County funded the initial Master Plan because of static economic conditions. Visitor numbers were down, the area was strewn with old and tired facilities and accommodations, residents and businesses had little organized political influence, and revenues from the Transient Occupancy Tax (TOT) had fallen under \$3.5 million. Simultaneously, visitor expectations regionally and nationally were on the rise due to increased competition from other resorts.

The tourism planning consultant team assembled a 27-member advisory committee to help shape the 1995 Tourism Development Master Plan. The planning process researched and explored all aspects of the North Lake Tahoe visitor experience, while providing a comparative analysis of the experience in other Western resort communities. North Lake Tahoe's strengths, weaknesses and needs were identified. Designed as a guide for tourism development strategies and investments, the 1995 plan has served the area well. Its centerpiece was the formation of a regional resort association. The NLTRA is a merger of many interests, an organization that became the keeper and champion of the area's economic vision. By combining perspectives and resources in this way, local interests were able to identify potential new funding sources, obtain support for increasing the TOT by two percent, create award-winning marketing programs and collateral, facilitate physical improvements in the area, and begin the process of alleviating visitor confusion through improved visitor information and signage.

Several elements of the plan, however, have lacked adequate funding to support implementation. Under currently available funding, they remain beyond the reach of the NLTRA. These areas include more extensive redevelopment, comprehensive transportation improvements, and more extensive, contemporary marketing and promotional programs, particularly destination marketing programs. Of the potential new funding sources identified in the 1995 plan, only the two percent TOT increase was implemented. A proposed sales tax increase to support transit, transportation, and mobility improvements failed to gain adequate voter support for passage. Nine years later, TOT remains the primary funding source for Master Plan implementation.

The adopted mission statement of the North Lake Tahoe Resort Association states that it is “a non-profit corporation that promotes tourism and benefits businesses through efforts that enhance the economic, environmental, recreational and cultural climate of the area.” The NLTRA seeks to accomplish this consistent with the goals of environmental and economic stewardship, and a community quality of life appropriate to the North Lake Tahoe region. (These commitments were set forth in the NLTRA's Strategic Business Plan).

Placer County contracts annually with the NLTRA for a specific scope of services. This scope currently comprises providing a full spectrum of management activities for tourism marketing and visitor services for the businesses of the North Lake Tahoe area; undertaking its activities to implement in full the *North Lake Tahoe Tourism Development Master Plan* (and this new Master Plan, upon adoption); and assisting with the planning, development and necessary public infrastructure improvements for the benefit of the North Lake Tahoe region.

Since its formation during 1995-1996, the NLTRA has been successful in creating a coordinated voice for tourism development and management at North Lake Tahoe. The organization has a broad membership and is committed to incorporating public (non-member) input and participation in its decision-making. However, the NLTRA is not a municipal government. It is not authorized, staffed or funded to provide community services. The NLTRA advocates for projects and programs that benefit the greater community, such as community and workforce housing, but cannot be the leader or implementers of such efforts. During the past nine years, residents have sometimes looked to the NLTRA to address issues which are the purview and responsibility of Placer County or other public agencies, such as the Tahoe Regional Planning Agency (TRPA). It is important that the community understands the roles and responsibilities of each of the many public agencies which have jurisdiction in all or part of the North Lake Tahoe region. A useful summary guide to the area's public agencies can be found in the Working Papers appendix of this Master Plan (Section E).

Existing Conditions

Analysis. Design Workshop, the Advisory Group, RRC Associates, and LSC Transportation Consultants have compiled years of research and observations, tracking trends and events since the time of the 1995 Master Plan, in order to prepare and develop this new Master Plan. Analysis of the research has fostered an understanding of the macro-level resort and tourism industries as they relate to North Lake Tahoe and of how the industries have changed. Some of the most significant changes include:



1.

BACKGROUND AND FRAMEWORK: a. INTRODUCTION

- the events of September 11, 2001, which changed tourists' destinations, influencing people to restrict, modify or limit their travel and stay closer to home;
- a trend toward shorter stays for most travelers, negatively impacting a variety of tourism-dependent concerns and other businesses;
- improvements in technology (primarily the Internet) which have given consumers greater control over the transaction process for planning and booking travel; and,
- more recently, a significant decline in California's state budget and support for tourism marketing and development.



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On the positive side, a viable regional tourism marketing and promotional organization exists that is capable of implementing the strategies that emerge from this *North Lake Tahoe Tourism and Community Investment Master Plan*, and the region has a stronger destination product, with more lodging, shopping, restaurants, activities, recreation and facilities.

Competition. Other tourism destinations have become more sophisticated and intense in their competition and marketing. Western mountain resorts have been reinventing themselves with successful results, evolving with a changing marketplace in a relatively brief period of time. Mountain resort communities have unique conditions, so that each community faces somewhat different challenges and can benefit from different opportunities.

Visitor Experience. Referring to their North Lake Tahoe experience, a majority of visitors who responded to the 2003/04 Winter Visitor Survey rated scenery, ability to rest and relax, fun and excitement, quality of skiing/snowboarding, variety and quality of lodging, and friendly people very high. Clearly, there are many aspects of visiting North Lake Tahoe that people enjoy, but there is also a need to improve the visitor experience. More than 50 percent of respondents felt it was extremely important to make developed areas (e.g., Kings Beach and Tahoe City) more walkable, to renovate existing accommodations and add new lodging closer to ski facilities, to reduce traffic congestion, increase parking and improve beaches and public access to Lake Tahoe. Such improvements will help increase the length of stay and the propensity to return.

Destination resorts include elements that are common to all communities, regardless of their location. Successful destination resort communities demonstrate vision, leadership and economic viability.

They offer scenic natural environments, diverse recreational opportunities and a variety of attractions. They cultivate community character and facilitate access and mobility. But success is a challenging process for all. Virtually every resort community is struggling with the same issues, including the intense level of competition, continued growth in the number of second homes and the second home economy, the appropriate mechanisms and resources needed for environmental protection and restoration, and the need for ongoing change management.

Planning Process

The planning process for the *North Lake Tahoe Tourism and Community Investment Master Plan* began in July 2003, at which time the NLTRA Board of Directors appointed a 44-member Master Plan Advisory Committee. Between August 2003 and May of 2004, the committee met seven times and two public workshops were held.

The process began with building a framework for the plan: researching and summarizing the current situation in North Lake Tahoe as well as five other destination mountain resorts. This was done to provide a comparison and understanding of tourism dynamics, visitor expectations, community issues, funding sources and implementation strategies. The framework was further refined and defined by a series of working papers that gathered and provided data, analysis and conclusions on topics that affected the preparation, content, and recommendations of the *North Lake Tahoe Tourism and Community Investment Master Plan*. These working papers are included in the appendix of this report.

Two extensive surveys were also conducted as part of this planning process:

- Web Site Survey – The purpose of this survey was to gather information and opinions from visitors to the North Lake Tahoe area, via the NLTRA and Lake Tahoe Central Reservations (LTCR) Web site at www.mytahoevacation.com. This is a consumer-oriented Web site that primarily attracts persons planning or considering a trip to North Lake Tahoe. The survey was advertised with a pop-up window, and, additionally, by a link advertised on the home page. A total of 1,541 responses were collected between November 10, 2003, and February 17, 2004.
- Resident Community Survey – The 2004 Eastern Placer County Community Mailback Survey gauged resident opinion on a variety of community issues to help guide development of the *North Lake Tahoe Tourism and Community Investment Master Plan*. Altogether, 6,202 resident surveys were



mailed out and 1,005 were returned, for a gross response rate of 16.2 percent. Additionally, an absentee owner mailing list was drawn randomly from the residential property records of the Placer County Assessor’s office. A total of 1,000 absentee-owner surveys were mailed out; 190 were returned, for a response rate of 19.0 percent.

The planning process concluded with publication of the *North Lake Tahoe Tourism and Community Investment Master Plan* which includes a recommended list of short-term and long-term strategies and priorities for investment by the North Lake Tahoe Resort Association and other entities in the

North Lake Tahoe area. The plan focuses on the marketing programs, transportation improvements and infrastructure development designed to benefit North Lake Tahoe’s tourism-based economy, and the quality of life and community for local residents.

Purpose of the Plan and Its Recommendations

The efforts of the North Lake Tahoe Resort Association in developing and publishing this Master Plan are similar to those of the Sierra Business Council (SBC) in the development and publication of SBC’s *Planning for Prosperity*. In this document, SBC states “The Council is working to define an economic vision for the Sierra Nevada region that is attractive,

achievable, profitable and ecologically sustainable. The Council explicitly rejects the notion that our communities must choose between economic and environmental health. On the contrary, we believe that environmental quality is a cornerstone of economic health.”

The purpose of this Master Plan is to provide a practical roadmap for the tourism industry and community of North Lake Tahoe, by defining a long-term vision and investment plan for the area, which supports the vision and the specific goals and objectives set forth in the plan.

The plan assesses North Lake Tahoe’s strengths and weaknesses as compared with other resorts in Tahoe’s “competitive set.” It measures the progress of the area in meeting the goals which were set in the 1995 *North Lake Tahoe Tourism Development Master Plan*. It updates conditions and then positions the region in the larger picture of tourism in the early 21st century. It focuses on key



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programs, projects, initiatives and outcomes that are expected to make a substantial positive difference in the fortunes and future of the area; components that require concentrated attention and support in order to be accomplished.

The plan develops and provides recommendations based on a guiding vision and the principles of environmental stewardship and sustainable tourism by addressing situational and competitive analysis, environmental stewardship, marketing, transportation, visitor and community facilities and services, redevelopment, community housing, and investment plan funding. Specific strategies and recommendations, including the appropriate role of the North Lake Tahoe Resort Association, are identified in each chapter. There is a conclusion and summary of prioritized recommendations. The working papers and other background information are provided in an appendix to the plan.



1.

BACKGROUND AND FRAMEWORK: b. Situational Analysis

The purpose of the Situational Analysis is to describe the changes that occurred in regional tourism dynamics, local tourism development and operations, and community development since the *North Lake Tahoe Tourism Development Master Plan* was adopted in 1995. Design Workshop, the Advisory Group and RRC Associates have compiled years of research and observations to present a macro-level understanding of the resort and tourism industries relevant to North Lake Tahoe and how the industries have changed in the past eight years.

The following generally summarizes the current situation in North Lake Tahoe compared to 1995:

- The economy has gone through several undulating cycles;
- The region has a stronger destination product with more lodging, shopping, restaurants, activities, recreation and facilities;
- Consumers have more control over and “own” the transaction process for booking travel;
- Local and national tourist and resident demographics, preferences and behaviors have changed;
- Competition from other tourism destinations has become more sophisticated and intense;
- Statewide attention to tourism marketing has declined causing local markets to become more independent; and,
- A viable tourism promotional organization now exists that is ready, willing and able to carry out the strategies that emerge from this *Tourism and Community Investment Master Plan*.

Tourism still makes up the largest share of Tahoe’s economic foundation and must be maintained or grown significantly. Approximately 71 percent of jobs in North Lake Tahoe are created as a result of tourism.¹

Western Mountain Resort Community Trends

There are thousands of trends affecting all aspects of life, recreation and commerce in Western mountain resort towns. Trends are identified by tracking historic data and observing patterns of behavior of those who live in, visit, build and operate resort communities. Numerous trends combine to create common



themes, experiences and expectations that will influence how and where people will live and vacation during the 21st century.

Western Mountain Region Community Development Issues

Western mountain resort communities have evolved over the past 10 to 20 years in response to a number of factors, including:

- *Improved technology* in transportation, athletic equipment, information and communications. Technological advances have made mountain resorts more accessible to more people, mountain recreation easier and safer for broader ranges of participants and mountain resorts “closer” to work, family and permanent homes since people can stay connected even when away from home and the office. At the same time, the rapid development and adaptation of technology has become strategic to the travel industries, especially the leisure travel segment.
- *Changing demographics* fueled by the creation and the loss of wealth among younger generations as a result of the tech boom and bust, and the rising Baby Boomer segment.
- *Increased demand* for mountain property and resort lifestyles.

Whether 21st century mountain resorts were historically mining, ranching or farming communities, or contrived mountain resorts founded on skiing, they have evolved to year-round destinations that attract all ages and skill levels. Skiing has become just one of the many amenities that attract visitors and homebuyers. Successful mountain resort communities do not just plan for peak ski weekends during the winter; they are also focusing development on infrastructure, amenities and facilities that cater to permanent residents and year-round visitors.

Population Growth

Signs of increasing year-round appeal of mountain resort communities are population growth rates that outpace state and national levels. Table 1 is a summary of historic and forecast year-round, permanent population for the nation, mountain resort counties and their states.

Table 1: Historic and Forecast Permanent Population Summaries for Mountain Resort Counties

	1990	2000	2010	% Growth 1990-2000	% Growth 2000-2010	% Compound Annual Growth Rate 2000-2010
United States (millions)	249.5	282.1	300.0	13	6	0.6
Placer County California (millions)	172,796 29.8	248,399 33.9	325,648 40	44 14	31 18	2.7 1.7
Summit County (Breckenridge, Keystone, Copper)	12,939	25,725	32,427	99	26	2.3
Eagle County (Vail, Beaver Creek)	22,118	43,354	56,816	96	31	2.7
Pitkin County (Aspen, Snowmass) Colorado (millions)	12,691 3.3	15,913 4.3	18,906 5.1	25 30	19 19	1.7 1.7
Teton County (Jackson Hole) Wyoming (millions)	11,172 0.5	18,251 0.5	20,570 0.5	63 9	13 4	1.2 0.4
Blaine County (Sun Valley) Idaho (millions)	13,552 1	18,991 1.3	23,283 1.5	40 30	23 15	2.1 1.4
Summit County (Park City, Deer Valley, The Canyons) Utah (millions)	15,518 1.7	29,736 2.2	41,988 2.8	92 29	41 27	3.5 2.4

Sources:

U.S. Census Bureau; California Dept. of Finance; Wyoming Dept of Administration and Information; Division of Economic Analysis, State of Colorado; Demography Section, Idaho Power 2002 Economic Forecast, Utah.

Resort counties have grown three to six times faster than the population of their states as a whole and are forecast to continue their rapid growth rates into the next decade.

Specifically, the North Lake Tahoe/Truckee region has seen a significant increase in the number of Hispanic residents over the last 15 years. U.S. Census data for the last decade indicates that much of this population has settled in the Kings Beach community. Within the Kings Beach community there exists well-documented socio-economic issues related to poverty.

In this region, most immigrants find work in entry level, low paying jobs, particularly as laborers, gardeners, housekeepers, dishwashers and/or bus boys. Wages for these positions vary, but most fall between \$6 and \$9 per hour with no health benefits. Although construction related work offers significantly higher pay, up to \$15 per hour, jobs are limited and much of the work is seasonal.

	Population			Hispanic Population		Income
	1990 Census	2000 Census	Percent Increase	Percent of Total	Percent of Total	Percent Below Poverty
Truckee	9,759	13,864	42.1%	8.2%	12.8%	4.6%
Kings Beach	2,929	4,037	37.8%	30.2%	48.4%	17.1%
North Shore	7,572	8,716	15.1%	3.1%	5.7%	---



This influx has increased the need for additional focus on the issues of community and workforce housing in Kings Beach community. The increase in service related labor force has also increased the dependency of the Kings Beach community on tourism and visitor services.

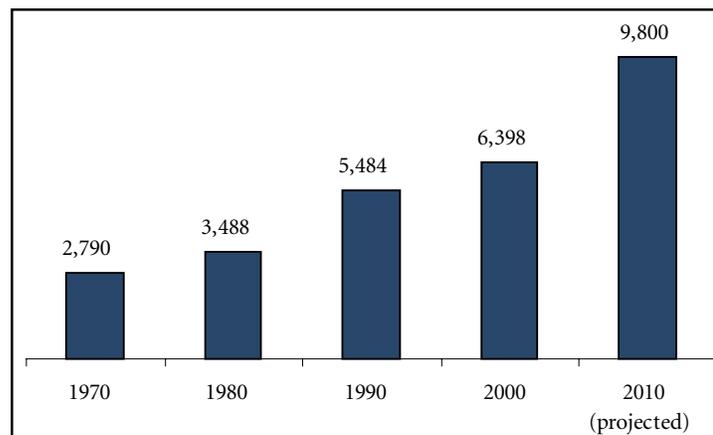
Transportation as Part of the Experience

With a growing population and easier access to resort communities, it is important to consider transportation within the resort community. Pedestrian-oriented villages, public transportation and innovative transportation solutions (e.g., gondolas, aerial trams, trolleys, horse-drawn sleighs, etc.) are becoming integral parts of the entire resort experience.

Vacation Housing Demand

In most communities, housing demand is directly correlated with population growth. As population grows, the number of housing units grows such that the ratio of persons per household stays constant. In resort communities, the number of housing units is growing faster than the rate of permanent population growth because of a rise in the number of second homes used for personal recreation.

Figure 1: Total Number of Second Homes (in thousands) ⁵



There are currently approximately seven million second homes in the United States, and that number will grow to almost 10 million by the year 2010 (see Figure 1).² Approximately six percent of all homes sold today are second homes (approximately 360,000 per year)³ and second homes represent an estimated 10 percent of new residential construction.⁴ The importance of second homes is amplified in

communities that are desirable for temporary escape – near beaches, mountains, lakes and deserts. Recent growth in second home ownership has been fueled by demographic shifts and lifestyle choices, and by low interest rates, relative stability of real estate as an investment vehicle, 1997 capital gains tax law changes that allow for tax-free profits of up to \$500,000 from the sale of a home, and technology enhancements that allow people to work from anywhere and in any time zone.

Land Supply/Demand Imbalance

The rapid increase in the number of housing units in mountain resort communities is beginning to conflict with constrained supplies of developable land. Resort communities are becoming built-out, towns are making conscious efforts to restrict growth, and most mountain resort towns are surrounded by protected land or land that is unsuitable for development. Demand exceeding supply is driving redevelopment of existing resorts and expansion of resort communities beyond their traditional borders.

Redevelopment is often the best way to create new facilities and continue to offer outstanding vacation and real estate ownership experiences, given limits of land for new development. Construction of new villages, improving access or transportation, or broad-reaching upgrades and strategic expansions of amenities are some of the more common methods of resort redevelopment.

The other result of demand outpacing supply of land is the expansion of resort communities beyond their traditional borders. Residential, commercial and recreation development has been pushed farther away from historic resort cores. Lands that were once covered by ranches, forests and agricultural fields are now occupied by golf courses, retail malls and residential developments. Many workers whose families once were employed locally in agriculture or mining now find themselves commuting to the core resort town to work in service-related jobs or are forced to leave the region altogether because they no longer can afford to live near the resort. As the resorts' spheres of influence expand, property values increase and costs of living rise.

Economic Displacement of Permanent Residents

The result of expanding resorts' spheres of influence is geographic segmentation of resort communities that are economically interdependent and economic displacement of permanent residents from core resort towns to nearby support towns of the larger influence area. For example, “nearby support towns”



have roughly an equal number of resort town characteristics and residential/commercial town characteristics.

The North Lake Tahoe community is experiencing the economic displacement described above for portions of its workforce and local population. The result is the disbursement of the community, with residents living in different locations and commuting great distances to their workplaces. The resort communities' spheres of influence are expanding in the region, and all of these areas will be impacted by the *Tourism and Community Investment Master Plan*.

Western Mountain Region Travel Patterns and Statistics

Since 1995, the tourism and resort industries in North America have experienced some of their best and worst years ever. Riding on several years of consistent economic prosperity and peace in this country and abroad, the late 1990s were very good for domestic and international travel markets.

Impacts of Economic Downturn and 9/11/01

The global economic downturn and events of 9/11 had noticeable impacts on business and leisure travel patterns across the nation. The more notable impacts include:

- Dramatic, medium-term declines in national and international travel. However, leisure travel was impacted less and bounced back faster than business and conference travel. The low (value) and very high end (luxury) segments of the travel industry retained and attracted business better than the broad middle section of the market.
- Shifts in destination, duration, distance, preferences of vacationers. Wariness of air travel, however temporary, and an actual or perceived decrease in money and time for travel compelled vacationers to spend less time away from work and home. These constraints typically resulted in shorted stays that would not involve air travel.
- Shortened vacation-planning lead times as a result of leisure travelers' preference for shorter, spur-of-the-moment vacations. This has led to more crowding around weather events (e.g., heavy snow in winter and sunny days in summer), high demand periods, pressure on lodging properties to compete on price and occupancy and huge fluctuations in information and reservation transaction processing.
- New groups of winners and losers in the lodging business. Larger and affiliated lodging properties reacted better to the sudden change of fortune and gained market share at the expense of smaller,

independent hotel operators.

- Rise in popularity of condominium lodging inventories. Because of the value and convenience of condominiums for larger traveling parties, condominium lodging inventory is gaining at the expense of conventional hotel rooms. Its underlying real estate values attract investors searching for safer investment vehicles and it gives developers the ability to sell units as opposed to owning project outright. Ironically, these same facilities are harder and more expensive to clean and turn over for the next guest, so condominium management companies are increasing minimum stay requirements when market conditions are frequently generating shorter stay requests.

Recent Air Travel Statistics

According to the Air Transport Association, passenger volume on domestic airlines fell eight percent between 2000 and 2001, and 10 percent between 2000 and 2002, and remained on a downward trend through 2003. Resort airports were impacted more severely. Although passenger enplanements at the Aspen airport dropped 14 percent between 2000 and 2002, and 20 percent at Reno/Tahoe International Airport, passengers traveling through Reno/Tahoe International Airport increased in 2003 by 4.6 percent. Tables 2a and 2b show the historical decline and recent increase in passenger enplanements and deplanements since the mid-1990s at Reno/Tahoe International Airport in Nevada and Aspen/Pitkin County Airport in Colorado.

Table 2a: Passenger Enplanements at Reno/Tahoe⁷ (millions)

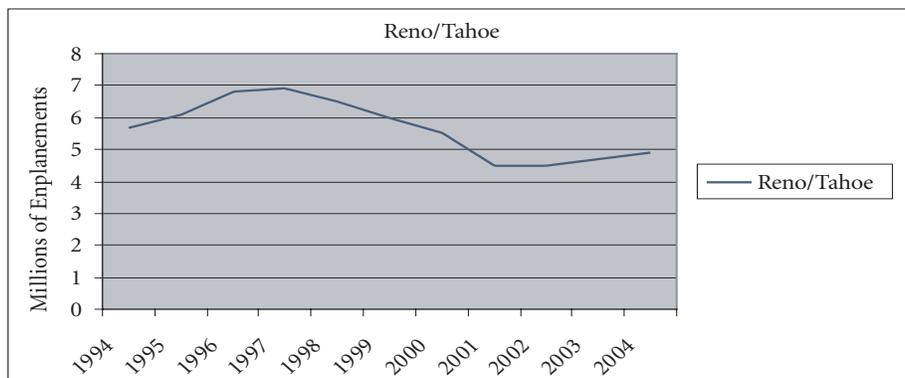
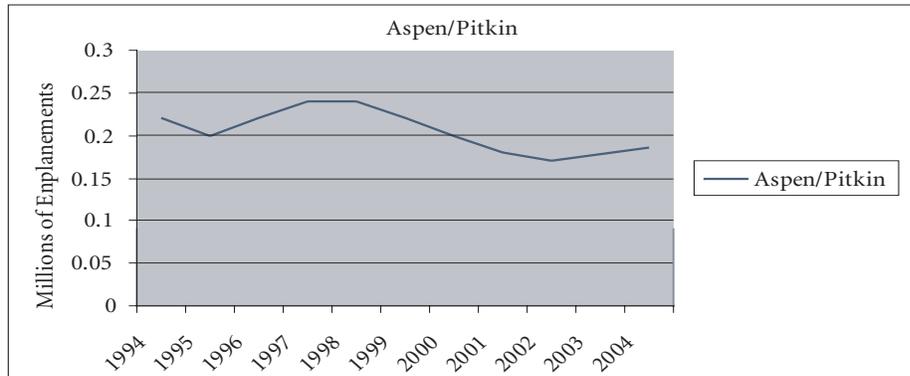


Table 2b: Passenger Enplanements at Aspen/Pitkin⁷ (millions)

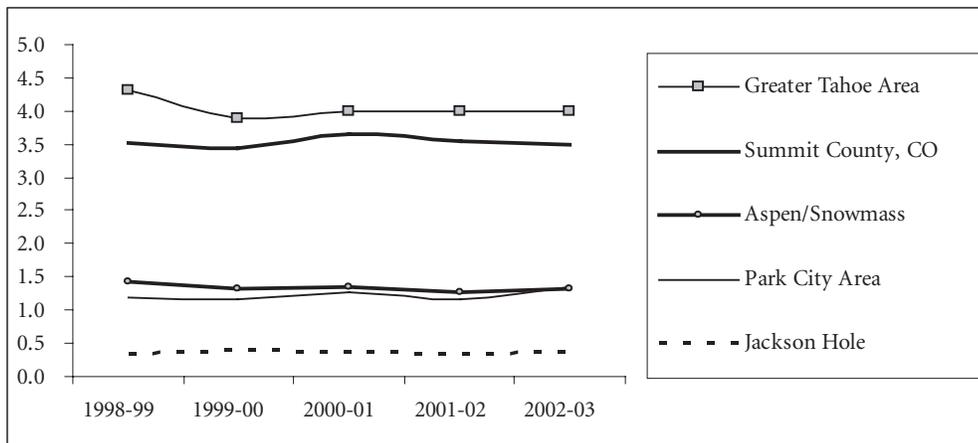


Scheduled commercial airline operations have recently increased at both airports. In addition, mountain resorts that traditionally catered to fly-in destination travelers are now, as a result of 9/11, recognizing the value of drive-up visitors.

Skier Visits in the West

As shown in Figure 3, skier visits are generally flat at Western mountain resorts, which has caused most communities to explore other opportunities to attract visitors in winter and during other times of the year.

Figure 2: Annual Skier Days at Western Mountain Resort Areas⁹ (millions)



Top 10 Current Travel and Tourism Trends

According to Randall Travel Marketing, the Top 10 travel and tourism trends in 2003 were:

1. Flat growth in overall travel and tourism revenues.
2. Safety, personal comfort and value are primary travel concerns.
3. Continued decline in business travel, which affects conventions/meetings markets as well. (Although there is some evidence in 2004 that business travel is now beginning to increase.)
4. Sporadic increases in leisure travel, but changes in trip planning, choices and preferences (see below).
5. Increase in last-minute travel (i.e., shorter travel-planning periods).
6. Increased demand in technology for travel planning and buying.
7. Increase in family travel.
8. Reinvention of travel marketing organizations (airlines, lodging, attractions, Destination Marketing Organizations (DMOs), etc.), with a net result of more intense research of all travel segments to help continue driving growth.
9. Time poverty continues to drive travel and tourism behavior, as time has become one of the most precious commodities for consumers.
10. Leisure travelers are looking for more intimate experiences, and want to escape and totally immerse themselves in a culture, destination or experience. (In other words, resorts and resort communities should focus on creating the total experience.)

Leisure Travelers' Preferences and Choices

Leisure travelers' preferences and choices are changing as a result of global events, macroeconomic conditions, technological advances, demographics and travel party composition. Since 1995, fewer people are traveling alone than in groups, and today's percentage of travel parties who include kids is greater than that of 1995.¹⁰

Important considerations for U.S. pleasure travelers when selecting vacation destinations include:

- *Exciting offerings for everyone in the travel party.* Travel parties include both genders and many different age groups.



- *Great shopping and dining.* According to RTM Research and the Travel Industry Association of America, by far the most popular activities of U.S. resident travelers are shopping and dining in restaurants.
- *Maximized leisure time.* Travelers expect vacations to be easy to plan, relaxed yet packed with activities and adventure; and travelers want to leave with the perception that they enjoyed a much longer vacation than the actual time they took off.
- *Easy access.* Weekend travel and day trips are more common than ever, with half of all U.S. adults taking at least one weekend trip each year. Destinations that are easy and quick to access by car, or possibly airplane, will grow in popularity in coming years.
- *Affordability and value.* Affordability impacts families' decisions about vacation choices. Value is relative for all individuals and is determined by perceived benefit versus cost (tangible monetary and intangible costs), so high value does not necessarily mean low cost if the perceived benefit is outstanding.

North Lake Tahoe Resort Community Trends

Since the writing of the 1995 Master Plan, the North Lake Tahoe area has been impacted by periods of extreme growth followed by regional economic stagnation and downturns; significant periods of peace and prosperity followed by incomprehensible acts of terrorism, war and global unrest; and statewide fiscal budget surpluses followed by unimaginable budget shortfalls. The entire region has changed – not necessarily for better or for worse – and the changes deserve attention in the process of planning for the future.

North Lake Tahoe Travel Patterns

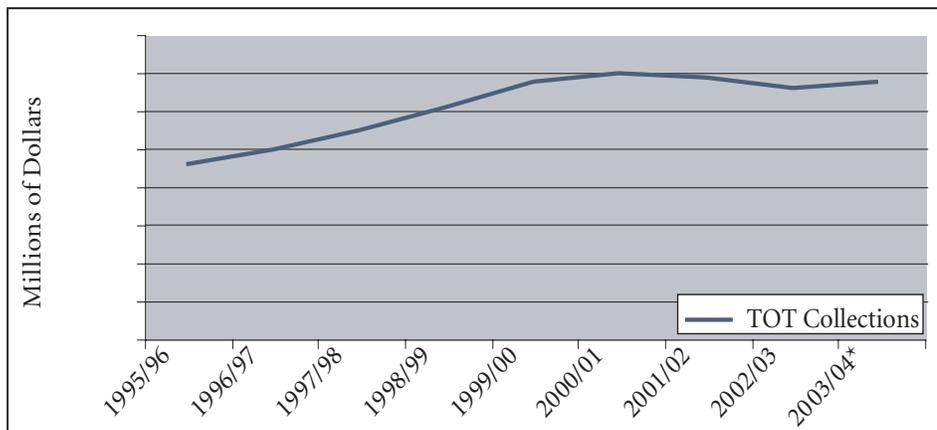
North Lake Tahoe developed primarily as a short-stay, drive-based, local/regional destination for Northern Californians and the broader California market. In the mid- to late-1990s over half of all visitors to the area came from California, and approximately 40 percent originated in the Bay Area.¹¹

The technology-driven economic boom of the late 1990s created immense paper wealth and discretionary income, particularly along the Pacific seaboard and among younger individuals and families who were unaccustomed to such wealth. This had a distinctive positive impact on vacation real estate development and sales and leisure travel. During the “dot-com bust” that followed, the converse occurred and had a commensurately negative impact on both.

Transient Occupancy Tax Collections

Transient Occupancy Tax collections are good measure of local tourism traffic and the economic impact of tourism on the community. TOT collections grew significantly through the late 1990s, peaked during the 2000 fiscal year, and then began a steady decline through 2002. Collections since 2002 have primarily remained steady; currently they are trending upward (see Figure 3).

Figure 3: Lodging Sales that Qualify for TOT¹²



Visitor Expenditure Estimates

As previously stated, resort communities across the country recognize that local/regional destination visitors tend to spend less money in the resort community than national/international destination visitors. In the North Lake Tahoe area, visitors from the Bay Area spend approximately 42 percent less per trip than visitors from other states on things like accommodations, food and drinks, recreation, gaming, entertainment and nightlife, shopping, sightseeing, special events, car rental, shuttle buses and taxis. This large difference is largely a result of shorter trips, evidenced by only a 16 percent difference between daily per capita spending (see Table 3).

Table 3: Average North Lake Tahoe Visitor Expenditures¹³

	Visitors from Other States	Bay Area Visitors	% Difference
Total TRIP per Capita	\$866	\$679	(22%)
Total DAILY per Capita	\$209	\$171	(18%)



Local/Regional Visitors vs. National/International Visitors

Many believe that the national and international visitor segment is much more appealing to the North Lake Tahoe region than the local and regional segments for the reasons outlined in Table 4.

Table 4: Perceptions about Local/Regional Visitors vs. National/International Destination Visitors

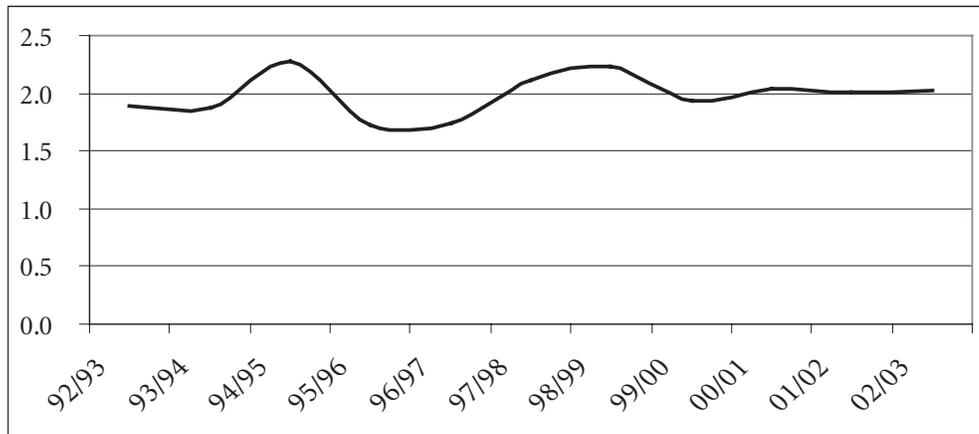
Local/Regional Visitor	National/International Visitor
- Shorter stays, pay less and book later	+ Stay longer, pay more and book earlier
- Visit during high demand periods, which further impacts crowding at peak times	+ Visit for seven days or more, which includes mid-week periods
- Drive to the resort community	+ Many fly to the resort community and utilize public transportation services as opposed to their own vehicles

The national and international visitor segment is a market to target for the reasons listed in Table 4, but the Northern California market also is critical to the long-term sustainability of North Lake Tahoe. Local and regional visitors treat North Lake Tahoe as a destination by staying overnight and spending money in the community. They are critical to the winter ski business and associated lodging. In addition, they are strong contributors to the summer and shoulder season visitation. This group’s total trip expenditures are less than the typical out-of-state visitor due to shorter length of stay (see Table 3 and Table 6), but average daily expenditures are closer than many think.

North Lake Tahoe Skier Visits

Skier visits at Northstar-at-Tahoe, Squaw Valley, Alpine Meadows, Homewood, Sugar Bowl and Diamond Peak experienced two peaks during the past 10 years, one in 1994/95 and the other in 1998/99, which was the height of the tech boom and a good snow year for Tahoe. The trough in 1996/97 was a result of poor snow conditions in the Tahoe region. Since then, total skier visits have remained flat at about two million.

Figure 4: North Lake Tahoe Skier Visits¹⁴



Geographic Origin of Visitors

California is still the North Lake Tahoe area's greatest source of transient visitors and second-home owners. According to data collected between 2003 and 2004,¹⁵ summer and winter visitors originate in the following geographic areas:

- 26 from the Bay Area;
- 9 percent from Southern California;
- 7 percent from the Central Valley;
- 5 percent from other parts of California;
- 4 percent from other countries; and
- 49 percent from other domestic states.

North Lake Tahoe's top five urban markets are:

- San Francisco;
- Sacramento-Stockton;
- Los Angeles;
- Chicago; and
- Reno.



Repeat Visitation

Repeat Visitation is an important metric for resort communities, since it is an indicator of visitor satisfaction and primary indicator of future vacation home ownership. Most vacation home purchasers visit the resort at least five times before making a purchase decision. At North Lake Tahoe, Bay Area visitors are more often repeat visitors than out-of-state visitors. Table 5 summarizes visitor responses to the question of trips to Tahoe during the past five years.

Table 5: Previous Trips to North Lake Tahoe in the Early- to Mid-1990s¹⁶

	Bay Area	Out of State
None, this is 1 st visit	7%	37%
1 to 3 previous visits	10%	22%
4 or more previous visits	83%	41%

Means of Travel to North Lake Tahoe

Out-of-state travelers overwhelmingly travel to North Lake Tahoe via commercial air or charter air (77 percent), and only 22 percent travel by private or rental vehicle. Almost every Bay Area resident travels to North Lake Tahoe by private or rental vehicle.¹⁷

Nights Stayed

Bay Area residents tend to spend fewer nights in North Lake Tahoe than out-of-state visitors (3.9 nights vs. 4.8 nights). Table 6 presents a breakdown of nights stayed by geographic origin.

Table 6: Nights Stayed in the North Lake Tahoe Area¹⁸

	Bay Area	Out of State
1 to 2 nights	34%	9%
3 to 4 nights	38%	41%
5 or more nights	29%	50%

Half of out-of-state visitors stay in the North Lake Tahoe area for five nights or more, which helps smooth out the weekend peaks.

Top Reasons for Visiting North Lake Tahoe

Table 7 shows the top reasons for visiting North Lake Tahoe both in summer and in winter.

Table 7: Top Reasons for Visiting North Lake Tahoe¹⁹

	Summer	Winter
Ski trip	-	59%
Visiting family/friends	18%	10%
Rest & relaxation	15%	7%
Convention/trade show/meeting/seminar	14%	6%
Other recreational activity	7%	1%
Previous experience/annual vacation	5%	2%
Honeymoon or anniversary	4%	2%
Wedding	5%	1%
Business	3%	2%
Hadn't seen before, wanted to see it	3%	2%
Other	27%	8%

North Lake Tahoe Visitor Experience

In Web surveys conducted between 2003 and 2004, RRC Associates asked visitors about the strengths and weaknesses of North Lake Tahoe as a tourist destination. The following are the top five responses, in order of frequency:

Strengths

- Scenery
- Overall value of money
- Ability to rest and relax
- Lodging variety and quality
- Fun and excitement

Weaknesses

- Traffic congestion
- Area not suited for walking/pedestrian
- Lodging variety, proximity to skiing
- Lack of evening activities/nightlife
- Minimum beach access



North Lake Tahoe Visitor Demographics

Age

Average (mean) age of Tahoe visitors is 38 years old. This is consistent between the Bay Area and out-of-state visitors. The top section of Figure 6 describes the age statistics for Tahoe visitors.

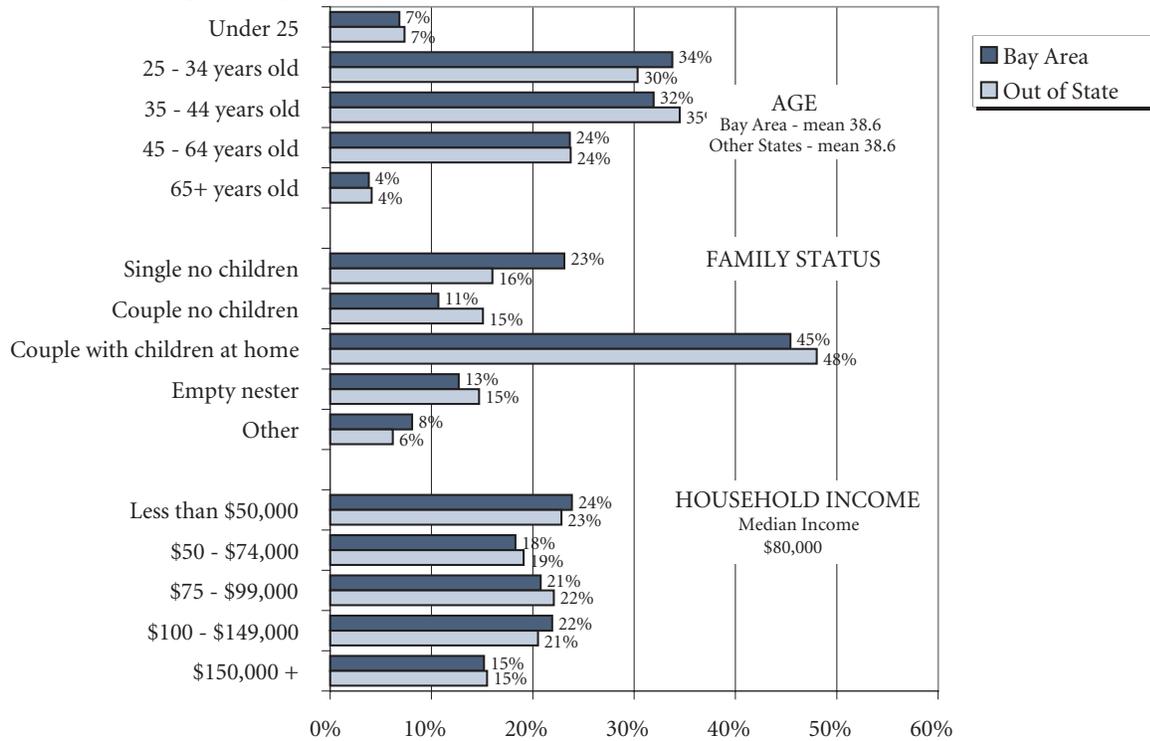
Family Status

The largest group of visitors to the Tahoe area is “couples with children at home,” consisting of over 45 percent of all visitors. Bay Area visitors track consistently with out-of-state visitors, except in the “single” category where they make up 23 percent, whereas out of state visitors only make up 16 percent of total visitor numbers. The middle section of Figure 6 describes the family status of Tahoe visitors.

Household Income

Both Bay Area and out-of-state visitors have similar median household incomes, approximately \$80,000. Tahoe visitors display nearly equal representation across all income categories. Bay Area and out-of-state visitors follow similar income group distributions. The bottom section of Figure 6 describes the household incomes of Tahoe visitors.

Figure 5: Age, Family Status, and Household Income of North Lake Tahoe Visitors²¹



Resort Development

The real estate market has proceeded through a period of rapid appreciation and high demand, reaching historically high values in the late 1990s, followed by a decline in new development and price softening as a result of the economic recession that hit the Bay Area especially hard.

In 1995, North Lake Tahoe did not have a destination resort product on par with other mountain resort communities. Since that time, tourism-related facilities have undergone significant changes as a result of the development of resort villages at Squaw Valley, Northstar and South Lake Tahoe (Park Avenue Redevelopment). As these developments mature, the entire Tahoe region will have a more competitive destination product, but the marketplace will need to be educated to the “NEW” Tahoe. The will require additional marketing expenditures.



The following is a summary of specific new development in the area:

Kings Beach:

- Commercial Core Improvement Project – Roadway improvements, pedestrian improvements (bike lanes and sidewalks with landscaping improvements), water quality improvements, signage, etc. Construction is scheduled to begin in 2006 with improvements designed to make Kings Beach more visitor and pedestrian friendly.

Squaw Valley:

- Village at Squaw Valley (Intrawest) – Development plan includes several phases. The first phase, First Ascent, has sold all 139 condominium units and includes shopping and dining. Many of the 147 units of 22-Station are available, priced from \$450,000 to \$1.8 million. Future condominium projects are also planned. When complete, the project is slated to have over 700 units and 110,000 square feet of retail.
- Squaw Valley Park – A 30-acre park with playing fields and hiking trails completed at the end of 2003.

Tahoe City:

- Redevelopment Area Projects – Sidewalks, lake access, Commons Beach, etc. Accompanies additional retail development in downtown Tahoe City, including Cobblestone Center.

Heavenly/South Lake Tahoe:

- Park Avenue Redevelopment – At the base of Heavenly, this pedestrian-oriented village that utilizes the gondola as a centerpiece includes 793 lodging/quarter-share units in two Marriott properties. 125,000 square feet of retail, a multiplex cinema, an outdoor skating rink, and a transit center. This project was completed in 2003. The remaining future phases of Marriott's Timber Lodge include an additional 110 timeshare units.
- The Village Center – Redevelopment of older center into new lifestyle center of approximately 100,000 square feet.
- Redevelopment Project 3 – This project is across from the Park Avenue Redevelopment and is proposed to include a 91,000-square-foot convention center, a 532-room hotel, a 177-unit timeshare facility, retail, and a scale model of Lake Tahoe.

Northstar/Truckee:

- Coyote Moon Golf Course – 18-hole course on 250 acres with no home sites.
- Old Greenwood – 99 single-family homesites, 154 fractional units, a Jack Nicklaus Golf Course, and clubhouse with fitness center, pool, etc., on 600 acres. Construction began Spring 2003.
- Gray's Crossing – 725 homes (200 affordable), 48,000 square feet of commercial, 400 acres of open space, and an 18-hole golf course all on 757 acres. Currently in planning phase.

- The Village at Northstar – seven mixed-use buildings with 213 condominiums, an ice skating rink, 200,000 square feet of retail and skier services, and various ski area improvements.
- The Summit at Big Springs – 15 one-half acre ski-in/ski-out homesites from the \$500,000s.
- Highlands (proposed) – 1450 units, 255-room 5-star resort hotel, additional retail space.
- The Northside (proposed) – 137 units, 40,000 square feet of retail space.
- Northstar Ski Area – Planned expansion as part of Mountain Improvements Plan, six new chairlifts (five to be high-speed detachables), associated ski trails.

North Lake Tahoe Community Development and Local Issues

North and South Shore tourism-dependent businesses think of themselves, and therefore behave, more as competitors than complements. This may be true and appropriate when thinking about visitors who come from the West, but is less true and counter-productive when looking to the East for destination visitors. This competition has confused the destination visitors, as there are multiple messages and images being promoted by various agencies and businesses that are promoting their particular sub-region. However, recent cooperative efforts, such as the Blue Campaign in the Lake Tahoe region, have led to a more synergistic approach to advertising and promoting Lake Tahoe to destination markets. With the encouragement and support of Lake Tahoe's four visitor bureaus, this cooperative effort could have far-reaching ramifications and results.

The 2003/04 NLRTA Web Site Survey gathered information on visitor perceptions regarding the two areas. Respondents were asked whether they perceived North and South Lake Tahoe to be two separate and distinct destinations or part of one overall experience. The results are fairly evenly divided, with 40 percent seeing North and South Lake Tahoe as two separate destinations, 33 percent perceiving them as part of one overall experience, and 27 percent "unsure/don't know."

The more experiences visitors have with Tahoe, the more likely they are to perceive the two shores as separate destinations. Respondents who have visited Lake Tahoe in both the summer and winter over the past five years are most likely to feel North and South Lake Tahoe are two distinct destinations (65 percent), followed by winter-only previous visitors (45 percent), summer-only previous visitors (36 percent), and respondents who had not visited the area in at least five years or ever (20 percent; note that 58 percent of these respondents didn't know/had no opinion). These results suggest that a marketing strategy, which differentiates North Lake Tahoe from South Lake Tahoe, may resonate most with repeat visitors. Conversely, persons who had not been to Tahoe before generally don't have a perception of



whether the North and South Shore are distinct or part of one overall experience. This group is likely looking to educate itself on Tahoe generally and may benefit from an understanding of the differences of the two shores, but an overemphasis on the separateness of the two shores may lead to some confusion on the part of prospective visitors.

North Lake Tahoe Resort Association Changes

The North Lake Tahoe Resort Association was established based on a recommendation in the 1995 Master Plan. As a result, the entire North Lake Tahoe region now has a cohesive organization from which collective marketing efforts, along with infrastructure and transportation projects, can be launched. The NLTRA and its staff offer a platform from which available room tax and other dollars are directed strategically and effectively. Already, in its relatively short life, the NLTRA has undergone transformations as a result of changing market conditions, community needs and county governance. For more information on the structure of the NLTRA, reference Appendix F.

(Endnotes)

- ¹ Source: The Economic Significance of Travel to the North Lake Tahoe Area, Dean Runyon Associates, December 2003.
- ² Source: Demographer Peter Francese, published in Home Accents Today, May 2000, and American Demographics, November 2002.
- ³ Source: The 2002 National Association of Realtors Profile of Second-Home Owners, November 2002.
- ⁴ Source: Fogarty, Thomas. "Second Homes are First Investment Choice for Many," USA Today, November. 12, 2002.
- ⁵ Source: "Second Homes: The Consumer Counts," Home Accents Today, May 2002, pp. 62-63.
- ⁶ Source: Design Workshop, Inc.
- ⁷ Sources: Aspen/Pitkin County Airport Authority, Reno-Sparks Convention & Visitors Authority, The Airport Authority of Washoe County and RRC Associates, Inc.
- ⁸ Source: Blevins, Jason. "Retailers at Vail: Business Downhill," The Denver Post.
- ⁹ Sources: RRC Associates, Inc., Park City Chamber/Bureau and Colorado Ski Country USA.
- ¹⁰ Source: Travel Industry Association of America.
- ¹¹ Source: 1996 to 1998 Intercept Surveys, RRC Associates, Inc.
- ¹² Sources: North Lake Tahoe Resort Association and RRC Associates. * Note that 2002/03 data is only July 2002 through March 2003.
- ¹³ Source: 1996 to 1998 Intercept Surveys, RRC Associates, Inc.
- ¹⁴ Sources: RRC Associates, Inc. and the California Ski Industry Association.
- ¹⁵ Source: 2003 to 2004 NLRT/LTRC Web Site Survey, RRC Associates, Inc., 2004.
- ¹⁶ Source: 1996 to 1998 Intercept Surveys, RRC Associates, Inc.
- ¹⁷ Source: Ibid.
- ¹⁸ Source: Ibid.
- ¹⁹ Source: Ibid.
- ²⁰ Crowding may encompass many dimensions including heavy traffic, difficulty finding parking, lines/waits, noise associated with crowds/traffic, difficulty finding solitude/wilderness experience, lots of people, etc.
- ²¹ 1996 to 1998 Intercept Surveys, RRC Associates, Inc.

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BACKGROUND AND FRAMEWORK

c. Competitive Analysis

Western mountain resorts have been reinventing themselves – evolving simultaneously with a changing marketplace in a relatively brief period of time. The evolution has seen places like Aspen, Colorado, change from a ski town in the 1960s and ‘70s to a mature resort community in the 1990s, and a struggling economy in the 2000s. This section describes trends that are reshaping Western mountain resorts and the impact of these trends on North Lake Tahoe.

Destination resorts contain elements that are common to all communities, regardless of their location. However, mountain resort communities have very unique conditions that lead to different challenges and opportunities. The elements of resort communities include such items as vision and leadership, economic viability, attractive natural environment, recreational opportunities, a variety of attractions, community character, access and mobility, among others. Successful destination mountain resort communities strategically address these elements and create characteristics for which they become well known. But nothing is easy. Virtually every resort is struggling with the same set of interrelated issues, including:

- How do you compete for visitors to the area when there are so many other excellent choices at other resorts?
- How do you attract the attention of a potential visitor, given that the Internet has created a much more informed traveler?
- How do you retain full-time residents in light of housing costs and extraordinary land values?
- How do you retain community vitality as second homes grow to dominate the housing stock?
- Can the integrity and aesthetic qualities of the resort’s natural environment be preserved in the face of growth pressures?
- Assuming a community can never stay exactly the same, what is the next stage of community evolution and how do you direct it instead of having outside factors define your destiny?
- Which resorts are well-positioned to compete and which resorts will stagnate?



The purpose of this Competitive Analysis is to answer the following questions:

- What are competitive resorts' current development/redevelopment strategies?
- What public investments have been made in the community?
- What is their market positioning?
- What is new in the past five years?
- What do they see in/as the future for their resorts?
- What are their biggest issues and how are they dealing with them?

The result is an understanding of how North Lake Tahoe compares to other resort communities, such as Aspen/Snowmass, Colorado; Summit County, Colorado (Copper, Keystone, Breckenridge); Summit County, Utah (Park City, Canyons, Deer Valley); Jackson Hole, Wyoming; and South Lake Tahoe, California.



Aspen/Snowmass

Aspen is an internationally renowned summer and winter resort community dating back to the Ute Indians' discovery of the Shining Mountains in the 1800s. In 1879, prospectors settled in Aspen in a search for silver, naming the area Ute City. In 1880, the town of only 300 residents was renamed Aspen and the silver boom hit the area later in the century. In 1946, The

Aspen Skiing Corporation was formed and began the operation of Aspen's first chairlift. This marked the beginning of Aspen as a major skier destination. The Sardy Airfield opened to accommodate out-of-town visitors in 1948.

Aspen was chosen as comparable to North Lake Tahoe as it is a year-round resort town with an international reputation for being one of the most prestigious areas in which (or at which) to vacation. The area has four ski areas that depend on transportation for connections to town and each other. The summer market in Aspen/Snowmass is extremely strong and driven by cultural activities including the Aspen Music School and Festival, the Aspen Institute and the Institute for Physics.

Over the last 60 years, Aspen has added a city golf course, an art museum, an opera house, and numerous non-profit organizations, making it a destination rich in culture and recreational activities. Recently, the Sundeck Mountain Restaurant was redeveloped into a new, 21,600-square-foot

mountaintop restaurant, and new lifts were added to all resorts in the area. The City of Aspen also added a roundabout to relieve the increased traffic congestion. Aspen draws visitors from all over the world because of its small-town flavor, excellent shopping, and most importantly, the vast array of summer and winter recreational activities. The second-home population dominates the town, making Aspen operate more as a private club than a resort. The second-home market competes for the resort labor, offering better pay and flexible hours.

Aspen has fundamentally changed from the old economy of a destination ski resort to the new economy of a second-home resort. More golf has been added to the valley, including courses designed by Nicklaus and Fazio. Successful retail has been eroded due to changing consumer demands and high rents. The amount of guest lodging has decreased and the ski resorts continue to invest in mountain improvements. The City of Aspen has completed the first phase of a multi-million dollar streetscape improvement, named the Aspen Downtown Enhancement Plan.

In Snowmass, a well-defined core needs to be developed in order to tie the entire area together. Intrawest has plans to create a new village there but project approvals are being met by political opposition. The aging demographics of the visitors are of extreme concern to the Aspen Skiing Company, and allowing snowboarding on Aspen Mountain and hosting the X Games are strong attempts to reverse those trends. Airline accessibility is also a key issue – commercial seats have been decreasing, which impacts both the visitors and second-home owners.

Ski Magazine reader surveys for the past few years have consistently rated après ski, dining and off-hill activities very high. Lower ratings occur in the areas of access, family atmosphere and value. Other insights to the visitor experience include:

- “Aspen is expensive. The mountain is cramped. The inhabitants are snobbish. And there may be no better place on the planet to take a ski vacation.”
- According to the 2000 *Ski Magazine* reader survey, readers applauded friendly staff, and the biggest draw is the town, “which other resorts would be blessed to remotely duplicate for its energy and style.”
- Free bus system throughout Aspen linking to the four ski mountains – no need to rent a car.
- The skiing experience at Snowmass influences the area’s Top 10 ranking. Conflicting visitor experiences cite the “helter-skelter village” and the benefit of living in peace next to “Aspen’s nuclear fission.”



What's New?

- \$80 million Snowmass Club conversion
- Private Residence Clubs (Timbers Club, Ritz Carlton Club, Sanctuary at Snowmass)
- Redesign of Snowmass Club Golf Course
- Aspen Highlands Village
- St. Regis fractional conversion
- Aspen streetscape improvements
- Open-space acquisition continuing
- Additions to affordable housing program
- Aspen Skiing Company “green” campaign



Summit County, Colorado

(Keystone, Copper, Arapahoe Basin and Breckenridge)

Summit County is similar to North Lake Tahoe as it has resorts in multiple locations with a fragmentation of centers. Summit County differs from North Lake Tahoe as it has undergone tremendous change in the past 10 years, a much more significant change than North Lake Tahoe in terms of the mountains and the villages. Huge expansion of bed-base in all

communities creates an opportunity for more visits, but raises growth/quality-of-life concerns. Parts of Summit County have a larger national/international draw than North Lake Tahoe, with a stronger winter than summer tourist season.

Summit County is a multiple resort environment including Breckenridge, Keystone, Copper Mountain, and the smaller Arapahoe Basin. Each of these areas has large ongoing or proposed base development/redevelopment projects, except for Arapahoe Basin. Breckenridge Ski Area opened in 1961, Keystone in 1970, Copper Mountain in 1972. There was a 25 percent growth in skier visits between the 1989/90 and 1998/99 seasons, although it has been flat on the aggregate for the past four years. A major real estate boom took place from the mid-1970s to the mid-'80s, with a bust in the late 1980s, and another boom in the 1990s. Summit County is the single largest county for skier visits in the United States – similar volume to Tahoe area (North and South combined).

The winter season is stronger than the summer overall. Factory outlet stores have captured interstate highway travelers' dollars and Lake Dillon provides a variety of summer recreational activities. The strong summer business takes place in Breckenridge, while summer at Copper is almost non-existent, even with the new village development. Public transit is critical due to multiple centers and movement within centers. The conference business is important to the success of the spring, summer and fall seasons at the resorts, and Keystone's 1999/2000 conference center expansion has generated incremental revenue for lodging, retail and food and beverage.

Summit County has the advantage of multiple resorts which provides a more seamless experience to its visitors. The accelerated growth in visitation realized by the multiple resorts also allows for more significant upgrading/redevelopment of facilities and amenities, making Summit County more competitive than other individual resorts. The variety of year-round activities and amount of summer entertainment is still growing. The shopping/village experience is more developed in Summit County than North Lake Tahoe – with a focus on pedestrian cores and a greater diversity of shops/restaurants. Summit County has an effective transit system.

Large infusion of capital by Intrawest and Vail Resorts has resulted in major investment on and off the mountain. Their marketing power has changed the competitive environment. The biggest challenges facing Summit County are congestion on I-70 and the aesthetic impact of growth.

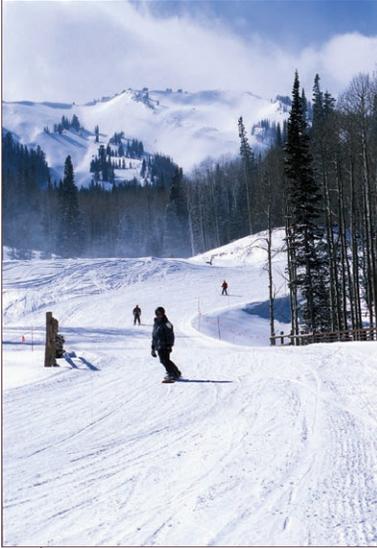
Ski Magazine reader surveys usually give high marks to Breckenridge, with a “good combination of skiing, nightlife, food and family activities but big crowds on weekends and holidays.”

What's New?

- Breckenridge – Redevelopment of Bell Tower Mall into Main Street Station (34,000 square feet of retail and 200 condominium units in three different projects)
- Breckenridge – Approval of new village at Peaks 7 and 8, with gondola connection to the town (500 condominium units, retail, skier services, conference and meeting space)
- Breckenridge – Mountain Thunder Lodge near Peak 8 sold all 80 units in 2002
- Breckenridge – Timber Trail is a collection of 18 homesites of approximately one-half-acre each on Peak 8. The homesites sold in seven days with an average price of \$550,000 (in early 2003)
- Copper – 490 units and approximately 60,000 square feet of retail built since 1999



- Keystone – Substantial completion of River Run Village (approximately 300 units remaining to be built per the Master Plan) and sale of single family lots



Summit County, Utah

(Park City, The Canyons, Deer Valley)

Park City started as a mining town in the late 1860s and was incorporated in 1884. On June 19, 1898, Park City was ravaged by fire, leaving only a handful of buildings behind. The city pulled together and reconstructed their homes in only a year and a half, but by 1951 Park City was listed in the *Ghost Towns of the West*. Meanwhile, skiing was gaining popularity in the area, using mine trains to climb the side of the mountain. In 1930, the Ecker Hill ski jump was constructed and Alf Engen set five world records at this small site. Then, with \$2 million in assistance from the federal government, the United Park City Mines Company opened Treasure Mountain Resort in 1963, now Park City

Mountain Resort. Wolf Mountain (now The Canyons) opened in 1968, followed by Deer Valley Resort in 1981. Park City continues to thrive as a world-class ski town and residential community.

New activities have helped strengthen Park City in summer and made it into more of a year-round resort. Significant real estate development has accompanied the growth in tourism, with much of the development focused on base villages at the ski mountains. For example, the American Skiing Company acquisition and redevelopment of The Canyons brought major changes.

Summit County benefits from the synergy of multiple ski resorts, strong summer and winter activities, and a strong chamber resort association. The chamber resort association generally takes care of summer advertising, leaving the winter advertising to the individual resorts and Utah Ski Association. Park City differs from North Lake Tahoe in its excellent air access, the number of international/national as compared to regional visitors, its affordability, its excellent local transit system, and its central historic center – a large draw to the area. The biggest threat to the Park City area is the potential evolution from a destination resort to a bedroom community for Salt Lake City.

The Olympics provided hundreds of millions of dollars of public investment in facilities, visitor signage program and roadways.

Ski Magazine reader polls rate Park City high in the areas of family value, great town (après ski) and convenient access, but rate it lower in scenery (usually 40th to 50th) and value.

What's New?

- Benefit of tremendous public and private investment from 2002 Olympics
- Park City Mountain Resort redevelopment of base facilities
- The Canyons – Phase I Village including Grand Summit Resort Hotel and Conference, retail and condominium projects
- Deer Valley – new day lodge
- Substantial on-mountain investment at all resorts
- 60 percent growth in pillows since 1994
- Downtown Main Street revitalization
- \$1 million visitor signage program
- Transit center
- Performing arts center
- International attention
- Substantial new real estate development projects still planned

Jackson Hole, Wyoming

While historians credit John Colter as the first white man in Jackson Hole in the winter of 1807, it is fellow fur trapper Davey Jackson for whom Jackson Hole is named.

In the spring of 1822, Jackson responded to an ad in the *St. Louis Enquirer* that read:

Wanted: 100 enterprising young men to ascend the Missouri River to the Rocky Mountains, there to be employed as hunters. As compensation to each man fit for such business, \$200 per annum to be given for his services.

Jackson signed on with William Ashley's fur company and was truly enterprising. In 1826 he and two other fur trappers, Jedediah Smith and William Sublette, bought out Ashley. After 1900, the valley began to become famous for big game hunting. Ranchers often took guests and offered guide services, providing a base for "dude ranching." These old cattle operations became new vacation destinations for fly fishermen, hunters and horseback riders. Tourism started to replace cattle ranching as Jackson Hole's economic base. This was



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BACKGROUND AND FRAMEWORK: C. COMPETITIVE ANALYSIS

facilitated when the land around the Tetons was designated as a national monument in 1929. After years of debate, Congress added further acreage and created Grand Teton National Park in 1950.



Early residents built one of the first ski tows in the U.S. in 1939 on Snow King Mountain in town. Jackson Hole Ski Area in Teton Village opened in 1965 and is now owned by the Kemmerer family. Grand Targhee Ski Resort began operations in 1969 on the western slope of the Tetons near the small community of Alta, Wyoming. Today, Jackson Hole is a winter and summer playground for outdoor enthusiasts from all over the world. Skiing, snowboarding, hiking, rock climbing, mountain biking and kayaking are just some of the activities.

Known by the motto “The Last and the Best of the Old West,” Jackson Hole offers a unique culture, blending its Western heritage with that of a destination resort.



The town of Jackson has implemented several major streetscape projects, a new library and substantial retail projects south of town. Many motels, such as The Antler, have completed significant renovations. The greatest amount of change in the past five years occurred in Teton Village (see What’s New?, below).

Recently *Ski Magazine* readers voted Jackson Hole once again to be the No. 1 resort for terrain and No. 1 for most challenging.

“We believe our guests choose Jackson Hole over other resorts for the on-snow experience. It is incomparable to anywhere else in the country,” stated Jerry Blann, President, JHMR. Scenery also ranks high but access consistently receives lower ratings. One reader commented, “Tasty version of the Old West with its plank sidewalks, antler arches, Wyoming steaks and saddle-stools at the Million Dollar Cowboy Bar.”

What’s New?

- 125-room Four Seasons Resort opened in December 2003. Includes a private health club and spa, a heated outdoor pool, The Westbank Grill, The Peak Bar, and 8,000 square feet of meeting space. Four Seasons also offers a 40-unit Residence Club and 17 slope-side penthouse suites.

- JHMR negotiated improved air service for 2003/04 due to the increasing demand from guests who have limited time for vacationing. This winter, United, Delta, Northwest and American airlines will offer service to Jackson from five non-stop cities, of origination including Denver, Salt Lake City, Atlanta, Minneapolis and Chicago.
- The Kids Ranch – Award-winning children’s facility and program
- On-mountain improvements including increased snowmaking and new lifts
- Other new real estate development which has added pillows and given guests more accommodations includes:
 - **Crystal Springs Lodge**, opened in August 2003, with 18 units located less than 50 yards from the Aerial Tram.
 - **Teton Mountain Lodge**, opened in September 2002, is a 129-unit ski-in/ski-out condominium hotel, offering two- or three-bedroom suites, studio units, and traditional hotel rooms. The Lodge provides spa services, a fitness center, 2,200 square feet of meeting space, and a full-service restaurant and bar.
 - **Snake River Lodge and Spa** opened in Winter 2002. This hotel features the Avanyu Spa, GameFish restaurant and meeting space for up to 200 people.
 - **Moose Creek Townhomes and Granite Ridge**: Sitting as book ends to Teton Village, these two small developments, constructed in native wood and stone, offer ski-in/ski-out rental townhomes, cabins and houses which are privately owned and individually furnished.

South Lake Tahoe, California

Minimal reinvestment in amenities and infrastructure has resulted in South Lake Tahoe’s predominant state of disrepair and lack of quality visitor experiences as compared to other resort communities. However, Lake Tahoe itself, recreational opportunities, and the casinos are a strong draw to South Lake Tahoe (despite the rise of Native American gaming) and redevelopment of the tourist infrastructure in California is beginning.

The Park Avenue Redevelopment Project, now known as Heavenly Village, replaces existing accommodations on a 1-1 ratio, and imports new commercial space allocated in the community plan, as well as the transfer of commercial space from outside of the project area. This project includes added public facilities, improved accommodations, new gondola access to the Heavenly ski area, improved architectural character, and the creation of a pedestrian environment. The project represents reinvestment in the community and benefits both the economic and environmental realms. The economic boost



1.

BACKGROUND AND FRAMEWORK: C. COMPETITIVE ANALYSIS

for the Park Avenue Redevelopment comes as the result of redevelopment financing opportunities under California State Law, the most significant being the ability to bond for project improvements. Continued collaboration between public and private sectors is critical to completing the redevelopment opportunities.



The first phase of the redevelopment was completed during 2002/03. The overall redevelopment of this site provides timeshare opportunities, shopping, an intermodal transit center, improved streetscapes and plazas, ice rink, an eight-plex theater, parking structure, roadway reconfigurations, and detention basins. Heavenly Village has provided the area with over 100,000 square feet of retail, 460 timeshare units (in phase one, with another 110 units in the remaining phases), 435

parking spaces, and \$4 million in pedestrian streetscape, plaza, and ice rink improvements. The project was funded with \$34 million in public funding and \$175 million in private funding.

Ski Magazine readers rate South Lake Tahoe's off-hill activities, après ski and scenery high; with service and value receiving lower ratings. Guests enjoy "the natural abundance of snow, terrain, variety of food, nightlife, casinos."

What's New?

- Park Avenue Redevelopment – Phase I complete
- Park Avenue Redevelopment – Phase II under construction
- Edgewood Golf Course improvements
- On-mountain investments including increased restaurant capacity, high-speed lifts, gondola, mountain lodge and snowmaking
- Marina improvements – planned
- Transit center – completed
- Redevelopment Project 3 – planned to include convention center, hotel with 500+ hotel rooms, timeshare and retail



North Lake Tahoe, California

Before the discovery of Lake Tahoe in 1844 by Captain John Fremont and Kit Carson, the basin was a summer gathering place for the Washoe Indian tribe. Many sacred ceremonies were held along the southern shores of The Lake. Later, the California Gold Rush lured emigrants and fortune seekers to the area, spurring the

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development of some of the earliest routes into and around Lake Tahoe. Eventually, the wealthy families of San Francisco noticed the beauty of the area and began vacationing there for entire summers in grand hotels. This period marked the heyday of steamship transportation, a lavish transport for visitors, around the lake.

During the '20s and '30s the roads were paved, bringing in greater numbers of people and sparking the growth of smaller middle-class lodges. Development continued through 1960, when the Winter Olympics at Squaw Valley put Lake Tahoe on the map as the skiing center of the Western United States. In 1968, California and Nevada formed the Tahoe Regional Planning Agency in response to growing environmental concerns.

The formation of the North Lake Tahoe Resort Association in 1995 created an entity responsible for tourism marketing services, transportation and infrastructure investments. Tourism investments have occurred on such projects as sidewalks in Tahoe City. Other major changes include the introduction of Intrawest, Booth Creek and East-West Partners as major players in North Shore resorts.

What's New?

- Tahoe City sidewalk, streetscape and commercial improvement project(s)
- Village at Squaw Valley – First two phases constructed adding accommodation options and retail
- Squaw Valley Park – 30 acres
- Squaw Valley Tourism Signage Program – being planned
- Village at Northstar – planned and under construction



- Northstar/Truckee – Coyote Moon golf course completed, Old Greenwood golf and residential under construction, Gray’s Crossing including affordable housing planned
- Kings Beach – commercial improvement project being planned

Transit and Transportation Comparison

There is a lack of connectivity and coordination among existing services that reduces overall transit attractiveness while increasing overall transit costs. Moreover, other resort areas have found that improvements in transit facilities such as shelters can result in increased visitor use. While other areas have been successful in making transit centers and service more attractive than the private automobile as part of the visitor experience, the existing North Lake Tahoe transit services provide little incentive to shift visitors out of their cars.

Figures 7 and 8 present a comparison of ridership and service levels (as measured in annual vehicle-hours of service) provided by public transit services in the North Lake Tahoe region against those provided in competing mountain resort areas.

In addition, Table 8 presents a summary of service characteristics associated with the peer transit services. As shown, North Lake Tahoe visitors and residents are provided with the lowest level of public transit service found in the various mountain resort communities, and also make the lowest number of trips on transit.

Figure 7: Annual Ridership on Peer mountain Resort Transit Systems

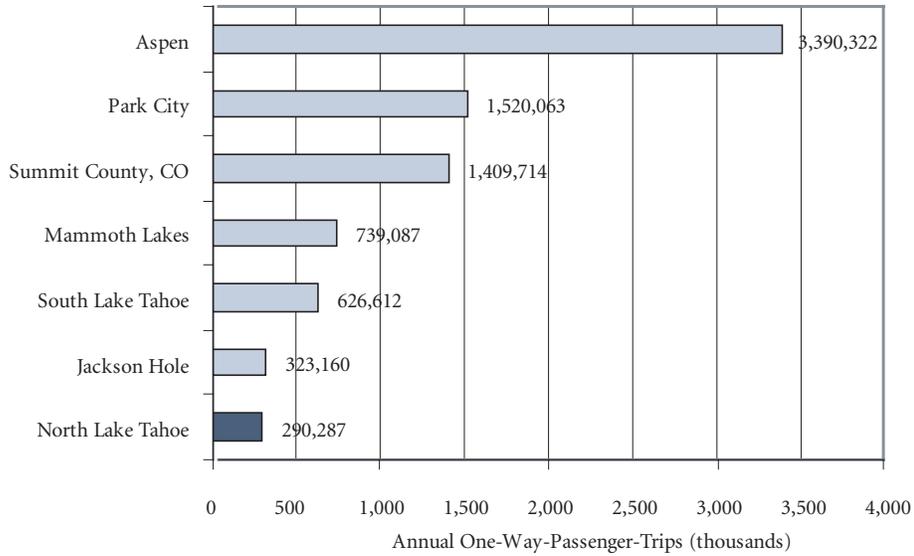


Figure 8: Annual Vehicle Service Hours Peer Mountain Resort Transit Systems

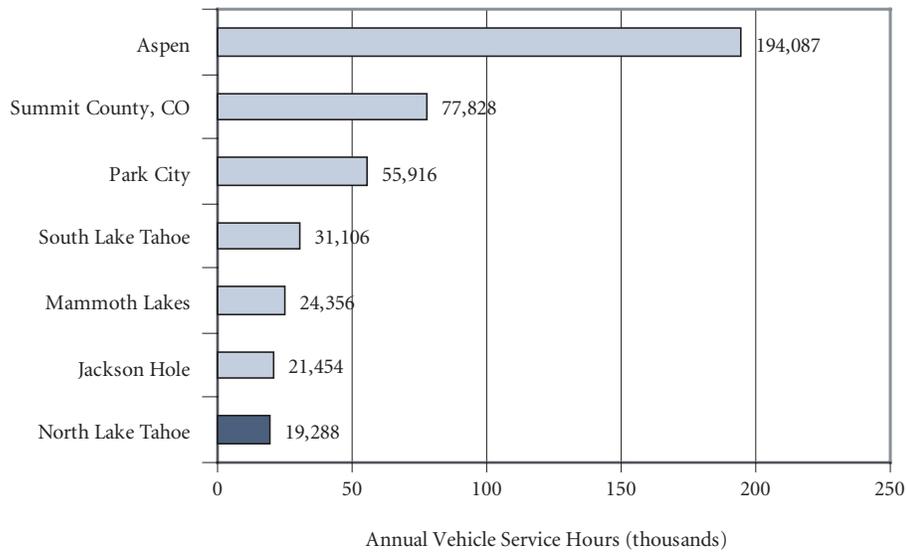


Table 8: Service Characteristics of North Lake Tahoe Peer Mountain Resort Transit Systems

Season Time of Day	Periods Service Provided						Periods Service Provided at Least Every 30 Minutes					
	Winter		Summer		Off Season		Winter		Summer		Off Season	
	Daytime	Evening	Daytime	Evening	Daytime	Evening	Daytime	Evening	Daytime	Evening	Daytime	Evening
Aspen	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						
Jackson Hole	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mammoth Lakes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Park City	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						
South Lake Tahoe	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>						
Summit County, CO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
North Lake Tahoe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Route schedules provided by each respective transit agency

Conclusions

The successful destination resorts of the next 25 years will meet the needs of the changing demographics while emphasizing environmental values, diversity, and fun. They will focus on authenticity as a place and experience, possess unique cultural attributes, and provide organized activities for all visitors regardless of length of stay or price point. This will be achieved with clear vision, strong leadership, strategic and effective marketing, seamless delivery and supporting governmental agencies.

The ski industry as a whole is not growing and competition for the summer visitor is intense. Visitors want a choice of accommodations, and leisure shopping continues to be the second most popular activity while on vacation. In the annual *Condé Nast Traveler* reader survey, no Tahoe area hotels or resorts made any Top-10 list that included:

- Westin – Whistler
- Chateau Fronenac – Quebec City
- Banff Springs Hotel – Banff
- Topnotch at Stowe Resort – Stowe
- Pan Pacific Lodge – Whistler
- Chateau Mont Tremblant

Chateau Whistler
Sunriver Resort – Oregon
Aspen Club Lodge – Colorado
Amangani – Jackson Hole

In order to obtain an increase in visitors and diversify the tourist dollar influx, resort communities often:

- a) Introduce new activities.
- b) Expand existing activities.
- c) Provide a nearly equal number of activities in each season.
- d) Provide convenient, frequent and regularly scheduled public transportation.

Primary lessons learned in this competitive analysis:

1. Visitors have many choices. Resort communities must do many things well in order to be competitive.
2. Protecting the natural environment is protecting the future.
3. Well-integrated public transportation is critical to the visitor experience and persuading the visitor to return.
4. Accommodations need to be good quality and well located.
5. There must be a focused core (a destination) and the retail environment must be pedestrian accessible.
6. Numerous multi-season recreation activities must be available.
7. Multiple funding sources are typically required for public investment in capital improvement and redevelopment projects.
8. Substantial private investment in accommodations (hotels and second-home properties) and amenities are a key primary economic stimulus.
9. Strong base of private non-profits help create the cultural fabric of the community and receive key philanthropic contributions from part-time and permanent residents.
10. Affordable housing is key to the vibrancy of a resort community.





ENVIRONMENTAL STEWARDSHIP AND SUSTAINABLE TOURISM

Stewardship: “The careful and responsible management of something entrusted to one’s care.”

Sustainable: “Meeting the needs of the present without compromising the ability of future generations to meet their own needs.”

As documented in the December 2003 report, *The Economic Significance of Travel to the North Lake Tahoe Area*, North Lake Tahoe’s economic base is tied to tourism. Visitors to the area generate a total of more than 6,900 jobs or 71 percent of the area’s total. The majority of the area’s employment and earnings directly generated by visitor spending is in leisure-industry businesses such as recreation providers, lodging and restaurants. The secondary- and vacation-home impacts of visitor spending generate employment and earnings in a variety of businesses, including retail, professional services, real estate and construction.

The North Lake Tahoe community has expressed in many ways and forums that it does not simply seek to continue economic success at all costs, but to consider how success is defined in the context of sustainability. The *North Lake Tahoe Tourism and Community Investment Master Plan* sets forth a vision and investment program designated to help achieve sustainability. A healthy, well-balanced economy creates the financial mechanism that pays for needed environmental restoration and ongoing protection. In the absence of laws and agencies to ensure economic stability and viability, the NLTRA must take a strong leadership position. The NLTRA should be an advocate for policies and planning to maintain a healthy, stable and well-balanced economy that provides for residents, visitors and second-homeowners, none to the exclusion of the others.

At its most basic level, sustainability means “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” This does not mean “no growth” but instead promotes “smart growth.” The natural environment, the small-town atmosphere and the people are



2.

ENVIRONMENTAL STEWARDSHIP AND SUSTAINABLE TOURISM

the main assets of any mountain resort community. The protection and enhancement of these assets is vital to a resort community's sustainability. The mountain-town character of North Lake Tahoe should be retained and celebrated. To do so, it is vital to maintain an appropriate mix of business, public service and residential uses that serve full-time residents, seasonal residents and visitors. Each individual community in the region has a distinct character, and future projects and activities should respect and enhance that character.

Fundamental to the idea of sustainability is the fact that our natural resources are not infinite. A neglect of natural resources and environmental values can have a negative impact on the visitor base necessary to sustain a tourism economy. A commitment to environmental stewardship and environmental conservation is a major factor in attracting visitors to a mountain resort. Those who practice "environmental conservation" understand that development is necessary for a better future but should not preclude conservation values and a focus on achieving and maintaining sustainability.



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It is not a coincidence that the word *resource* and the word *resort* share a common origin, for without resources, there can be no resorts. Visitors come to the Lake Tahoe region as a respite and retreat from the pressures and congestion of other places. They come to ski, recreate, hike and enjoy the scenic views, natural resources and environmental values of the lake and mountains. Just as a farmer's survival and success depends upon the quality and fertility of his land, a resort's continued existence and success is inextricably linked to the quality of its environment.

Resort operators must not simply be managers of trails, chairlifts, revenues and expenses; they must be stewards of their greatest asset: the natural environment. Successful stewardship also requires us to take responsibility for educating those who come to visit and to encourage those visitors to take ownership of the environment they have come to enjoy. Because we have chosen to build our community and earn our living from the environment, we have placed ourselves in a position of stewardship. If we fail as stewards of the environment, we will fail in our responsibilities.

Tourism also requires economic sustainability. Like environmental sustainability, economic sustainability suggests that we can meet our current and future needs without compromising the ability of the next generation to do the same. Tourism is one of the largest business sectors in today's

marketplace. Visitors provide a flow of economic resources, which are exchanged for goods and services, providing financial support and energy to the local economy. Without this positive flow, the citizens of a resort community are challenged to provide for themselves in a manner consistent with an otherwise vibrant tourist economy.

Because a resort community's survival depends on visitors from the outside, it must constantly expend resources to compete against other resorts for those visitors. Tourism has emerged as a major economic engine for communities throughout the United States and the world, and the competition for visitors is extremely high. It can also be expensive in terms of the resources necessary to be successful as measured against the competition.

Tourism is a business that relies upon the environment, but it also relies on the community. The economic health of a resort community becomes increasingly important as land supply diminishes and the cost of living increases. This has a direct impact on the people who live in the community. As real estate values increase, local citizens are forced to move to the periphery of the area and commute to the core. This reduces diversity in the community and the ability to support tourism from a base within the community. Therefore, in order to maintain a true community that attracts visitors, it is vital to protect the critical mass and diversity of local population. In turn, a strong, diverse community provides the social fabric that is required for a healthy, successful and sustainable economy.

Environmental Stewardship and Economic Sustainability Principles Guiding Implementation of the North Lake Tahoe Tourism and Community Investment Master Plan

- *The environment of Lake Tahoe and the North Lake Tahoe area is a public resource that serves as our home and source of livelihood. Given the millions of state and federal dollars that continue to be invested to help protect and enhance the environment and special qualities of our region, the North Shore must remain a welcoming place for a diverse population of full- and part-time residents, property owners, and visitors. This perspective is central our to decision-making as we respond to internal and external pressures on our community and environment.*
- *The essential qualities of clean water, fresh air, scenic beauty, open space, abundant plant and animal life, and opportunities for public recreation are elements that attract residents and visitors to the region.*



Maintaining and enhancing these qualities and assuring access to them is of primary importance for our economic and environmental health and well-being.

- *It is the right and responsibility of all individuals and organizations in the North Lake Tahoe region to practice Environmental Stewardship – “the careful and responsible management of something entrusted to one’s care.” Implementation of the Master Plan should be founded on leadership and advocacy in support of environmental stewardship as a way to help ensure economic sustainability.*
- *The small-mountain-town character of North Lake Tahoe and its individual communities is an asset and should be retained and celebrated. Each community in the region has a distinct character. All projects, including Master Plan projects, should respect and enhance that character.*
- *The Master Plan intends to target investments in projects and programs that improve the availability, functionality, and appearance of our community and visitor amenities and services. Projects should always incorporate appropriate environmental and community improvements.*
- *To the maximum extent possible, publicly funded marketing efforts should focus on encouraging visitation during other than peak periods when our area’s social and physical infrastructure is challenged.*
- *We will advocate and support environmentally- and economically-sustainable solutions to the traffic congestion issues that negatively impact our community. This includes promotion of pedestrian-oriented development patterns that reduce reliance on the automobile.*
- *Redevelopment is a key mechanism to aesthetically, environmentally and socially improve an area. Redevelopment opportunities will continue to be explored and supported.*
- *It is recognized that a successful, sustainable tourism economy needs to be carefully planned, developed, and managed, as well as promoted.*



MARKETING

Introduction

The recommendations in this chapter are based on 1) information contained in the Situation and Competitive Analysis and the Marketing Working Papers (see appendix); 2) the report entitled *The Economic Significance of Travel to the North Lake Tahoe Area* (Dean Runyan Associates, December 2003); and 3) input received from all sources during development of the *North Lake Tahoe Tourism and Community Investment Master Plan*.

The North Lake Tahoe Resort Association's adopted mission statement directs the organization to promote tourism and benefit business. Through its contract with Placer County, the NLTRA is charged with providing a “full spectrum of management activities for tourism marketing and visitor services for businesses of the North Lake Tahoe area.” These responsibilities are assigned to the NLTRA’s Tourism Division and are generally consistent with those of the destination marketing organizations in other resort communities. The Tourism Division leads the promotion of North Lake Tahoe’s tourism-based economy by working to generate visitation and revenue to member businesses and constituents. The NLTRA’s Infrastructure and Transportation departments and other private and public sector organizations have responsibility for tourism infrastructure, transportation and other elements of North Lake Tahoe’s tourism product. This delineation of responsibilities clearly establishes the Tourism Division as the designated champion of tourism promotion.

Since the 1995 *Tourism Development Master Plan* was adopted, global forces and market conditions have not been kind to the leisure-travel industry, and have precipitated a change in the way consumers plan and book their vacations. Key among these forces are 1) a post-9/11 decrease in air travel and related negative impacts on the destination guest; 2) a more savvy, bargain-conscious, internet-equipped consumer, who books later and takes shorter trips; 3) a significant increase in competition for the destination mountain visitor; and, 4) fluctuations in the level of group business. With its established primary drive market, North Lake Tahoe has not been impacted as negatively as many of its other mountain resort competitors. The NLTRA has evolved with market conditions, reduced and consolidated its staff and overhead, and directed more of its available resources into direct promotion.



This Marketing chapter provides basic direction, supporting rationale, and a framework for further definition as to the appropriate role for the NLTRA's marketing and sales efforts. A separate but related three-year Strategic Marketing Plan is recommended to further refine specific marketing, sales, and related strategies and objectives, from which annual Marketing Action Plans can be developed and implemented. The strategic plan and annual plans should be regularly reviewed and adjusted to accommodate continued changes in the marketplace.

This Master Plan calls upon the NLTRA's Tourism Division to champion the marketing, sales and collective efforts to generate visitation and tourism revenues. It also calls upon the division to advocate in support of a competitive destination tourism product and services, appropriate environmental stewardship, and the cooperative actions necessary to ensure a skilled local workforce able to adequately serve the needs of North Lake Tahoe's tourism-based economy.

Current State of Marketing/Sales and Supporting Services



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The NLTRA's tourism promotional structure is coordinated through its Tourism Division and represents the primary emphasis of the organization. In addition to planning and coordinating marketing and sales efforts on behalf of its tourism-dependent businesses and constituents, the Tourism Division oversees several important support services, including Group/Conference and Leisure Sales, Lake Tahoe Central Reservations, Public Relations, and Visitor Information/Member Services. Together, these functions emulate those found in other mountain resort destinations.

Marketing efforts are funded primarily from a portion of the Transient Occupancy Tax collected by Tahoe area lodging properties and returned by Placer County to the NLTRA. In fiscal year (FY) 2003/04, \$1,868,000 of TOT was allocated to marketing programs, personnel, and the cost of all the NLTRA general operations and administration. This funding was augmented by commissions, membership dues, and miscellaneous revenues, for a total budget of \$3.1 million. Annual plans are developed as part of the NLTRA's annual budgeting process. These are prepared by staff, with input from the NLTRA's Marketing Committee and cooperative partners and approved by the the NLTRA Board of Directors. In FY 2003/04, the NLTRA allocated approximately \$675,000 in direct promotional funds, with some 70 percent targeted at primary, established markets, and 30 percent targeted at

regional and national destination markets. This was a shift from the NLTRA's previous focus on regional and national destination markets due to post-9/11 travel patterns and a decline in national economic conditions. It was based and targeted, in part, on the fact that over 11 million people live within a three and a half hour drive of Lake Tahoe.

Recommendations

Scope of the Master Plan Marketing Chapter. This Master Plan reinforces the need for successful long-term the NLTRA tourism development strategies. It outlines goals, objectives and general directions. To accommodate the rapidly changing marketplace, development of a separate but related Strategic Marketing Plan with a three-year focus is recommended. This document would, for example, define any prioritization of branding versus Return on Investment (ROI) initiatives for that time period. This strategic plan should form the basis for development of the Tourism Division's annual plan. The annual plan should be reviewed on a quarterly basis, and the Strategic Marketing Plan on an annual basis. It is recommended that work to develop the NLTRA's new Strategic Marketing Plan begin immediately following adoption of this Master Plan.

Definition of the NLTRA's Tourism Role. The historic role of Destination Marketing Organizations (DMOs) and chambers of commerce in other resort communities serves as a framework for defining the role of the NLTRA in marketing and promoting tourism and community economic development. A proven definition is to "cooperatively promote tourism based on shared objectives among and between participating member businesses and constituents which are more effectively and efficiently accomplished collectively than independently."

Driven by market forces and significant changes in the travel industry, most DMOs are moving away from general marketing campaigns to a more business-oriented operating model, based on ROI. This approach tends to be more market/guest-driven. It is recommended that the NLTRA's Tourism Division fashion itself similarly, with an aggressive approach to generating business and promoting visitation to the benefit of its member and constituent businesses. With 71 percent of the North Lake Tahoe economy tied to tourism, it is important to stimulate growth in visitor days while maintaining optimum balance among the needs of the community, the environment and visitors. NLTRA member businesses include those which are members of Lake Tahoe Central Reservations, the Group/Conference Sales Program, and, more broadly, the Resort Association, serving in its role as the Chamber of Commerce.



3. MARKETING

New marketing resources and cooperative, coordinated programs should be aggressively pursued to increase available promotional funds and better synchronize efforts toward shared objectives and messages to the marketplace.

Target Guest Profile and Target Markets. Attributes of the “target guest” identified during this Master Planning process include those who stay longer, spend more, are willing to travel without always using a car, and who appreciate and support the Tahoe area for the many natural and man-made qualities and attractions that it offers.



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It must be pointed out that such target guests are also sought by other destinations. These guests typically demand a higher level of amenities, products and services, including customer service. To successfully and consistently attract them requires more marketing and promotional resources, and support services.

Such guests are typically described as “destination visitors” who travel from farther away (often by air) than those who visit North Lake Tahoe from the area’s traditional established markets. However, it is important to recognize that guests who fit North Lake Tahoe’s guest profile may come from within California as well as from points east, north, and south. More than 11 million people live within a three and a half hour drive of Lake Tahoe, with more than 36 million living in California statewide. Effective communications with geographically disparate guests require sophisticated Internet-based communications, reservations, and customer service programs. These enable marketing efforts to reach target guests with the desired demographic and vacation profile wherever they may be.

This Master Plan recommends that North Lake Tahoe’s marketing and promotional efforts focus more on the “target guest profile” regardless of geographic location. In doing so, it is important to establish a balance in expending resources between the area’s traditional established markets to the west, and destination/new markets to the east, north, and south. As an important strategy for attracting more guests within the target guest profile, North Lake Tahoe must expand and then sustain its destination marketing efforts. Selecting new destination markets with the greatest potential for success and ROI should be done in coordination with the NLTRA’s private and public marketing partners.

A Target Marketing “Strike Zone.” In an effort to reduce pressures on tourism and community resources and infrastructure during periods of peak visitation, to better balance economic and environmental considerations, and to ensure marketing resources are being optimized, it is recommended that the NLTRA develop programs focusing on times other than peak high or low season. It should be noted that non-peak times might occur during historical high season periods such as mid-summer and mid-winter. Such efforts would be consistent with discussions during development of this Master Plan about a target marketing "strike zone" among the peaks and valleys.

To this end, a formal occupancy survey is recommended to help determine strike zone parameters. The NLTRA's Strategic Marketing Plan should factor the results of the occupancy survey into strike zone targets. Strategies in support of these targets will likely include vacation packages designed to increase midweek and shoulder season business.

Given the limitations on resources, the NLTRA alone will not be able to redirect peak season pressures. To the extent that it can work cooperatively with its member businesses and constituents in the development and execution of strike zone strategies, the NLTRA can increase opportunities for success.

It is also important to note the reality that not every guest can or will be persuaded to shift from peak season visitation. During holidays, or such times as when ski or weather conditions are particularly optimum, there will always be periods of peak visitation. Depending on a variety of factors, strike zone targets may vary from year to year and season to season. Not all guests who come to North Lake Tahoe will necessarily be from the target profile. Nonetheless, all guests can and should be welcomed and provided with the highest level of customer service and experience.

Marketing and Sales. The NLTRA’s Tourism Division should conduct more direct marketing and sales in cooperation and coordination with its member businesses and constituents. Activities should include the full range of the NLTRA marketing and sales functions such as direct media advertising, Public Relations, Central Reservations, Group/Conference Sales, Leisure Sales, Special Events and Promotions, and Visitor/Member Services. The Tourism Division should also conduct market research and brand development, along with the development of targeted niche markets with growth potential. Marketing and sales efforts should be closely coordinated with each other and with the appropriate conversion and fulfillment mechanisms (including Central Reservations) that help feed participating suppliers. Direct media advertising and sales programs should be the first priority for available funds, and should be measured, tracked, and evaluated based on ROI.



Given its role as the designated regional champion of tourism promotion, the NLTRA should lead the planning and overall direction of these marketing, sales, and supporting efforts, including the development of expanded partnerships and coordinated campaigns. The NLTRA should focus the expenditure of its own resources consistent with its business model, ROI evaluation, and cooperative partnership programs. The details of this strategy and approach should be further developed and defined in the Strategic Marketing Plan as recommended herein.

Return on Investment. Until or unless significant additional funding is acquired to support marketing and promotional programs and functions, the direct promotion of visitation should be the NLTRA's highest priority for available funds. The expenditure of these funds should be tracked based on ROI principles. The NLTRA's Strategic Marketing Plan, and the annual plans prepared based on the Strategic Marketing Plan, should be structured using measurable objectives and tracking mechanisms.

ROI principles and standards for measurement will be different for different markets. ROI for brand and new destination campaigns typically takes longer to demonstrate results than expenditures in established markets where there is already consumer awareness of North Lake Tahoe. However, if pursued effectively and consistently, new market development can and will yield measurable ROI.

Funding and Resource Requirements. There is an opportunity for the NLTRA to immediately increase revenues available for direct marketing and promotion, based on Placer County approval of the flexibility in using a portion of the existing base eight percent TOT allocated to NLTRA as described in the Recommendations section of Chapter 9 of this Master Plan. Significant new revenues will be necessary, however, for the NLTRA to more fully implement the Master Plan recommendations to increase and expand its destination marketing programs as described in this chapter. Based on its adopted mission and commitment to its member businesses and constituents, the scope of work for its contract with Placer County, and its role as the "designated champion of tourism promotion," the NLTRA must take a leadership role to plan and spearhead the establishment of new funding sources for marketing and promotion.

Summary of Directions and Recommendations for Development of the NLTRA's Strategic Marketing Plan

- The NLTRA's Tourism Division is the designated champion of tourism promotion in the North Lake Tahoe region. The NLTRA needs successful long-term tourism development strategies.

- This Marketing chapter and related sections of the *North Lake Tahoe Tourism and Community Investment Master Plan* set basic direction, supporting rationale, and a framework for further definition as to the appropriate role for the NLTRA’s marketing and sales efforts.
- A separate but related three-year Strategic Marketing Plan is recommended to further refine marketing, sales, and related objectives and strategies, from which annual Marketing Action Plans can be developed and implemented. The annual plan should be reviewed on a quarterly basis, and the Strategic Marketing Plan on an annual basis. It is recommended that work to develop the NLTRA’s new Strategic Marketing Plan begin immediately following adoption of this Master Plan.
- The NLTRA should cooperatively promote tourism based on shared objectives among and between participating member businesses and constituents which are more effectively and efficiently accomplished collectively than independently. The Tourism Division should also conduct market research and brand development, along with the development of targeted niche markets with growth potential.
- New marketing resources and cooperative, coordinated programs should be aggressively pursued to increase available promotional funds and better synchronize efforts toward shared objectives and messages to the marketplace.
- North Lake Tahoe’s marketing and promotional efforts should focus on the “target guest profile” as identified and discussed in this Master Plan, regardless of geographic location. However, the NLTRA should play a leadership role in the development of new destination markets by expanding and then sustaining its destination marketing efforts. Selecting new destination markets with the greatest potential for success and ROI should be done in coordination with the NLTRA’s private and public marketing partners.
- In an effort to reduce pressure on tourism and community resources and infrastructure during periods of peak visitation, the NLTRA should develop programs which help shift promotional efforts to focus on times and seasons of lower occupancy.
- Marketing and sales efforts should include the full range of the NLTRA functions, including direct media advertising, Public Relations, Central Reservations, Group/Conference Sales, Leisure Sales,



Special Events and Promotions, and Visitor/Member Services. Marketing and sales efforts should be closely coordinated with each other and with the appropriate conversion and fulfillment mechanism (including Lake Tahoe Central Reservations) that help feed participating suppliers.

- Until or unless significant additional funding is acquired to support marketing and promotional programs and functions, the direct promotion of visitation should be the NLTRA's highest priority for available funds. The expenditure of these funds should be tracked based on ROI principles. ROI principles and standards for measurement will be different for different markets.
- The NLTRA should pursue the immediate opportunity to increase funds for direct marketing and promotion, based on Recommendation 1 in Chapter 9 of this Master Plan.
- The NLTRA must take a leadership role to plan and spearhead the establishment of new funding sources for marketing and promotion. While it is appropriate for the NLTRA to lead this effort, the support of other North Lake Tahoe agencies and private sector tourism-dependent businesses will be essential to success.

The Role of the NLTRA



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In addition to the leadership roles identified above, as the designated destination marketing organization, chamber of commerce, and resort association for North Lake Tahoe, it is appropriate and vital for the NLTRA and its Tourism Division to promote tourism and guest visitation for its member businesses and constituents in the area. In fact, while there are other agencies and organizations which are engaged in infrastructure, transportation, facilities, development regulations, and environmental stewardship, only the NLTRA and its Tourism Division are organized and charged with promoting economic growth and prosperity through tourism.

Successful tourism marketing is entirely dependent on the competitiveness and sustainability of its vacation product, which must deliver on the marketing

offer in order to be successful. Tourism marketing and sales efforts are dependent on the vacation product. The NLTRA should therefore be an active advocate, supporting other private and public sector entities, to ensure a sustainable tourism product, further development of destination tourism facilities, services and products (including lodging, transportation to and within the region) and those facilities and infrastructure that encourage and support an adequate workforce for the tourism industry and community.

The NLTRA's Marketing Committee should take the lead in setting a new and fresh direction for marketing North Lake Tahoe as a premier destination resort. The area has an optimum balance of Lake Tahoe beauty, mountain scenery, and the most accessible year-round activities. However, the consensus is that the area is not sufficiently competitive with other major resorts and has let its infrastructure become tired. The North Shore will benefit from a common vision and clear message for what is unique and special about the area. The Marketing Committee will lead development of a fresh message and marketing theme that works for the area, and, at the same time, allows the NLTRA to continue to be involved with and benefit from cooperative marketing and promotional efforts in the broader region.

Recognizing the need to balance economic and environmental considerations, a concerted effort has been made to set tourism promotional goals and maximize tourism economics, while working to minimize environmental impact. However, it must also be recognized that to do so will require additional funding before the NLTRA and its partners can be more successful in achieving the right balance. This, too, is an appropriate role for the NLTRA to lead. However, the Resort Association will need significant industry, community, political and governmental support to fully achieve the balance desired.





TRANSPORTATION

Introduction

Since the adoption of the 1995 *North Lake Tahoe Tourism Development Master Plan*, progress on the implementation of transportation improvements has been limited. Several of the 1995 elements have been successfully implemented, such as the Tahoe City sidewalks and parking improvements, the Squaw Valley park and bicycle trail, and improvements in the regional traffic control program. However, other important elements have been only partially implemented (evening transit service, peak-season half-hourly transit service, State Route (SR) 267 transit service and bike-trail improvements) or have not had any tangible implementation (Kings Beach sidewalks and parking, Squaw Valley transit shuttle service, Reno/Truckee/North Lake Tahoe transit service, Tahoe City transit/visitor center, Kings Beach transit/welcome center, Tahoe City trolley service, Tahoe Vista/ King's Beach/North Shore State Line trolley service, and year-round bike-trail maintenance).

There are two prevailing reasons for the limited progress regarding transportation improvements. The fragmented nature of political and regulatory agency jurisdictions greatly complicates the decision-making and approval process. More importantly, the level of funding resources that has been available for transportation improvements has lagged far below the financial needs. As a result, North Lake Tahoe's transportation amenities remain relatively poor compared to similar mountain resorts, particularly with regard to public transit services. North Lake Tahoe visitors and residents are provided with the lowest level of public transit services found in competing mountain resort areas; it is the only area that does not provide service at least every 30 minutes during peak periods nor does it provide evening transit services in the winter. Due to the limited implementation and the fact that North Lake Tahoe's status in comparison with other resort areas remains poor, the master list of planned transportation elements remains largely unchanged from 1995.

The following key findings of this planning effort were used to guide the development of the Visitor Infrastructure Plan:

- **In general, the North Lake Tahoe man-made environment substantially detracts from the visitor experience.** A key finding of this study is that traffic congestion, parking shortages, minimal transit



services, poor signage and sporadic pedestrian/bicycle facilities in the area substantially degrade the quality of visitor product and experience provided in the North Lake Tahoe area. These conditions also limit residents' travel options to avoid or reduce traffic problems during peak visitor seasons. Substantial investment in basic facilities and services is required to provide an infrastructure achieving contemporary resort standards.

- North Lake Tahoe falls far behind the majority of peer resort communities in the level of facilities and services that are provided.
- A key shortcoming of current facilities and services is the **lack of attractive visitor-oriented transit services**. As evidenced by the popularity of similar services in other resort areas, expanded transit service can benefit the area by improving the overall quality of a destination visit and by addressing environmental problems, such as traffic, parking and air quality. This can be particularly effective for specific area problems, such as parking shortages in commercial zones.
- To remain competitive with peer areas and to address the serious shortfalls of the transportation network, it is crucial for North Lake Tahoe to develop a transit system that **provides a high-quality visitor experience without the need for a private automobile**. We will know we have succeeded when NLTRA staff can tell a potential visitor planning to stay within key transit service zones, that “No, you don’t need to rent a car to have an enjoyable stay in North Lake Tahoe.” An improved transportation network and transit services will also provide major benefits for local residents.

To a large degree, the infrastructure recommendations outlined below are an integral part of North Lake Tahoe’s marketing plan. A basic premise of marketing is to **provide a quality product**. The following recommendations are designed to cost-effectively improve the marketability of the North Lake Tahoe visitor experience by addressing transportation system deficiencies. A summary of these elements is presented as Table A at the end of this chapter.

Plan Strategies

- The NLTRA needs to concentrate its limited resources where it can most effectively meet the **goals of the organization**. The NLTRA area encompasses a large geographic region, served by roughly 50 miles of state highways. In comparison, many of the competing mountain resorts are

much more compact and thus easier to effectively serve with visitor-oriented transit systems. At the same time, financial resources available for visitor transit services are more constrained in the NLTRA area than in most of the competing resort areas. Striving to cover this relatively large area, past NLTRA transportation efforts have been able to provide a level of service insufficient to attract significant visitor ridership. Recognizing the geography of the area as well as its limited funding, the NLTRA can better apply its resources to smaller village areas, connecting significant lodging, recreational and commercial centers within a relatively concentrated area. By concentrating services in smaller areas (such as Tahoe City/Squaw Valley, or Kings Beach/Tahoe Vista/Northstar/Crystal Bay), visitors within these areas can be provided with a higher level of shuttle service while being able to access all of the elements of a destination resort stay. This corresponds with trends in the resort industry over recent years, which have increasingly capitalized on the benefits of developing concentrated land use clusters (such as the Village at Squaw Valley and Northstar Village). It can also provide the Tahoe portions of the area with economic benefits associated with new development in these areas outside of the Tahoe Basin, without the associated traffic and parking impacts.

- NLTRA transportation-related efforts should benefit area residents as well as visitors. Many of the transportation plan elements can serve residents as well as visitors, either by reducing visitor traffic/parking impacts or by providing services that are also useful to residents. Maximizing benefits to both groups should be sought in the prioritization of transportation plan elements.
- The NLTRA has a role in directly contributing to funding of some plan elements, and a role in advocating for other plan elements. Transportation conditions in North Tahoe are impacted by transportation issues throughout a large region stretching at least from the Bay Area to Reno and Carson City. For instance, the proportion of visitors who use alternative forms of transportation locally is greatly impacted by the lack of convenient public transportation services along the Interstate 80 corridor in both directions. While there are local improvements that the organization can directly support, there are many more that can have a significant impact on the NLTRA area that are largely the responsibility of entities outside of the area. As presented later in this section, there are a number of efforts under way that can provide benefits to the region and help achieve the NLTRA's goals.



- To make most effective use of limited resources, the NLTRA should partner with other organizations. As a locally-controlled discretionary resource, NLTRA funds can play a crucial role in achieving improvements. As the cost of many of the potential improvements is substantial, and as responsibility to address transportation problems is shared among many organizations, overall NLTRA goals can best be met by strategically applying limited funds in concert with other sources. This is particularly true for capital projects which should not be funded by the NLTRA alone. Placer County is one agency in particular that has access to Placer County Transportation Development Act (TDA) funds that could provide additional monetary support for the transit operations in the North Lake Tahoe area. In addition, as local transit services (such as a Tahoe City trolley or a Tahoe Vista/Kings Beach/North Shore State Line shuttle) provide both regional and local benefits, a substantial portion of total required funding should therefore be provided through local sources.
- We may never solve all of the region's transportation problems. Put simply, strategies that would eliminate all traffic congestion in this busy resort area are not environmentally feasible (such as wholesale roadway widening), legally/politically feasible (such as restrictions on auto use), and/or economically feasible (such as dramatic increases in the transit system). Limited resources, therefore, should be focused on those plan elements that can best address specific, focused problems or can best mitigate the negative effects of traffic congestion problems.

Plan Action Elements

The various plan action elements are presented as both higher priority and lower priority projects. The priorities indicated in this document are for initial planning purposes only and can be refined and detailed through the plan implementation process. Inevitably, funding and permitting schedules will delay some projects, while spurring others. The priorities should thus be used as a general guide, rather than a strict requirement. In addition, these elements are discussed as capital and operating projects, with some projects requiring both capital and ongoing operating costs.

Higher Priorities

Capital Elements

- **Traveler Information Systems.** Timely and accurate information regarding traffic conditions and the availability of travel alternatives is a crucial element in managing traffic problems. In addition, providing visitors unfamiliar with the region's traffic patterns with the information

necessary to plan their trip to avoid foreseeable traffic problems can contribute to a sense of control and an enjoyable visit can result despite the traffic issues. The NLTRA should participate in regional efforts to improve traveler information services, possibly including the provision of local matching funds for capital elements such as variable message signage at key activity centers and improved highway advisory radio systems.

- **Kings Beach Streetscape Program** Building upon the strong economic success of the Tahoe City streetscape program and the village strategy discussed above, improvements to the commercial streetscape of Kings Beach are a key transportation and economic element of this plan. In addition to improving the pedestrian/bicycling environment and organizing parking and traffic flows, these improvements are key in capturing the economic benefits associated with nearby residential and lodging developments in the North Lake Tahoe area and Martis Valley. The NLTRA will play an important role in achieving this complicated project, and in providing key local funding.
- **Lakeside Multi-purpose Trail.** The North Tahoe bike-trail system has become a proven economic generator (both in attracting visitors and in encouraging longer stays) and is an important element in reducing auto use, particularly in the more developed areas of the region. The construction of the Lakeside Trail between the Outlet Parcel and the State Recreation Area is particularly important, in that it will connect existing trails and provide a means of avoiding the congested and potentially hazardous bike route along SR 28 through Tahoe City.
- **Expanded Public Parking.** There is a strong need for additional public parking in the summer and winter peak seasons, particularly in the Tahoe City and Kings Beach commercial core areas. The NLTRA should work with other organizations (particularly the Placer County Redevelopment Agency) to achieve expansion of public parking in locations convenient to commercial and recreation activity centers.
- **Tahoe City Transit Center.** Constructing the planned transit center in Tahoe City is an important element in any effort to expand the region's public transit system. Given the geography of the region, transfers between vehicles will always be necessary between the routes serving SR 28, SR 89 to the north and SR 89 to the south. The current facilities, requiring passengers to cross busy SR 28 just east of the Wye, limit the operating capacity and the attractiveness of public transit. This transit center could also serve an important role in addressing peak-season parking deficiencies in the Tahoe City area.



- **Year-Round Maintenance of Key Trail Segments.** Winter traffic and parking problems could be reduced and visitor experience improved through maintenance of key, high-usage segments of the multipurpose trails throughout the year (including snow removal). Experience in competing mountain resort areas, some with even more severe winter conditions than in North Lake Tahoe, prove that trails can be maintained for winter pedestrian use. This strategy is effective where trails connect commercial centers with residential and lodging developments within a reasonable (1.0 to 1.5-mile) walking distance or where cleared trails could provide access to local streets that provide an adequate winter walking environment. In particular, winter maintenance of the West Shore Trail from Comstock Village (north) to Tahoe City and the North Shore Trail from Lake Forest Road (west) to Tahoe City would provide an attractive walking opportunity for the many visitors lodged in areas such as Granlibakken, Tahoe Tavern, Rocky Ridge, Star Harbor and St. Francis Lakeside, as well as the residents of these outlying areas. This plan element is in keeping with the village strategy discussed above. As the trails were not originally designed and constructed for winter maintenance, this plan element could require capital funding as well as ongoing operating funding.

Operating Elements

- **Regional Traffic Control Program.** The single most effective transportation program supported by the NLTRA is the regional traffic control program. The 2003 *North Tahoe Regional Traffic Management Study*, which included a review of existing traffic-control programs, concluded that regional traffic management (such as the winter traffic-control at ski areas and Tahoe City and the summer traffic-control at Fanny Bridge) annually save drivers roughly 150,000 hours of delay and provide travel time benefits roughly 12 times greater than the total costs. In addition, traffic management reduces the potential for serious traffic accidents and improves the visitor's perception of regional traffic conditions. Funding should be provided as the community-wide contribution to this regional program. In addition to existing sites, a summer pedestrian crossing program should be established on (SR 28) at Coon Street in Kings Beach, to assist pedestrians in safely crossing the highway between commercial and residential areas to the north and the State Recreation Area to the south. A seasonal management position needs to be established to lead this program.
- **Traveler Information Systems.** As discussed above, timely and accurate information regarding traffic conditions and the availability of travel alternatives can assist in solving and reducing

frustration regarding traffic problems. There may be a need for ongoing NLTRA assistance in funding personnel, maintenance and other ongoing costs.

- **Continue Support of the Tahoe City/Truckee Expanded Winter SR 89 TART Service.** The NLTRA currently helps to fund operation of a second bus on the Tahoe City/Truckee route, which provides convenient travel times to and from Truckee and augments travel times to and from Tahoe City. Due largely to the resultant added convenience, ridership on this service increased by roughly one-third between 2000 and 2003. This service needs to continue to support increased commuting along the corridor and to provide expanded visitor transit options.
- **Continue Support of the Winter SR 267 Transit Service.** The NLTRA also currently contributes funds for transit services between Truckee and Northstar, between Northstar and Kings Beach, and between Truckee and Sugar Bowl, contracted through the Town of Truckee. This service, which makes approximately 27,000 passenger-trips per year, is a vital link in the regional transit network, serving in particular Northstar’s employees and skiers, along with those who have Sugar Bowl as a destination.
- **Provide Summer and Winter Evening TART Service.** The ability of visitors to enjoy a high-quality destination resort visit to the region without an automobile is seriously limited by the lack of evening transit services. Like other resort areas already providing such service, the local economy on the North Shore operates long beyond the normal business hours of a more traditional community, generating demand for public transit by both visitors and residents. The NLTRA should assist in the funding for evening services on the North and West Shores during the busy summer and winter visitor seasons. Provision of this service is expected to increase transit ridership by 34,300 passenger-trips per year. The provision of evening service is a critical element in providing an auto-free visitor experience. This is borne out by the fact that all of North Lake Tahoe’s peer resort areas provide evening service.
- **Half-Hourly Winter and Summer TART North Shore Service.** The provision of half-hourly service on the TART system, particularly between Tahoe City and the North Shore State Line, would enhance the attractiveness of this service to visitors. Surveys of existing bus passengers, as well as surveys of transit needs in the Tahoe area, dramatically highlight the public’s desire for increased frequency of service of the TART system. Existing hourly-only service is a strong detriment to the use of transit in this service area, particularly among “discretionary” riders (most notably, visitors), who have access to automobiles.



A review of the existing travel patterns indicates that this need is concentrated along the SR 28 corridor, between Tahoe City and Stateline, encompassing Tahoe Vista and Kings Beach. Half-hour North Shore service could be provided by adding a fourth bus in the existing TART Tahoe routes, extending 30-minute service already provided in Nevada westward to Kings Beach and Tahoe City. The most effective strategy for this service from a tourism perspective is all-day half-hourly service during the peak summer and winter seasons. This service improvement is forecast to increase ridership by roughly 27,000 passenger-trips per year and would provide a “critical mass” of transit service that is necessary to attract substantial visitor ridership. As evidence of this, all of the peer resort communities provide transit services on at least a half-hourly frequency for at least a portion of the year.

- **Tahoe City Summer Daytime Trolley.** A summer-time Tahoe City Trolley service should be operated on a high frequency (roughly once every 20 minutes) between Comstock Acres (just south of Granlibakken Road) and the Lighthouse Center. This service will help to address Tahoe City’s traffic and parking problems and is expected to make 9,500 passenger-trips per summer. A review of the ridership generated by the various trolley services provided over recent years indicates that this service plan, previously operated in 1995 is the most cost-effective daytime trolley service option. A pilot program, with a substantial portion of operating funding coming from the local business community, should be implemented.
- **Tahoe Vista/Kings Beach/North Stateline Daytime Trolley.** While ridership on recent services indicates that patronage of a similar trolley shuttle for the Tahoe Vista to North Shore State Line area would be relatively low (particularly prior to provision of streetscape/sidewalk improvements), this service may be warranted by its economic and other community benefits. A pilot program, with a substantial portion of operating funding coming from the local business community, is included in this plan.
- **Squaw Valley/Tahoe City Summer Daytime and Evening Visitor Shuttle.** A summer visitor shuttle program should be operated connecting the Village at Squaw Valley and the Resort at Squaw Creek in Squaw Valley with the Boatworks Mall in Tahoe City, both daytime and evening. This would provide access for Squaw Valley visitors to lake activities and shopping in Tahoe City, as well as access to Squaw Valley shopping and summer recreation for Tahoe City visitors and residents. In addition, this service would provide needed local circulation service within Squaw Valley, and would connect with expanded TART evening service to North Shore State Line. It could potentially be combined with the Resort at Squaw Creek’s current shuttle service to the Boatworks Mall.

- **Year-Round Maintenance of Key Trail Segments.** As discussed above, key segments of regional multi-purpose trails connecting commercial centers with nearby lodging and residential areas should be maintained for winter pedestrian travel. In addition to capital funding to improve the trails for winter maintenance, ongoing operating funding assistance will be required.
- **Reno/Truckee/North Lake Tahoe Public Transit Service.** Plans have been developed for a demonstration public-transit program that would connect downtown Reno with Truckee, Northstar, Squaw Valley/Alpine Meadows and Tahoe City, providing commuter services and midday runs. This service would provide numerous benefits to the North Lake Tahoe region, including increased labor availability, increased visitation by visitors lodged in Reno, and free and independent travelers accessing the region through the Reno/Tahoe International Airport, increased access by local residents to urban services and inter-city transportation in Reno, and would contribute to the environmental benefits of reducing long-distance auto trips. In light of these benefits, this service warrants support by the NLTRA.
- **Reno/Tahoe International Airport Shuttle Service.** The lack of scheduled ground transportation to and from a major airport at a set fare is a serious detriment to the marketability of the region as a resort destination, and also unnecessarily increases auto use. As planned developments in the region occur, there may be opportunities for NLTRA to promote improved airport shuttle services through provision of modest start-up funding. The Resort Association's marketing efforts can also be used to increase the economic viability of shuttle services.

Lower Priorities

Capital Elements

- **West Shore Bike-Trail Homewood Improvements.** The West Shore Trail currently has a 0.8 mile gap where trail users must use a narrow roadway shoulder. Particularly for families with child cyclists or trailers, this potential hazard can preclude any use of the trail system. A Class I facility should be provided.
- **Dollar Hill/Tahoe Vista/Northstar Class I Bike-Trail.** The extension of the North Shore Trail eastward from its current terminus atop Dollar Hill could provide regional benefits, particularly in terms of its attractiveness as a recreational amenity for the region's visitors and residents. Providing connections



to neighborhoods would result in a transportation benefit by encouraging non-auto access to the North Tahoe Regional Park and the North Tahoe High School and Middle School, in particular.

- **Signage Program.** Experience in a wide variety of resort areas underscores the importance of a clear, consistent visitor information signage program. In addition to showing consideration for area guests, a good signage program can actually improve traffic and parking problems by efficiently directing visitors to their destination. Signage should identify recreation facilities, points of interests, parking and key providers of visitor services, in a manner that creates a unique image for the region and expands availability and access to visitor resources.
- **North Shore State Line Transfer Facility.** To best serve passengers with a minimum of transfers, new SR 267 service should also provide service throughout Kings Beach to **North Shore State Line**. To accommodate this additional vehicle, an additional bus bay is needed on the north side of SR 28 just west of the state line.
- **Squaw Valley Transit Center.** With the growth in activity in Squaw Valley, there is an increasing need for an attractive passenger facility serving the Village at Squaw Valley, the Squaw Valley USA base area and adjacent lodging properties. Provision of a climate-controlled and high-profile facility will promote ridership on the expanded transit services (particularly evening services) also identified in this plan.
- **Northstar Transit Center.** Ridership on the public transit routes along SR 267 to Northstar has grown substantially over recent years and is expected to continue to grow with planned development. As part of the Northstar Village project, a separate bus loop and passenger facility will be constructed adjacent to the Village. NLTRA assistance in this facility is warranted in light of the increasing importance of Northstar as a public transit activity center.

Operating Elements

- **Water-Taxi Service.** A key drawback of existing transit programs is that the transit passenger is subject to the same traffic delays as the auto driver. Provision of summer water-taxi service using a relatively small vessel (20 to 30 passengers, plus room for transporting bicycles) could provide attractive alternative access to key lakeside activity centers, reducing traffic in key congested corridors while also reducing parking needs. The most promising service would connect the West Shore (at Sunnyside and Homewood) with Tahoe City, thereby providing a relatively frequent

service with a single vessel that allows travelers to avoid the West Shore peak summer traffic delays. After this initial service proves its viability, services could potentially expand to other areas, such as Kings Beach and Tahoe Vista. Once established, this service should not require an ongoing operating subsidy. However, NLTRA assistance may be necessary to help establish the service.

- **Summer SR 267 Daytime Transit Service.** Beyond the winter service discussed above, the next logical step in expansion of services on the SR 267 corridor is the provision of summer daytime service. Operating one bus, service can be provided every 90 minutes between downtown Truckee and **North Shore State Line**, via Northstar and Kings Beach. Much like the summer Squaw Valley/ Tahoe City shuttle service discussed above, this expands access to Lake Tahoe and the Kings Beach commercial core for Martis Valley residents and visitors while addressing traffic and parking issues. It also provides improved access to Northstar and Truckee for North Lake Tahoe residents and visitors. While ridership will initially be relatively low (at roughly 9,000 rides per summer), it should grow with the planned development of the Martis Valley area.
- **Comprehensive Hourly Daytime Summer and Winter Service on SR 89 and SR 267 Corridors.** The geography of the region is such that convenient hourly transit service (which provides service at each stop at the same time past the hour) can most effectively be provided by operating three buses on a three-hour-long round-trip route from Tahoe City to Squaw Valley, Truckee, Northstar, Kings Beach and **North Shore State Line** and return. Hourly service on these two corridors also provides the benefit of allowing direct transfers to and from the hourly TART lakeshore services at Tahoe City and **North Shore State Line**. Given the service improvements identified above, this increased quality of service can be provided with relatively little additional cost.
- **Signage Program.** A visitor information signage program will require ongoing maintenance funding, as well as the capital funding discussed above.

NLTRA Plan Advocacy and Potential Partnering Elements

The following are key regional efforts that NLTRA will advocate for and, where appropriate, consider financial partnering for:



- **Improved Passenger Rail Service in the Interstate 80 Corridor.** The Placer County Transportation Planning Agency is currently conducting a study to extend the successful San Jose-to-Auburn Capitol Corridor rail service eastward to Donner Summit, Truckee and Reno. The NLTRA has contributed \$30,000 to the study efforts. This could significantly increase the ability of visitors to access the region without the need for a car, thereby boosting alternative transportation use both to and within the region. In addition to advocating for such service, the NLTRA may play a role in coordinating shuttle services between the Truckee Depot train station and destinations throughout the region.
- **SR 89 Improvements in the Tahoe City Area.** The West Shore back up on SR 89 just south of Tahoe City is a substantial and growing frustration to visiting and local drivers alike. Plans have recently been developed that could potentially solve this key problem, while also improving bicycle/pedestrian conditions and addressing the deficiencies of Fanny Bridge. NLTRA participation in supporting and shaping this proposal will be an important element in solving this problem while achieving other community goals for the area.
- **SR 89 Mousehole Improvements.** Plans have been developed that would replace the 1929 railroad underpass with a modern structure that would provide sidewalks and wide shoulders. This could eliminate one of the key bottlenecks in the regional access network, while also improving pedestrian and bicycle travel and safety.
- **Interstate 80 Improvements.** Travel delays along Interstate 80 between Truckee and Sacramento degrade the marketability of North Lake Tahoe. The NLTRA should lend support to improved winter snow removal and traffic management over Donner Summit, as well as capacity expansion in the congested Roseville area.
- **Gondola Connections to Ski Areas.** Unlike many competing resort areas, much of the North Tahoe Region's commercial and bed base is far from the ski hills, creating additional traffic congestion while reducing potential economic activity. Aerial systems connecting the North Shore centers with Alpine Meadows and/or Northstar-at-Tahoe could benefit the region economically while providing a very attractive alternative to winter auto use.

Table 9: Recommended NLTRA Tourism and Community Transportation Infrastructure Plan

Note: This table includes items currently funded both by infrastructure funding and visitor services funding	
Element	Priority
Action Elements	
Capital Elements	
Traveler Information Systems	Higher
Kings Beach Streetscape Program	Higher
Lakeside Multi-purpose Trail (Tahoe City)	Higher
Year-round Trail Maintenance - Cathedral Drive to Lake Forest Road	Higher
Tahoe City Transit Center (construct planned center - funding in place)	Higher
Expanded Public Parking	Higher
Homewood Class 1 Bicycle Trail	Lower
Dollar Hill/Tahoe Vista Class 1 Bicycle Trail	Lower
Signage Program	Lower
North Shore State Line Transfer Facility	Lower
Squaw Valley Transit Center	Lower
Northstar Transit Center	Lower
Operating Elements	
Regional Traffic Control Programs	Higher
Traveler Information Systems	Higher
Continue Existing Highway 89 Winter Transit Service Support	Higher
Continue Existing Highway 267 Winter Transit Service Support	Higher
Evening TART Service in Winter and Summer	Higher
30-Minute Headway TART Service on North Shore in Winter and Summer	Higher
Tahoe City Summer Daytime Trolley	Higher
Tahoe Vista/Kings Beach/North Shore State Line Summer Daytime Trolley	Higher
Squaw Valley/Tahoe City Summer Daytime/Evening Visitor Shuttle	Higher
Year-round Trail Maintenance/Cathedral Drive to Lake Forest Road	Higher
Reno Commuter Transit Service (funding in place for pilot program)	Lower
Reno/Tahoe Airport Shuttle Service	Lower
West Shore/Tahoe City Water-taxi Service	Lower
Summer Daytime SR 267 Service	Lower
Hourly Daytime Tahoe City/AM/SV/Truckee Service - Summer and Winter	Lower
Signage Program	Lower
Advocacy Elements	
Sacramento/Donner Summit/Truckee/Reno Rail Service and Connecting Shuttle Service	
SR 89 Improvements in Tahoe City	
SR 89 Mousehole Improvements	
I-80 Improvements	
Gondola between Alpine Meadows and Tahoe City Wye	

Source: LSC Transportation Consultants, Inc.





VISITOR AND COMMUNITY FACILITIES AND SERVICES

Visitor and community facilities and services influence a visitor's choice of location to visit, activities in which to engage during that stay, and the quality and diversity of the overall travel experience. Integral to the experience, such facilities typically include visitor welcome and information centers, indoor and outdoor recreational facilities and amenities, arts and cultural events, facilities and attractions, convenient public transportation and public parking, sidewalks, pedestrian paths and bicycle trails, public parks and plazas, and coordinated directional and informational signage.

The quality of life is also defined by the availability and selection of facilities and services that they enjoy. As any community relies on its workforce to achieve its business objectives, North Lake Tahoe relies on its workforce to accomplish its specialized resort needs. Facilities and services available within the area are an important factor in attracting employees, and an essential part of the fabric of a vibrant community. The experience in other resort communities is that visitors *and* residents can benefit from and enjoy facilities such as those listed above.

Existing Situation

Responses to the 2003-2004 Winter Visitor Survey conducted by the NLTRA, suggest that North Lake Tahoe's arts and cultural experience, its quality and variety of shopping, entertainment and nightlife and its episodic traffic congestion rate lowest of 20 items surveyed. The highest-rated categories included scenery, ability to rest and relax in the area, opportunities for fun and excitement, and the quality of skiing/snowboarding.

The survey also asked respondents what community design/development features were the most important to improve. The top answers were: make communities more walkable, renovate accommodations, add new lodging close to ski facilities, significantly redevelop parts of Tahoe City and Kings Beach, add new lodging near Lake Tahoe, add public spaces and plazas (gathering spaces), renovate storefronts and commercial buildings, improve directional and informational signage and add/improve

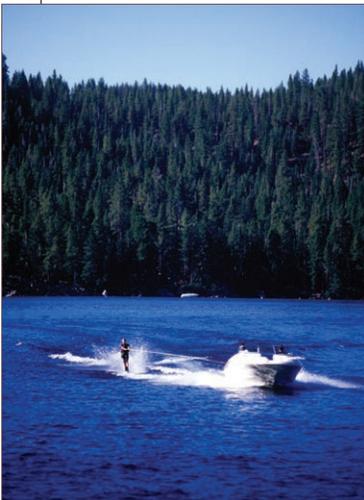


information centers. Visitors enjoy many things about their stay in North Lake Tahoe but clearly desire improvements in many areas.

The following generally summarizes the facilities and services currently available in the North Lake Tahoe area:

Visitor Information Centers

A visitor information center is typically located at a community gateway. Attractive and free of clutter, an ideal information center is highly visible, easily accessible, serves as a welcome center, provides orientation to the area, provides information on activities and attractions in the area and offers business referrals. Visitor centers also provide a good venue for regional interpretive and educational exhibits, information, and programs. The North Lake Tahoe Resort Association provides visitor information year-round in Tahoe City and during peak summer season in Kings Beach. The Tahoe City center is relatively small but handles a great deal of walk-in and telephone traffic. In the summer of 2004, the Kings Beach center will relocate to a new building at North Tahoe Beach.



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Accommodations

Accommodations within the study area include motels, hotels, resorts, bed-and-breakfast inns and condominium and second home rentals. In research conducted as part of the 1995 *North Lake Tahoe Tourism Development Master Plan*, it was noted that the general quality of accommodations on the North Shore was lower than in competitive resort communities. Since that time, many lodging properties have undergone renovations and new products, including vacation ownership properties, have been introduced. In recent studies, over 50 percent of respondents rated renovated accommodations as very important; 65 percent of respondents indicated they are satisfied with the lodging opportunities offered within North Lake Tahoe.

Retail Experience

In 2000, Tahoe City underwent a major transformation of its downtown core, providing pedestrian and streetscape enhancements and upgraded retail opportunities. While it is difficult to get completely away

from the strip commercial configuration that predominates the North Lake Tahoe area (due to geographic constraints), the enhancements in Tahoe City have provided a more enjoyable, walkable atmosphere.

Other retail centers in the study area include Kings Beach and the new Village at Squaw Valley. Additional retail opportunities are scattered throughout the area. A remodeled and expanded retail village is being constructed at Northstar-at-Tahoe.

Community Facilities and Services

Community facilities and services help provide a feeling of cohesiveness and care for the health and sustainability of the community as a whole. There have been efforts to improve the type and quality of community facilities and services over recent years, perhaps the most notable being the new Boys and Girls Club facility in Kings Beach, the renovation of North Tahoe Beach, enhancements at Tahoe City's Commons Beach and the new Squaw Valley Park. However, North Lake Tahoe still falls short of providing an inclusive range of the type of facilities and services that visitors and residents would use and enjoy and that would further improve community health and sustainability.

Current facilities in the North Lake Tahoe area include three community centers, one public conference center, two libraries, ten parks, a bike trail network (incomplete in key sections), trail networks, various school and other ball fields and some public tennis courts. Other existing facilities are summarized below.

Indoor Swimming Pools

There are indoor public swimming pools located at Truckee High School and the Incline Village Recreation Center. There are no public outdoor swimming pools within the North Lake Tahoe study area.

Ice-Skating

Outdoor ice-skating facilities are located at the Resort at Squaw Creek and at High Camp at Squaw Valley USA. Access to the High Camp facility requires a cable car ride. The Resort at Squaw Creek facility is primarily for resort guests. There is a new indoor ice arena on the South Shore, which provides public ice-skating opportunities, but this is not convenient for North Lake Tahoe visitors or residents.



Beaches and Lake Access

There are a variety of beach and public lake access properties located throughout North Lake Tahoe. However, there remains a general perception that The Lake is relatively inaccessible to the public. Physical and visual lake access has become increasingly difficult to maintain due to larger scale development along the lakeshore. While some of the beaches and lake access properties have adequate signage, there is no comprehensive signage or information program that identifies available resources and facilities in a coordinated manner.

Public Parks

There is a variety of public parks located throughout the North Lake Tahoe area, some small, some larger, some offering various amenities and facilities. Recently, the NLTRA contributed \$900,000 to help purchase property and construct the new Squaw Valley Park.

Areas and Facilities of Historic and Cultural Significance

There are various historical sites and museums for visitors to enjoy in the North Lake Tahoe area, along with one arts center. These include the Watson Cabin, the Gatekeepers Cabin and Marion Steinbach Indian Basket Museum in Tahoe City (operated by the North Lake Tahoe Historical Society), the



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Hellman-Erhman Mansion at Sugar Pine Point State Park, and the Tahoe Maritime Museum in Homewood. An arts center is located in Tahoe City, operated by North Tahoe Arts. The center provides information about galleries and artists in the area, has a small gallery featuring the work of local artists and sponsors a variety of arts-related events and activities throughout the year. A variety of other community-based organizations sponsor cultural and concert events each year.

Public Transportation and Parking, Bicycle and Pedestrian Trails

As detailed elsewhere in this Master Plan, these facilities and opportunities are limited in the study area.

Recommendations

Although North Lake Tahoe has made important and visible strides in improving its visitor experience, the majority of key facility and transportation improvements identified and recommended in the 1995 Master Plan have not yet been accomplished. Consistent with the goal of this Master Plan to improve facilities and services for the benefit of North Lake Tahoe's tourism-based economy and residents, it is recommended that the following types of facility and service development and redevelopment projects be addressed and implemented (neither in order of priority nor all-inclusive):

- Visitor Information Centers
- Convenient Public Transportation
- Transportation Centers
- Public Parking
- Public Plazas
- Sidewalks
- Bicycle Trails
- Signage System
- Recreation Center
- Performing Arts Center
- Public Ice-Skating
- Adequate Funds to Operate and Maintain these Facilities
- Redevelopment in Tahoe City and Kings Beach
- Water-Taxi Services
- Other Community Facilities

Visitor Information Centers

To address future needs, the NLTRA should explore opportunities for a larger visitor information center in Tahoe City, a year-round facility in Kings Beach and additional strategic locations such as Squaw Valley. Establishing and staffing larger centers than those that exist supports opportunities to provide more information, including business referral information, and environmental education and interpretive services, including information promoting environmentally sensitive behavior.



Staffing improved, larger and additional centers would extend the NLTRA's ability to provide visitors with information about all areas of North Lake Tahoe that may not be readily visible or known, promoting commerce in smaller, lesser-known parts of the community and helping to increase financial activity throughout the area.

Convenient Public Transportation and Additional Transportation Solutions

As traffic congestion continues to negatively impact North Lake Tahoe's visitor experience and local quality of life, it is clear that the level of public transportation service has not yet sufficiently improved. In order for the area to achieve any relief from traffic congestion and the pollution and other environmental consequences that result, a truly convenient, multi-modal public transportation network must be funded and put in place. Additional transportation solutions should include an expanded, coordinated, regional traffic-management program.

A bus or shuttle system connecting the North Lake Tahoe region with the Reno/Tahoe International Airport with frequent, convenient service is a key first step in developing a more effective transportation

network. Such a service would significantly reduce the need for visitors arriving at the airport to rent a car for their stay at North Lake Tahoe.



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Transportation Centers

An efficient, user-friendly transportation network requires multi-modal transportation centers at strategic locations throughout the system: locations that can tie together transit routes, bike and pedestrian paths and trails, parking and other

amenities and services. The best locations are at gateway intersections, in particular, where transit and related services connect. In addition to the planned center in Tahoe City, additional centers should be constructed in Kings Beach, Squaw Valley and Northstar.

Public Parking

Although parking remains an issue within the study area, planning for additional parking in Tahoe City, including a parking structure, and additional parking in Kings Beach, is under way. Increasing the amount of accessible public parking will help alleviate some of the congestion caused by drivers

looking for scarce parking. Strategically located parking, in combination with trolley or shuttle service focused in and around the Tahoe City and Kings Beach commercial districts, can be used to further reduce congestion related to the current lack of adequate parking and mobility options. Improved parking and mobility will help improve access to businesses and other attractions in the commercial core areas. Visitors and locals will have a more enjoyable experience and spend more time and money in the commercial districts.

Public Plazas

Nearly \$6 million was invested in enhancements to Tahoe City's historic Commons Beach, creating new plaza and public gathering opportunities that had been lacking in the past. Downtown Kings Beach features a public plaza adjacent to the Kings Beach State Recreation Area, which includes other public gathering areas. Renovations completed in 2003 at North Tahoe Beach provide another public gathering area. Another new public plaza is expected to be developed in Tahoe City following the 2004 acquisition of the last undeveloped lakefront parcel in town, located at the eastern end of Commons Beach.

Such spaces should continue to be developed and financed by public monies, as they are part of the permanent infrastructure providing focal points for gathering and enjoyment. They can serve as a central location for art fairs, music festivals and other activities that for residents and visitors help draw people to the center of North Lake Tahoe's commercial districts.

It is also recommended that continued improvements be made with regard to beaches and public access, renovated accommodations and retail and dining options. Based on visitor and local surveys, and the comparisons which have been done with other successful Western mountain resort areas, North Lake Tahoe needs continued improvement in these areas to remain viable and healthy from both a tourism and community perspective.

Sidewalks and Urban Core Improvement Projects

Planning for the Kings Beach Commercial Core Improvement Project is under way. It is essential that sidewalks and improved pedestrian safety and access remain a part of this project. In addition to the project's water-quality improvements, upgrades to streetscape, lighting and related improvements are vital along Highway 28 through the core of Kings Beach. At a minimum, similar upgrades and related enhancements should be undertaken in Tahoe Vista, along with further improvements in Tahoe City. The Sunnyside and Homewood areas may provide additional opportunities for core improvement projects.



Bicycle Trails

It is recommended that the further phases of the Lakeside Trail in Tahoe City be completed as soon as possible. The planned bike trail from Dollar Hill to the Regional Park in Tahoe Vista should be constructed, as well as the trail segment being planned from the Regional Park to Northstar. This trail will provide a critical link between the trail systems of the Martis Valley and Lake Tahoe.

Coordinated Signage Program

Numerous attractions and areas to explore and enjoy remain virtually undiscovered, particularly by first time visitors, and some confusion and congestion results from the lack of coordinated directional and informational signage (referred to by some as way-finding signage). It is recommended that a coordinated signage program be developed and implemented throughout the North Lake Tahoe area. Such a program will improve the flow of traffic and mobility, help visitors find attractions and destinations, and draw attention to underutilized areas, reducing congestion and pressure on more well-known areas. Interpretive signage along bike and hiking trails and in public locations will further enhance the visitor experience and provide a more cohesive look and feel to the entire resort community.

It is noted that the NLTRA allocated \$300,000 in early 2004 to help fund a coordinated signage program in Squaw Valley. Part of this funding was intended to help develop policies and design concepts for the larger regional signage program.

Recreation Center

A recreation center would provide important amenities and services and a community gathering place for local residents, as well as amenities sought by many visitors. Experiences at recreation centers located at other mountain resort communities indicate that one-third to one-half of the users of the facility are tourists visiting the area. It is even more highly used by visitors when the weather is inclement and provides an important amenity and activity center for young people who often have limited activity options elsewhere in the community.

It is noted that as of the development of this plan, efforts are under way in the North Lake Tahoe community to plan and propose to local voters the construction and operation of a recreation center.

Such a center would clearly be consistent with the vision, goals and investment strategy as set forth in this Master Plan.

Performing Arts Center

There are a variety of cultural and arts organizations in the community that host dozens of events and performances each year. Indoor and outdoor (i.e., amphitheaters) are in short supply. A single, shared location for these events and performances would provide a community and visitor benefit. It would help underscore the cultural and arts attractions of the area which is something that many visitors look for in a resort destination. It would help enrich the lives of community residents. More detailed planning is required to determine location(s) and scale. Two of the possible locations which have been discussed during this planning process are Squaw Valley and Northstar.

Ice-Skating

A public ice-skating rink has been identified as a community amenity in various surveys. Possible locations discussed include Northstar or the proposed recreation center. The proposed facility at Northstar is currently being planned as part of the Northstar Village project. The future determination of any additional need for a public ice-skating facility should await the community's response to this new opportunity.

Funds for Operation and Maintenance of Facilities

The challenge for many public facility investments is an ability to identify and obtain funds for the cost of ongoing maintenance and operations. Whenever possible, it is recommended that the cost of operations and maintenance be included in the cost of developing projects, as with the proposed recreation center. As noted in the chapter on investment plan funding, it is recommended that the NLTRA work with other agencies and the community in an effort to identify and develop sources of revenue for the cost of ongoing operations and maintenance for projects proposed in the *North Lake Tahoe Tourism and Community Investment Master Plan*, such as bike trails and public plazas.

Redevelopment in Tahoe City and Kings Beach

As noted in the chapter on redevelopment in this Master Plan, there are significant redevelopment opportunities in Tahoe City and Kings Beach. Opportunities in Tahoe City include new hotel and



condominium units, improved and more diverse retail and dining options, improved parking and circulation, improved beach and lakefront access – the ability to create a small, active village in and around the commercial core, with the potential for an aerial linkage to skiing.

In Kings Beach, there is an opportunity to redevelop four to six blocks in the downtown area into higher quality accommodations, conferencing, retail and restaurants. Additional redevelopment opportunities and recommendations are described in the Redevelopment chapter of this Master Plan.



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Water-Taxi Services

Using the Tahoe City Marina as a base, dedicated water-taxi service could provide short runs connecting Tahoe City, the West Shore, Carnelian Bay, Kings Beach and Incline Village. Such service would provide visitors the opportunity to enjoy unique Lake Tahoe experiences and views (which they highly desire) and both visitors and locals with an opportunity to avoid highway congestion, particularly during peak season visitation.

Community Facilities

Because the Boys and Girls Club provides a facility and services important to the families of local employees and residents, serving to strengthen the sense of purpose of young people in the community and the health and well-being of the community overall, it was appropriate that the NLTRA provided funds as a contribution to the public-private partnership that constructed the Boys and Girls Club facility in Kings Beach. The goals and objectives of the Boys and Girls Club are consistent with the vision, goals and investment strategy of this Master Plan.

It is noted that the public-private partnership involved in developing this facility included the Tahoe-Truckee Unified School District, the Boys and Girls Club of North Lake Tahoe, the North Tahoe Public Utility District, Kings Beach Elementary School, the Kings Beach Family Resource Center, the North Lake Tahoe Resort Association and various private-sector donors. The planning, development and now the ongoing operation and maintenance of this facility serve as an excellent model for the development of other community facilities and services. There may be other community facilities with similar

opportunities that have not been specifically identified in this Master Plan. A role for the NLTRA may be appropriate if the project is consistent with the vision, goals and investment strategy defined in this Master Plan.

The Role of the NLTRA

To improve the visitor experience, enhance community quality of life and protect the environment consistent with appropriate environmental stewardship, the policies and projects envisioned in this Master Plan should strive to reduce visitor impact during peak periods. Strengthened shoulder-season visitation can result from improved facilities, services, activities and increased marketing that focuses on shoulder seasons. Decreasing the extreme fluctuation of visitation to a more consistent pattern throughout the year will help improve the quality of the visitor experience, better support local businesses and can improve the overall quality of life for local residents.

The facilities and services plan herein is proposed to improve existing shortcomings, solve existing problems and create new opportunities to enhance North Lake Tahoe's tourism product and experience. In its role as the organization that oversees and manages the full spectrum of resort functions as defined by its adopted mission statement and scope of work with Placer County, the NLTRA should champion implementation of the Master Plan and play a significant role in the coordinated, cooperative efforts that will be necessary to fund and ensure implementation.

More specifically, the NLTRA should play a significant role in the planning and advocacy of the recommended visitor facility, transit and transportation projects and programs as they will directly impact the Resort Association's tourism and marketing strategies. Implementation of the recommendations will be crucial to improving visitor satisfaction and propensity to return and to efforts to even out the level of visitation during the year.

Clearly, it will not be possible for the NLTRA alone to fully fund all of the recommended tourism and community infrastructure, transit and transportation projects and marketing programs as set forth in this Master Plan. The NLTRA should continue, to the maximum extent possible, its policy of leveraging NLTRA project and program funds with those of other partners. Consistent with the NLTRA's decision-making structure, the appropriate level of NLTRA contributions will be determined by actions of the



NLTRA committees and board of directors, with recommendations to the Placer County Board of Supervisors when appropriate.

It is important to note that the Resort Association is neither staffed nor authorized as a local government, nor is the NLRTA a surrogate for local government. Placer County and other agencies, as described in the Management Resources section of the working papers, must participate and support implementation of the Master Plan. Those in the private sector and the community-at-large must also participate.

In summary, this chapter recommends that the NLTRA help plan, advocate and consider providing a level of funding support, as may be determined appropriate by the NLTRA, for the following (neither in order of priority, nor all-inclusive):

- Improved, Expanded New Visitor Information/Welcome Centers
- Convenient Public Transportation System and Additional Transportation Solutions
- Increased, Convenient Public Parking
- Additional Public Plazas
- Additional Sidewalks and Urban Core Improvement Projects
- Additional Bicycle Trails and Trail Linkages
- Coordinated Signage Program
- Recreation Center
- Performing Arts Center
- Funds for Operation and Maintenance of Facilities
- Redevelopment Projects in Tahoe City and Kings Beach
- Water-Taxi Services
- Additional Community Facilities



REDEVELOPMENT

Using an Essential Tool at North Lake Tahoe

Many of the mountain resort communities in the United States, constructed in the 1960s and 1970s are becoming outdated and falling short in meeting the needs of their visitors and residents. In efforts to achieve renewal and revival and to help address more contemporary environmental and community standards, municipal and county governments and developers are using the process of redevelopment. In areas where the required criteria of blight are identified and documented, redevelopment becomes an essential tool to help revitalize old and dated infrastructure and communities.

Because the majority of resort communities are located in or around natural features that, in essence, have neither deteriorated nor diminished, the built environment is often of a lesser quality than the natural environment. Redevelopment efforts not only make more efficient use of available land, but can also be used to revitalize existing commercial and community core areas. Redevelopment can address the challenges of congestion, stagnant or declining occupancy rates, disinvestment, economic and community decline, and environmental degradation.

North Lake Tahoe exhibits many of the characteristics of an aging resort community, such as worn and dated architecture, areas of inefficient land use and minimal provisions for pedestrian and visitor traffic. Since 1995, some important steps have been taken, by both the public and private sectors, to address some of the area's deteriorated built environment and substandard product. There have been significant improvements in Squaw Valley, downtown Tahoe City, the Northstar area and Truckee. Continued and accelerated efforts on the part of the community and Placer County are needed to more fully redevelop Tahoe City and Kings Beach and stimulate the production of workforce and affordable housing. In Tahoe City, for example, redevelopment began with sidewalks and streetscape improvements, and improvements to Commons Beach. However, there was an overall decrease in parking spaces that came as a result, a problem that is slowly being addressed. Redevelopment should be more comprehensive in its approach. There must be a focused, collaborative effort builds consensus among property congested and dysfunctional environments, and to develop funding for the implementation of solutions to these



problems. An effort to convert single-season businesses into multi-season businesses should also be part of the overall redevelopment process.

The most important reason for encouraging redevelopment in resort communities is to provide an improved visitor and resident experience and to assist in the process of maintaining commitments to environmental stewardship. Redevelopment will attract destination tourists and will encourage longer visitor stays, resulting in additional tourism dollars spent in the area. In an effort to focus on recapturing the atmosphere of a retreat destination, emphasis should continue to be placed on visitor facilities such as improved accommodations, convenient transit systems, pedestrian access and safety, welcome centers, access to The Lake and reenergized centers of retail, restaurants and commerce.

There are numerous opportunities for redevelopment in Tahoe City and Kings Beach. There are multiple blocks of buildings which are aged, many of which are lakefront locations. There is an opportunity to use redevelopment to create vibrant mixed-use environments including retail, housing, tourist accommodations, parking, public plazas and parks as well as easier public access to The Lake (the area's valuable asset). People will visit and stay longer if we make The Lake more visible and accessible. Through redevelopment at these locations, improved water quality, aesthetic conditions and economic revitalization can be achieved.

Redevelopment Agency Work Program's Relationship to the Resort Association's Tourism and Community Investment Master Plan

The Redevelopment Agency has been created by the Placer County Board of Supervisors to develop and manage community improvement projects relating to economic development and infrastructure improvements in its project areas – in this case Tahoe City, Kings Beach, and Tahoe Vista. In addition, the agency has countywide responsibilities for the Workforce Housing Program. In order to maximize benefits to the community, the agency has worked with the downtown business community (its targeted area to develop projects and programs specifically to improve long-term economic conditions). The resultant strategic plans and expenditures have been approved by the agency board of directors (Board of Supervisors).

The Resort Association is an association of businesses from a much broader geographic and business base. It also encompasses the downtown areas that are the primary focus of the Redevelopment Agency. It has membership income as well as TOT revenue allocated to it by both the Board of Supervisors and

local voters. Its charter includes an infrastructure element that, although broader than the agency's area of responsibility, has a significant area of correlation.

As a result, the Redevelopment Agency and the Resort Association are natural partners on economic development and infrastructure projects that positively affect the downtown areas of Tahoe City, Kings Beach and Tahoe Vista. Recent examples of this cooperation included funding partnerships on the:

- Tahoe City Sidewalk and Beautification Project
- Commons Beach Master Plan and Enhancement Project
- Kings Beach Redevelopment and Commercial Core Improvement Project

Further, several of the higher priority infrastructure goals evolving from the Resort Association's *Tourism and Community Investment Master Plan* are consistent with the goals of the agency including:

- Kings Beach and Tahoe Vista Sidewalks and Streetscape Program
- Public Parking
- Tahoe City and Kings Beach Redevelopment and Façade Programs
- Signage System – Entry and Commercial

It can be expected that the agency will continue as a funding partner in these programs where they relate to the core redevelopment project areas. Furthermore, the agency supports the *Tourism and Community Investment Master Plan* recommendations to work in conjunction with the Resort Association, the TRPA and the Placer County Planning Department to update the TRPA Code of Ordinances (Chapter 15) relating to redevelopment, along with any modification of Placer County Code that may be necessary. Modifying the code to reflect the amendments already available to South Lake Tahoe could significantly increase future redevelopment opportunities on the North Shore. (See description below.)

The Role of the NLTRA

In order to achieve environmental protection, protect open space, retain the “small town character” of its communities and improve the visitor and resident experience, redevelopment of existing properties and new development within already developed areas (infill) is preferable. The North Lake Tahoe Resort Association must advocate for policies and economic support to ensure this goal. Specifically, the role of the NLTRA is to:

1. Begin a Collaborative Process to Amend the TRPA Code of Ordinances, Chapter 15 Redevelopment.



It is recognized that in order to undertake any major redevelopment project at North Lake Tahoe, other than those which address affordable and/or workforce housing, it will be necessary to amend the Tahoe Regional Planning Agency Code of Ordinances Chapter 15 (Redevelopment). Such an amendment would be designed to allow and initiate the required TRPA planning process, environmental analysis, public hearing process and subsequent approval for development projects within areas defined as eligible by the Placer County Redevelopment Agency in its 1995 *North Lake Tahoe Redevelopment Plan*.

Developing the project concepts, specific project areas, drafting the code amendments, preparing the necessary environmental documentation and conducting the appropriate public hearing process required to approve the code amendments will be a substantial undertaking. It will involve significant time and effort, but represents an essential step if North Lake Tahoe is to successfully pursue comprehensive redevelopment projects.

It is recommended that the NLTRA help initiate and participate in a collaborative process to amend Chapter 15 of the TRPA Code of Ordinances to facilitate the planning and approval for North Lake Tahoe redevelopment projects within the areas defined as eligible for such projects by the Redevelopment Agency. Participants in this collaborative process should include, but not necessarily be limited to, the TRPA, the Placer County Redevelopment Agency, Placer County, the NLTRA, other interested public agencies and interested private-sector partners.

It is noted that it may be necessary to amend certain Placer County codes to ensure consistency with TRPA code amendments. This, too, should be an outcome of the collaborative planning process.

It is recommended that Placer County develop and implement an appropriate mechanism for giving both public and private redevelopment projects fast-track or priority consideration in the county's planning process. It was suggested during the development of this Master Plan that consideration should be given to establishing a project ombudsman to assist the proponents of small redevelopment projects with the project development and review process.

2. Partner with the Placer County Redevelopment Agency and Office of Economic Development to build on the Strategic Plans for Business Retention, Expansion and Attraction in Tahoe City and Kings Beach/Tahoe Vista.

The Placer County Redevelopment Agency and the Office of Economic Development completed the plans referenced previously for Tahoe City (Claggett Wolfe Associates, adopted by the Board of Supervisors, January, 2000) and Kings Beach/Tahoe Vista (Claggett Wolfe Associates, adopted by the Board of Supervisors, July, 2002). It is recognized that economic conditions continue to change, as does the competitive marketplace. The new Village at Squaw Valley, the coming of Northstar Village, and the growing economic diversity and strength of Truckee, have changed the economic dynamics for North Lake Tahoe's longtime commercial districts. The NLTRA, the Redevelopment Agency, and the Office of Economic Development should partner and work with the property and business owners and community representatives of Tahoe City and Kings Beach to further define a vision, and prepare and implement additional redevelopment strategies, programs, and projects designed to ensure the economic vitality and sustainability of these communities.

Additional analysis of redevelopment opportunities in Tahoe City and Kings Beach are intended to provide the Placer County Redevelopment Agency with additional tools to determine opportunities and priorities. They are intended to create a broad vision for redevelopment, accompanied by project/site specific recommendations. Much like Urban Land Institute Advisory Panels or Urban Design Assistance Team studies (a program of the American Institute of Architects), the recommendations could be made without political concerns for land ownership or development costs. The conclusions should address economic vitality, scale and use of buildings, potential development partners and other specifics.

3. Continue to maximize opportunities for leveraged funding of projects.

It is recommended that the NLTRA continue its successful practice of leveraging its project funds in partnership with other agencies and organizations. Such partners should include the California Tahoe Conservancy, Placer County, the Placer County Redevelopment Agency, Tahoe City Public Utility District and North Tahoe Public Utility District, as well as other local, state, and federal agencies. This practice of partnering should continue on redevelopment opportunities on the North Shore.





COMMUNITY AND WORKFORCE HOUSING

Introduction

The cost of housing has the biggest impact on affordability in a resort community. The ideal community has been defined as one that contains a balance of the people who work, own businesses, visit, and retire there. Successful communities are able to provide an adequate supply of resident housing to support the diverse needs of their community's workforce. In all communities, people want the ability to live near where they work.

Affordability is particularly difficult to address in a resort community, often because of the disparity of wealth and the high price of real estate. There is a wider divide not just between the wealthy and those living at or below the poverty line, but between the wealthy and the middle class. It is no longer just minimum wage earners who are affected by the cost and availability of housing. It is moderate-income households too, such as school teachers, law enforcement officers and medical workers. All levels of the workforce are essential to community success, diversity and health. As the popularity of a resort community grows, so does the price of real estate. Second homes have increasingly dominated the real estate market in many resort communities. Lake Tahoe was recently ranked third in a list of the Top 10 places in the nation to buy a second home, as published by EscapeHomes.com and reported in the January 21, 2004 online issue of *CNN/Money*. With real estate demand outpacing supply, a resort community struggles to enable the members of its local workforce to live within the boundaries of the community.

Affordable housing is defined by the Housing Assistance Council as housing that costs no more than 30 percent of household income. In the past, it referred mostly to households earning less than 80 percent of an area's median income. The term *affordable housing* however is slightly different from the term *workforce housing*. The precise definition of workforce housing varies by community. It typically is housing for seasonal or short-term workers. The Urban Land Institute defines workforce housing as housing (both rented and owned) for households earning above 60 percent but not more than 120 percent of the area median income. Without a variety of housing options, employers often find it difficult to attract a sufficient number of employees to fully operate or expand their business. Prospective employers may be discouraged from locating or creating new businesses in areas without adequate housing options.



Many resort communities, including North Lake Tahoe, have an increasingly larger percentage of the workforce who must live outside the boundaries of the community in order to afford housing. The local public sector in some resort communities assumes the primary role of providing resident housing for its citizens through whatever means they are able to create. The amount of affordable housing can have a direct effect on other local systems and institutions, including transportation, recreation, schools and social services. North Lake Tahoe has seen a direct correlation between the increase in the cost of housing and the increase in the demand for social services. The public sector is also concerned with the impact on the community, from a tax-base perspective, of the financial implications of the housing and accommodations market, since taxes provide the resort community with funding for public services.

Based on Placer County's Workforce Housing Strategy and Housing Element, both adopted by the Board of Supervisors, the Placer County model looks to private-sector ownership of housing. Placer County believes that private ownership provides a more substantial long-term community benefit. Placer County's model, however, does assume that public sector assistance, in the form of incentives, fiscal support programs, fee waivers and density bonuses will be provided to the private and non-profit marketplace to promote the development of affordable housing.

Why should communities come together to create a range of housing options?

Whether large or small, many resort communities face housing issues. In response to the question of why communities should come together to create a range of housing options, the Sierra Business Council, in its 2003 publication entitled *Investing for Prosperity, Building Successful Communities and Economies in the Sierra Nevada*, provided the following answers:

- **Because communities risk real financial losses if they don't solve the problem of affordable housing.** If local governments don't comply with the housing element in their general plan, they risk being subject to expensive lawsuits. In Santa Cruz County, for example, a grand jury urged citizens to sue county supervisors for not increasing affordable housing. Local governments that fail to implement the housing element of their general plan also risk losing critical state funds for transportation projects.
- **Because without affordable housing, local economies suffer.** Businesses suffer when housing prices make it hard for them to recruit and retain employees and when their employees are exhausted by long commutes. For example, in Mammoth Lakes, Help Wanted ads outnumber the

For Rent ads by five to one. This indicates an excess of open positions and a shortage of affordable housing for potential employees interested in these positions. As more people relocate to more affordable communities, the number of vacancies will increase thereby resulting in a diminished local economy. The people who stay in the local area will be forced to spend a higher portion of their income on housing and will therefore have less discretionary money to spend in the local economy as well. Tight budgets, crowded conditions and long commutes create discontented employees.

But it's not just the private sector that is harmed when housing is not affordable. Institutions that perform the essential services for the community are, too. When communities have difficulty recruiting and training high-quality nurses and schoolteachers, police and postal workers, their economic development prospects are compromised.

- **Because without housing that offers residents choice, the social fabric of communities will continue to deteriorate.** When communities offer a narrow range of housing types and prices, they risk losing their history and stability as well. A recent survey in Mammoth found that in 10 years, 88 percent of current residents would have problems finding affordable housing. If grown children can't afford to own a home, they go elsewhere to start families and careers. If seniors can't afford to stay, they lose the support networks they built over their lifetimes and the community loses its ties to the past. Parents who commute long distances to work worry constantly about what they will do if their child has an emergency and what their children do after school. The combined costs of housing, transportation and childcare mean more families are actually living in poverty than government statistics indicate.
- **Because the problem won't solve itself. Ignoring the problem will not make it go away.** Delay only results in higher costs, more limited options and further unraveled communities. The sooner communities develop plans for obtaining the range of housing options needed for community stability, the sooner residents will be able to choose housing that best fits their lifestyle and budget.
- **Because this is one of the toughest and most complicated problems we face, it can't be solved without everyone's creativity, contributions and cooperation.** Solutions will require truly innovative thinking to balance new housing with maintaining community character within the capacity of both the environment and community services. The best way to have everyone invested in a plan is to include all – developers, local officials, business owners, homeowners, and residents – in crafting a solution.



The Current State of Affordable Housing in North Lake Tahoe

Local governments, developers, businesses and local working groups all play a critical role in the provision of housing that is affordable in resort areas. The following is a summary of the current state of affordable housing in the North Lake Tahoe region.

Placer County Affordable Housing Strategy and the Placer County General Plan

California law requires each city and county to adopt a housing element as one of the required components of its general plan. The updated Placer County General Plan includes the Placer County Housing Element and two ordinances to implement the element: one addressing workforce housing and one addressing inclusionary housing. The General Plan calls for creation of new workforce housing with each new development project undertaken in the Tahoe/Sierra region.

Placer County has several policies and programs in place to encourage affordable housing production, including density bonuses, provisions for second units, fee waivers and mixed-use development, as well as development assistance for new construction provided by the Redevelopment Agency and the countywide Housing Trust Fund. In addition, the county operates several programs to directly assist individuals and families. The following is a list of recent activities:

- Development and adoption of the county's first inclusionary housing ordinance for all redevelopment project areas, including Tahoe City, Kings Beach and Tahoe Vista. The ordinance requires a 15 percent affordability rate (nine percent low and six percent very low) for new construction projects.
- Partnership with the Affordable Housing Development Corporation (AHDC) to build 110 - 150 workforce housing units in Tahoe Vista. This project will be supported with tax-increment trust funds and other government grant funds. This project is currently in the Environmental Impact Report (EIR) phase.
- Planning to build a 12-unit moderate home ownership project in Lake Forest. The land has already been purchased with tax-increment funds. The project is in the preliminary design and planning phase.
- Rehabilitation or weatherization of more than 40 homes in the Kings Beach, Tahoe City and Tahoe Vista areas in the past six years using a mixture of tax increment and grant funds.
- Extensive work with the Sawmill Heights project (East-West Partners) in Northstar and the planning department to develop an acceptable employee housing project through a partnership

whereby the Town of Truckee would back the long-term bonds and the County would contribute up to \$350,000 in cash subsidies for affordable units put under covenant. This included testimony before the Board of Supervisors in support of the 96-unit project that was approved.

- Assessing on an ongoing basis the opportunity to purchase land in the Squaw Valley, Tahoe City and Kings Beach areas that would be suitable for either ownership or rental workforce housing opportunities.

Community Survey Results

Although Placer County has these programs in place, many area residents feel strongly that the County has not done enough to address the issues of affordable and workforce housing in the North Lake Tahoe region. In an effort to explore resident sentiment on this topic, questions related to affordable and workforce housing were posed as part of the Eastern Placer County Community Survey conducted during February/March 2004.

Most local residents rate the quality of life in Eastern Placer County as either excellent or good. However, only sixteen percent of these local residents feel that quality of life in the past five years has improved. Respondents who feel that the area has declined commonly cite the high cost of housing and the high cost of living in the area versus the low wages. Residents also feel that one of the most important issues facing Eastern Placer County is the lack of affordable housing and the lack of a variety of housing choices. Respondents not only believe housing is an important issue for owners of property but also for renters. Most residents believe there is too little housing for the local workforce and too little housing diversity to suit different needs and tastes. To address the issue, more than half of the respondents believe the public and private sectors should work together. In terms of specific policy techniques, most residents indicate support for commercial linkage and accessory units and also tend to lean in favor of residential employee linkage and inclusionary zoning. A majority of respondents oppose density incentives for new development and the creation of a housing authority.

Placer County Redevelopment Agency

The Placer County Redevelopment Agency administers the North Tahoe Redevelopment Project. The agency estimates it will generate some \$10.3 million in total revenues from the North Lake Tahoe Project area during the period between 2001 to 2006. These funds will be generated by a tax increment and, as



required by state law, the agency will contribute 20 percent of this gross tax increment revenue to low- and moderate-income housing.

Affordable housing priorities for the North Lake Tahoe Redevelopment Project are:

1. Housing Rehabilitation
2. First-Time Homebuyer Assistance Program
3. New Low-Income Employee and Seniors Housing

The Redevelopment Agency established the Placer County Affordable Housing Strategy and operates a number of policies and programs countywide to implement this strategy. Programs that include and affect the North Lake Tahoe area comprise:

- Multi-Family Rental New Construction Program
- Community Development Block Grant (CDBG) Funds
- Mixed-Use Development Program
- Mandatory Inclusionary/Employee Housing Program
- Housing Trust Fund

In addition, the Redevelopment Agency has also made specific strides with regard to the affordable housing efforts, such as:

- Working with the planning department and County Executive Office to develop an employee housing ordinance to apply to the Tahoe area of Placer County, which will require the additional production of workforce housing.
- Competing for and obtaining state and federal grant funds to assist in the rehabilitation and development of workforce housing. Over the past six years, the Redevelopment Agency has been awarded more than \$6 million in grant funds, of which a significant portion has been directed toward Tahoe area projects and programs.
- Developing a legislative agenda adopted by the Board of Supervisors to remove key Tahoe area development barriers.
- Working on the Highland Village Senior Housing Project located in Dollar Hill, which could provide 78 affordable senior units and 50 market-rate units. Currently discussing potential level of agency financial support.

All resort communities face unique and challenging circumstances with regard to housing issues. Some of the specific challenges faced by the Redevelopment Agency include the high cost of land in the area and the scarcity of available land due to federal and state ownership. Other challenges include the overlay of the Tahoe Regional Planning Agency regulations and local resident attitudes such as the Not-In-My-Backyard (NIMBY) philosophy, which supports development but only if the development does not impact or interfere with the resident himself.

The Role of Developers

One of the major developers in the area, East-West Partners, has played a prominent role in addressing affordable (workforce) housing. They have proposed including affordable housing and workforce housing in their developments in the Village at Northstar and Gray's Crossing.

Placer County required Intrawest Corporation, developer of the Village at Squaw Valley, to pay a mitigation fee rather than provide employee housing as part of its development. The Intrawest mitigation funds, as well as other collected Tahoe Trust funds, have been pledged as part of the fiscal support package relating to the Cedar Grove 110- to 150-unit workforce rental housing development in Tahoe Vista.

The agency played a major role in brokering an acceptable project and financial plan among the planning department, the developer, the Town of Truckee and the Board of Supervisors. As indicated earlier, the Redevelopment Agency has offered up to \$350,000 in cash support to the project.

Collaboration and Coordination

Officials of the Redevelopment Agency, county and the NLTRA staff continue to meet with local housing advocacy and other organizations, including the Workforce Housing Association of Truckee-Tahoe (WHATT), Sierra Business Council (SBC), and the Tahoe-Sierra Board of Realtors to gather input, provide program information and discuss community housing strategies. All these organizations say this practice of close cooperation with community organizations and groups will continue.

- **The Workforce Housing Association of Tahoe-Truckee** is a non-profit membership organization formed in 2002 by a group of business leaders concerned about the problem of workforce housing



options for employees in the North Tahoe/Truckee region. WHATT's mission is to unite and educate employers and their employees to become advocates for the coordination of planning and funding affordable workforce housing. WHATT believes that among local governments, regional agencies and the private sector, there is a collective responsibility to address and solve the current affordable workforce housing deficit throughout the greater North Tahoe/Truckee region.

WHATT's recent accomplishments include:

- Coordination with the Town of Truckee for two studies: the *Truckee Affordable Housing Land Use Evaluation Study* and the *Truckee Seasonal Worker Housing Study*;
 - Participation in governmental policy development including the Town of Truckee General Plan update process, the Martis Valley Community Plan update process, and the ongoing development of the Placer County Employee Housing Ordinance; and
 - Effectively advocating on several regional developments for the inclusion of affordable workforce housing.
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- **The Sierra Business Council** is a business organization headquartered in Truckee that serves the entire Sierra Nevada. It is a unique alliance of business owners, professionals, property owners, ranchers, residents and government officials dedicated to securing “the social, natural and financial health of the Sierra Nevada for this and future generations.” Founded in 1994, SBC has published a series of highly acclaimed reports, planning tools, case studies, and research documents. In 2003, SBC published *Investing for Prosperity*, which includes a section on the importance of anticipating and planning for the housing needs of employees and residents. SBC continues to advocate that communities take a progressive and proactive role in addressing such needs.

 - **St. Joseph's Community Land Trust** is a community land trust involved in housing issues that was recently formed at Lake Tahoe. Headquartered in South Lake Tahoe, St. Joseph's Community Land Trust is a 501(c)(3) non-profit “democratically controlled membership organization” with a six-member board of directors and approximately 50 members. In early 2004, the trust was working to complete its first acquisition of a deed-restricted affordable housing complex in South Lake Tahoe. Representatives of the trust have been looking at possible North Shore projects in cooperation with the Placer County Redevelopment Agency. The first of these projects may be a collaborative effort to increase residential properties available to eligible first-time homebuyers.

Recommendations

There is no quick fix for the complicated challenges of providing adequate, affordable workforce housing in the North Lake Tahoe-Truckee resort community. Success will require regional cooperation, collaboration, coordination and specific actions over a sustained period of time. It is essential that collaboration reach across jurisdictional lines to develop regional solutions to the housing problem. Placer County, the Town of Truckee and the Tahoe Regional Planning Agency must work together, in cooperation with the private sector, to accomplish this. Concepts such as land banking for affordable housing and a regional housing organization to manage properties are among the ideas being explored.

There are multiple examples of collaboration in other mountain resort communities. In Teton County, Wyoming, the Jackson Hole Community Housing Trust and Habitat for Humanity, both private, non-profit organizations, work collaboratively with the public Teton County Housing Authority to develop successful affordable housing initiatives and projects.

The Placer County Redevelopment Agency has attended workforce housing forums sponsored by the NLTRA and will continue to do so in the future. Agency officials support the concept that the sooner the large private-sector employers understand that the on-site provision of employee housing can provide them with a competitive advantage, the sooner it will be built. Sugar Bowl, Granlibakken and Northstar have all taken steps to house their own employees and are providing excellent examples for other employers.

The Role of the NLTRA

The issue of adequate affordable/workforce housing in the North Lake Tahoe/Truckee area is clearly everyone's problem. Solutions will require everyone's commitment, cooperation and support. North Lake Tahoe's tourism-based economy benefits from a sustainable resort community. The community and its residents benefit from access to a diverse array of affordable housing options. The role of the North Lake Tahoe Resort Association is to act as a strong advocate to address the housing problem and collaborate with the various public and private groups that are working to ensure the availability of adequate affordable/workforce housing in the community.



It is noted that the NLTRA is a founding member and continues to be represented on the WHATT Board of Directors, and is a member of the Sierra Business Council, providing an annual membership contribution to each organization. It is recommended that the NLTRA continue to provide annual membership support to these organizations, as well as contributions for specific planning efforts. Because of constraints on funding, and because it is not part of the NLTRA's core mission, the organization should not provide monies to nor be responsible for building or subsidizing housing.

The NLTRA should continue its efforts to support and promote collaboration among the agencies and organizations responsible for developing, planning, advocating and delivering affordable and workforce housing in the area. In doing so, the NLTRA should be represented on all relevant organizations and committees. Consistent with this recommendation, and, as appropriate, the NLTRA, its members and the community, should take an advocacy role in supporting proactive county and TRPA policies, planning proposals, and projects which help to provide additional affordable and workforce housing opportunities in the community.



FUNDING THE MASTER PLAN

Existing Situation

In 1995, at the completion of the first *North Lake Tahoe Tourism Development Master Plan*, the North Lake Tahoe expenditures on marketing, conference promotion, visitor services and special projects were funded through Placer County Transient Occupancy Tax receipts and private sources. It was noted that significant reduction in these marketing funds would further disadvantage the North Lake Tahoe area and that additional financial resources would be required to accomplish the environmental, facility and infrastructure improvements necessary to reposition North Lake Tahoe.

The three funding objectives set forth by the 1995 *North Lake Tahoe Tourism Development Master Plan* were to increase the Transient Occupancy Tax, reallocate existing TOT receipts to create a more effective management process, and develop and institute new sources of revenue. The goal was to create the additional resources necessary to implement the entire *North Lake Tahoe Tourism Development Master Plan*, as well as establish and ensure equity among the funding sources. A two percent increase in TOT was approved by voters in 1996 and renewed in 2002. The North Lake Tahoe Resort Association was successful in drafting and gaining approval from the California State Legislature for the authority to establish the North Lake Tahoe Transportation Authority in the eastern portion of Placer County (east of Donner Summit). Based on this legislation, a proposed one-half-cent increase in the local sales tax was submitted to area voters in fall 2000 (Measure E).

The new revenues generated by the sales tax would have been directed through the local transportation district to fund transit, pedestrian, bicycle-trail, traffic management and other transportation projects identified and recommended in the 1995 *Tourism Development Master Plan* as well as other locally developed transportation plans. At the time Measure E was proposed, it was estimated the sales tax would have generated over \$1 million per year for year-round, 30-minute transit service, including evenings, additional traffic management, coordinated airport shuttle service, water-taxi pilot program, “park-n-ride” facilities, enhanced bus service on Highways 89 and 267 and other transportation projects. Although Measure E failed to gain sufficient voter support in 2000, an increase in the local sales tax



remains an important revenue source option for Master Plan implementation. The NLTRA currently has \$250,000 in TOT annually to spend on enhanced transit services and traffic management programs. This amount is currently fully expended each year.

The 1995 *Tourism Development Master Plan* identified and discussed a total of nine possible funding alternatives. These possible alternatives comprise:

- An increase in Transient Occupancy Tax
- Sales tax increase in the North Lake Tahoe area only
- Property assessments tied to the creation of a new assessment district
- Surcharge on utility bills
- Lift tax or recreation tax
- Business license tax
- Business assessment with fees based on business relationship with tourism industry
- Community redevelopment agency
- Grant sources – to be identified at regional, state and federal levels

A two percent increase in TOT was approved by voters in 1996 and renewed in 2002. No other recurring new source of revenue for Master Plan implementation has been secured since 1995. Placer County TOT remains the primary NLTRA source of funds for Master Plan implementation. The county directs 60 percent of the TOT collected within the North Lake Tahoe area to the North Lake Tahoe Resort Association to support NLTRA marketing programs, visitor information services, visitor support services (transportation), infrastructure projects and NLTRA operations. Although the NLTRA has been successful in leveraging its TOT resources with funds from other sources and organizations, there are additional funding needs beyond the TOT resources currently available.

New Revenue Source Alternatives

In examining Tahoe's principal Western mountain resort competitors, the more successful communities have demonstrated a willingness to impose various use taxes in order to enhance and mitigate the visitor experience and improve local quality of life. In California, such use taxes include:

- Transient Occupancy Tax (TOT)
- Sales Tax (primarily to help fund local transportation improvements)

- Recreation Assessments (RETT)
- Real Estate Transfer Tax

Additional revenue could be made available through:

- Community Service Area (CSA)
- State Community Redevelopment Law (Local Redevelopment Agency)
- County Business License Tax
- Property-Based Business Improvement District

Enacting any one or more of these revenue sources would require a high degree of willingness and support on the part of local political representatives and a degree of political risk to those proposing the increase. While there are no easy roads to the approval of new revenue sources, other mountain resort communities have demonstrated that it can be done.

Transient Occupancy Tax (TOT)

Historically, Placer County has allocated 50 percent of the eight percentage points of the TOT collected within the North Lake Tahoe area back to the community to fund agreed-upon programs and projects. Since 1995, this revenue has flowed through the NLTRA for marketing, transportation and infrastructure development. Support for infrastructure development also includes the additional two percentage points of TOT overwhelmingly approved on two occasions (in 1996 and in 2002) by local voters. These additional two points of TOT will require voter approval again in 2012.

Currently, one percentage point of TOT generates about \$700,000 annually. Projecting a conservative growth rate of 5 percent, one percentage point of TOT would generate about \$1,000,000 annually by the year 2012. Because the TOT is paid entirely by the visitor, it may appear to be an ideal method of funding the needs and impacts of a visitor economy. However, there is a point at which the visitor considers the TOT to be excessive, and the rate becomes non-competitive when compared with other destinations. Additionally, lodging providers believe that it is unfair for one segment of the economy to provide funding for the solutions that benefit many others. Regardless, TOT alone does not provide sufficient revenues to meet all the identified or agreed-upon needs.



Sales Tax Increase

With the creation of the North Lake Tahoe Transportation Authority for Eastern Placer County, it became possible for the local electorate to enact a one-half-cent sales tax dedicated to transportation improvements. This tax levy would require a two-thirds majority vote to be passed. Funds raised would be used solely for transportation equipment, systems and operations. Many California cities and counties use a locally approved increment of sales tax to help fund transit and transportation improvements. Such communities are referred to as “self-help” communities because, as the name suggests, they in fact improve their ability to qualify for state and federal project dollars by using locally approved funds as matching dollars.

Under current law, the State of California returns one-quarter of one percent of the existing state sales tax to cities and counties through the Transportation Development Act. This pass-through is based on a fair-share formula using census data and is designed to provide support for local transit operations and transportation projects. Currently, the TDA funds made available to the Placer County portion of the Lake Tahoe Basin are used to help support operations of the Tahoe Area Regional Transit system. However, not all of the TDA funds received by the county for areas east of Donner Summit are committed to transit, although TART and related services cover most of this larger geographic area. Given the need for additional transit operating dollars as described in this Master Plan, Placer County should commit an appropriate additional amount of the TDA funds it receives for that portion of the county east of Donner Summit to transit operations in the North Lake Tahoe area.

Because the census formula is based on permanent residents and does not factor into consideration high-impact visitor destinations such as Lake Tahoe, the current fair-share formula does not take into account the nearly 600 percent increase in population the area experiences during peak tourism periods. Because the current fair-share formula has been in place for many years, it is not likely to change.

An increase in the sales tax would be paid by both locals and visitors. However, visitors would pay a higher portion of the levy since they contribute a greater proportion to the local economy. Consequently, the sales tax is considered in many resort communities to be an appropriate source of revenue to help mitigate visitor impacts and improve local quality of life.

Community Service Area (CSA)

A Community Service Area is, in essence, an improvement district in which certain infrastructure improvements can be funded by special assessments paid for by the owners of properties that benefit from the improvements. Although Placer County currently has a designated county service area in place that covers the entire county, a specific CSA could be designated in the North Lake Tahoe area by the Placer County Board of Supervisors which would allow revenues to be raised and expended within the boundaries of the designated CSA.

This is a theoretically possible alternative, however, it would be difficult to impose an improvement zone without a vote of support from the property owners within the CSA, and revenues would likely be best suited for limited types of public improvements, such as street improvements. Because this taxing authority is limited to a special assessment levied against real property, visitors to the area do not directly participate in generating this source of revenue.

Property-Based Business Improvement District (PBID)

A Property-Based Business Improvement District is a form of assessment district, in which certain infrastructure improvements can be funded by special assessments paid for by the owners of properties that benefit from the improvements. At the time of the publication of this Master Plan, a PBID is proposed to help fund infrastructure maintenance (sidewalks, streetscape, etc.) and promotions in downtown Tahoe City. A similar district is being planned for downtown Kings Beach.

Community Redevelopment Law (CRL)

The State of California first adopted the Community Redevelopment Law in 1945 to address problems of urban deterioration and to stimulate the production of low- and moderate-income housing. Once established, a redevelopment agency is allowed to exercise a number of municipal authorities, including the use of tax-increment financing and powers of eminent domain.

Placer County initiated its redevelopment process, establishing the Placer County Redevelopment Agency in 1990. The purpose of the agency was to provide a vehicle to eliminate blight and correct environmental



deficiencies within the county and strengthen its economic base, through public infrastructure and facility improvements, solving of commercial and industrial problems, rehabilitation and affordable housing. Potential project areas in the county, including the North Lake Tahoe area, were subsequently surveyed according to the process set forth in state law and *The North Lake Tahoe Redevelopment Plan* was adopted by the Board of Supervisors on July 16, 1996.

The Redevelopment Agency's first five-year implementation strategy was adopted for the period of 1996 to 2001. During this time, redevelopment staff addressed administrative, infrastructure, commercial development, housing-related and community involvement issues relative to the start-up of the agency. In 2001, the agency progressed from start-up to implementation phase of several projects.

On April 3, 2001, the agency adopted its *North Lake Tahoe Redevelopment Implementation Strategy* for 2001-2006. This strategy outlines physical and economic blighting conditions in the North Lake Tahoe Project Area, which covers approximately 1,731 acres adjacent to Lake Tahoe and includes three non-contiguous areas: the Tahoe Gateway area (41 acres on the Highway 89 corridor adjacent to the Truckee River, west of Tahoe City), the Tahoe City area (695 acres), and the Kings Beach/Tahoe Vista area (995 acres).

Blighting conditions in these areas are:

- Adverse environmental conditions
- Deficient, deteriorated and damaged public improvements
- Deficient and substandard housing
- Blighted commercial buildings
- Business district deficiencies
- Traffic and pedestrian hazards
- Lack of public facilities (including public parking)
- Criminal activity

The North Lake Tahoe Project Area is expected to generate approximately \$10 million in tax-increment funds over the five-year period ending in 2006, of which 20 percent will be set aside for the low- and moderate-income housing fund. The housing set-aside funds available during the period must be used to increase, improve and preserve the community's supply of low- and moderate-income housing within the territorial jurisdiction of the Redevelopment Agency. The remaining 80 percent of the tax-increment funds can be spent on non-residential redevelopment activities.

According to the adopted 2001-2006 *North Lake Tahoe Redevelopment Implementation Strategy*, the agency plans to use the set-aside housing funds to continue rehabilitation activities in Tahoe City, Kings Beach and Tahoe Vista, as well as assist in the development of affordable apartment units for employees in the entire project area. Set-aside funds will also be used in conjunction with Placer County Housing Trust Funds, Community Reinvestment Act (CRA) private funds and community development equity funds to provide assistance to low- and moderate-income first-time homebuyers, as well as to explore the development of mixed-use projects in the project area.

The non-residential portion of the tax-increment fund has been designated by the agency to be spent on significant public facility and infrastructure improvements, such as public parking facilities in Tahoe City, Kings Beach and Tahoe Vista. Additionally, streetscape improvements, pedestrian walkways, traffic signals and other needed public improvements are also planned.

Taxation Authority

California Government Code Section 53725, adopted as part of Proposition 62 in 1986, prohibits cities and counties from imposing any *ad valorem* transaction or sales tax on real property, except as allowed by Proposition 13. However, recent case law seems to exempt charter cities and counties. Therefore, due to its status as a charter county, Placer County may be allowed by law to adopt tax measures with purely local effects, such as a real estate transfer tax or recreation tax, subject to voter approval.

The second-home market is growing and has, in some cases, reduced the stock of affordable and rental housing in Placer County. Because the revenue generated by a real-estate transfer tax would disproportionately come from the sales to second-home buyers, it may make sense to use these revenues to create and replenish the low- to moderate-housing supply in Placer County. The funds could also be used to help fund expanded transit services for county residents and visitors.

Similarly, a recreation tax (a sales tax on recreational equipment) would be paid disproportionately by the visitor and could be used for marketing of the area and to fund projects that both enhance the visitor experience and help mitigate visitor impacts.

According to the California Revenue and Taxation Code, a board of supervisors also has the authority to adopt a business license tax. Although Placer County currently has a business license tax in place, it



could be restructured so that businesses such as restaurants and retail stores in the area, most of which benefit from tourism expenditures, would pay a business license fee to support marketing and tourism infrastructure. As lodging properties contribute TOT, other tourist-supported businesses would contribute a fee.

In all cases, new or additional taxes would be subject to voter approval and may require a two-thirds voter majority for approval, depending on whether a general or special tax is proposed.

State, Federal, County (Non-TOT) and Private-Sector Funding

The North Lake Tahoe Resort Association has successfully maintained a policy of leveraging the expenditure of its project and program funds in partnership with state and federal funds, non-TOT funds from Placer County and private-sector sources.

State partnership funds for infrastructure and/or transportation/transit projects have primarily come from the California Tahoe Conservancy and Caltrans. Federal funds have come primarily through the U.S. Forest Service and Federal Transit Administration. In the future, the list of participating federal partners will expand to include, at a minimum, the U.S. Bureau of Reclamation and the Federal Highway Administration. Placer County has provided partnership funds from various sources, including funds available through the Placer County Redevelopment Agency.

Numerous NLTRA marketing programs are implemented in partnership with other public and private sources. The private sources include NLTRA member resorts and businesses.

Enacted Self-Assessment

Another option is a self-assessment of businesses. As an example, when California's statewide tourism industry declined significantly in the 1990s, the decline was due to many reasons, including insufficient state resources for tourism marketing and increased marketing from other destinations. Industry leaders responded to the challenge by creating a public-private partnership with the state government. Their goal was to generate more tourism and tourism revenues by developing a marketing program, jointly funded by the state and the travel and tourism industry.

In 1995, the state legislature adopted the Tourism Marketing Act, giving the travel industry the authority to create the California Travel and Tourism Commission (CTTC) and assess itself to fund tourism marketing and promotions. In 1997, the self-assessment was voted on and passed by the California tourism industry. Today, approximately 6,000 businesses statewide are assessed. They represent four categories: accommodations, attractions, restaurant/retail and transportation/travel. There are formal criteria established as to what each type and size of business contributes in terms of its assessment. The CTTC has a board of commissioners and a statewide marketing committee.

Facilitated by the North Lake Tahoe Resort Association, businesses in the North Lake Tahoe area could conceivably work together to develop a similar self-assessment program. The program would generate new revenues for a cooperative marketing effort to be coordinated and implemented through the NLTRA with direction and input from the participating self-assessment partners.

Funding for Operations and Maintenance

It is recommended that the NLTRA work with other agencies and the community in an effort to identify and develop sources of revenue for the cost of ongoing operations and maintenance (O&M) for projects proposed in the *North Lake Tahoe Tourism and Community Investment Master Plan*, such as bike trails and public plazas. One potential source is for the Placer County Board of Supervisors to allow and allocate a set portion of TOT infrastructure funds which flow through the NLTRA to be used as a contribution toward O&M in such new projects.

Recommendations

Since 1995, the NLTRA has enjoyed many successes due to the additional \$1.4 million (approximate annual average) of TOT funding overwhelmingly approved by voters in 1996 and 2002. It should follow that the residents of the North Lake Tahoe community and visitors to the area will continue to support additional revenue-increasing measures that would provide continued funding for transportation and infrastructure improvement programs in the North Lake Tahoe region.

The following funding sources should be pursued by the community and various agencies to support marketing investment and transportation improvements, as well as visitor and community infrastructure, facilities, services and operations/maintenance:



- Additional allocation of Placer County Transportation Development Act funds
- Transportation District Sales Tax
- Community Service Area (CSA)
- Community Redevelopment Law (CRL)
- Real Estate Transfer Tax (RETT)
- Recreation Tax
- Business and Occupational License Tax (BOLT)
- Continued Increased TOT Funding (up for renewal in 2012)
- Increase TOT by an additional 2 percent (to 12 percent total)

Transportation District Sales Tax

The North Lake Tahoe Transportation Authority should act to place before the voters a sales tax increase dedicated to funding transportation improvements. Because an increase in the sales tax would be paid by both local and visiting consumers, the tax would be paid proportionately based on spending. This dedicated local transportation funding source would qualify North Lake Tahoe as a “self-help community,” helping to leverage state and federal transportation grants. In a sales tax election, voters would have the opportunity to vote on a specific transportation expenditure plan intended to provide direction and priorities for how the sales-tax increase would be spent. Because it has been developed with significant public input, it is recommended that guidance for developing the sales tax expenditure plan be provided according to the Transportation Plan of the *North Lake Tahoe Tourism and Community Investment Master Plan*.

Community Service Area (or Property-Based Improvement District)

The designation of a Community Service Area should be supported by the NLTRA and other entities as a means of combating some of the blighting elements identified in the North Lake Tahoe area as part of the *North Lake Tahoe Tourism and Community Investment Master Plan*. Because improvements made within the service area would be paid for by assessing the property owners within the service area itself, an emphasis will need to be placed on consensus-building and participant buy-in as part of the service area designation process. Potential street improvements such as improved streetscaping, widened sidewalks and landscaped medians will reduce traffic and pedestrian hazards, improve pedestrian access and encourage tourist activity. Although business owners will initially shoulder the burden of

financing the beautification effort, if such an effort were properly planned and implemented, the benefits they enjoy will far outweigh the expenses they incur.

Community Redevelopment Law

The *North Lake Tahoe Redevelopment Implementation Strategy* for 2001–2006 should continue to be used by the Placer County Redevelopment Agency as a means to eliminate blight and correct environmental deficiencies. The goals of the Redevelopment Agency should continue to be reviewed and revised as improvements progress in these areas of concern.

Real Estate Transfer Tax

A Real Estate Transfer Tax is paid by the buyer of residential real estate property at the time of purchase. Several mountain resort communities rely heavily on those revenues to fund community and visitor infrastructure and facilities such as recreation centers, performing arts venues and environmental restoration, all of which play an important role in positively influencing the visitor experience and the quality of life of residents. Currently RETT is only available for use by charter cities. Teton County, Wyoming, recently sponsored a bill in the state Legislature to create a RETT on a graduating scale so that lower-priced properties (for the permanent population) paid lower or no RETT on their purchase, while the higher-priced properties (primarily second-home purchases) paid higher rates.

Recreation Tax

One level of recreation tax passed by public referendum is a recreation use tax applied to recreation equipment rentals (boats, kayaks, skis/snowboards, bicycles, etc.). Visitors and residents in other communities are accustomed to paying sales and/or recreation tax on rentals. Tax on ski-lift tickets is a second level of recreation tax. This typically occurs at the inception of a resort or where a ski resort is not deemed to be paying its fair share of marketing expenses for the region.

Business and Occupational License Tax (BOLT)

Transient Occupancy Tax is paid by visitors and collected by lodging operations. Other businesses such as restaurants and retail stores benefit greatly from tourist dollars but generally do not contribute



proportionally to funding for marketing and visitor services. BOLT fees are assessed to businesses in a community. In some cases, these revenues go to the general fund. In others, they are earmarked for marketing or tourism-related activities. In Telluride, BOLT constitutes approximately 20 percent of the resort association's budget and about the same amount contributes to the budget of the Breckenridge Chamber Resort Association.

TOT

The current two percent of the 10 percent TOT will be up for renewal in 2012. It will be important to ensure voter support for the continuation of this tax. It is noted that while the TOT is 10 percent in North Lake Tahoe, it is currently 12 percent in the redevelopment areas of South Lake Tahoe. There may be room within the TOT rates to generate more revenue. However, any increase in TOT would require a public vote. As stated elsewhere in this Master Plan, TOT alone cannot fund all the marketing, infrastructure, transportation and other enhancement projects needed in North Lake Tahoe. The owners of lodging properties have justifiably questioned why the tax they collect should be the only source of funds for these projects and needs. Therefore, sources of funding other than an increase in TOT to 12 percent should be aggressively pursued.

Funding for Operations and Maintenance

It is recommended that as the community works to identify and implement new sources of revenue, and that funding for the cost of ongoing project operations and maintenance be included as part of the needs and required investment.

The Role of the NLTRA

The North Lake Tahoe Resort Association is the single entity in the North Lake Tahoe area responsible for marketing the region. The current funding levels will not keep North Lake Tahoe competitive with other destination resort communities, in terms of either marketing or tourism infrastructure. Additional funding sources for marketing efforts and transit improvements must be sought by NLTRA and secured. Additional funding for visitor and community infrastructure, facilities and services, and environmental protection and restoration must also be sought and secured. In addition, new funding for operations and maintenance should be identified and secured. These are vital to improving the

visitor experience and the quality of life of local residents. Additional funding is essential to ensure improvements and a positive future for the area.

The North Lake Tahoe Resort Association should provide education, share research, and support, as appropriate, the following funding sources:

- Sales Tax increase to fund transportation improvements and reduce traffic congestion
- Recreation Tax or assesment
- Community Service Area (CSA)
- Real Estate Transfer Tax (RETT)
- Community Redevelopment Law (CRL)
- Business and Occupational License Tax (BOLT)
- Continued Increased TOT Funding (up for renewal in 2012)
- New sources of funding for operations and maintenance

Immediate Steps

The tourism industry is constantly changing. The North Lake Tahoe Resort Association should have the ability to create an annual budget based on upcoming needs and priorities (as guided by this Master Plan) and not be tied to set percentages for particular departments. Based on input received during the development of this Master Plan, it is recommended that the Placer County Board of Supervisors allow flexibility within the current TOT allocations provided to the North Lake Tahoe Resort Association. The definition of infrastructure allocations should be expanded to include transportation improvements (i.e., tourism and community infrastructure). The maximum amount of flexibility possible should be provided to the NLTRA in the expenditure of its share of the eight percent base TOT. In addition, the North Lake Tahoe Resort Association should utilize the existing, or establish, working groups or committees to explore potential funding sources in more detail as well as identify an expert to assist in securing additional funding options.

- A. Based on the research, needs, directions, and recommendations contained in this Master Plan, the development of new sources of revenue to help fund transportation improvements should be a top priority, as should be the development of new sources of funds for direct marketing and promotions. The development of new sources of funds and partners to provide additional affordable and workforce housing opportunities in the community should also be a priority.



- B. Consistent with A, above, the NLTRA should take the lead to convene an *ad hoc* community-based working group to further examine and discuss the specific funding options summarized in this chapter, Funding the Master Plan. This group should develop additional information and detail regarding each proposal, discuss the relative legal and political feasibility of each, and consider development of a shorter list of more likely revenue opportunities. An initial report from this working group should be completed by no later than December 2004, and be submitted to the NLTRA, Placer County, and the community for further discussion and consideration.

- C. The NLTRA should continue its policy of leveraging its infrastructure monies to the maximum extent possible to help fund the tourism and community infrastructure projects, and the marketing programs and projects identified in this Master Plan.



CONCLUSIONS AND RECOMMENDATIONS

North Lake Tahoe is a special place. Tourists have visited the area for nearly a century, enjoying its many attributes, its beauty and year-round recreation. In this 21st century, the competition for visitors among all resort destinations is fierce, visitor expectations are increasing at an exponential rate, and funding for marketing and visitor facilities and services is difficult to secure. At the same time, many residents of resort communities are in need of affordable housing and year-round employment. It has been difficult to gain voter support for initiatives to raise funding for improved transportation or other proposals to improve the quality of the man-made environment.

Tourism is the economic lifeblood of North Lake Tahoe. The North Lake Tahoe Resort Association is charged by Placer County to be the champion of marketing the North Lake Tahoe area – strategically persuading visitors to come to North Lake Tahoe, particularly during non-peak times. The NLTRA is also responsible for using a portion of its funding to assist with improving the visitor experience, which also improves the quality of life for local residents. Physical improvements such as sidewalks and streetscape in Tahoe City, a community park in Squaw Valley, traffic management and trolley services, bike trails, enhanced lakefront and public access projects – these are the types of projects for which the NLTRA has leveraged its financial contributions.

As identified throughout this Master Plan, the key to the area’s economic and community sustainability and environmental stewardship, and to the NLTRA’s ability to fully implement this Master Plan, is the development and approval of additional funding resources. As a first step, however, the implementation of transportation and marketing recommendations could benefit from NLTRA’s ability to use its existing allocation of eight percent base Transient Occupancy Tax with more flexibility than currently allowed by Placer County. This flexibility is described in the first of the following recommendations and is supported by Attachments A and C.

Ultimately, however, TOT alone will not and cannot support full Master Plan implementation. As documented in this plan, North Lake Tahoe has fallen behind many of its competitive mountain resorts in funding for marketing campaigns, providing efficient and convenient transportation systems, and redeveloping old and tired buildings and infrastructure. In order to remain competitive and to best serve their residents, resort communities must constantly rejuvenate and reinvent themselves, reinvesting



revenues and other resources to do so. All of this activity must happen within the constructs of preserving, protecting, and enhancing the natural environment. To protect the natural environment at North Lake Tahoe is to protect its future. The NLTRA will continue to work within, and where appropriate, advocate to improve, the environmental regulations set forth by many agencies and organizations within the area. Through its actions, the NLTRA supports and helps to create a sustainability for North Lake Tahoe – including environmental protection, social equity, and economic vitality.

The following Recommendations begin to prioritize the actions to be taken by the NLTRA to implement this Master Plan – immediately and beyond. The first recommendation sets in motion a process whereby the NLTRA could move forward with Master Plan implementation upon Placer County approval to use a portion of the existing TOT funds it receives in a more flexible manner.

Recommendations

1. **Create flexibility with existing funding.** Work with Placer County Board of Supervisors to allow flexibility within the current TOT allocations provided to the North Lake Tahoe Resort Association. The definition of infrastructure allocations should be expanded to include transportation improvements (i.e., tourism and community infrastructure). Based on input received during the development of this Master Plan, and consistent with its recommendations, the maximum amount of flexibility possible should be provided to the NLTRA in the expenditure of its share of the eight percent base TOT.
 - a. **Immediate Priorities.** NLTRA should develop a draft FY-2004/05 TOT Budget for the Resort Association which details the requested flexibility of expenditures from the NLTRA's share of the 8 percent base TOT and proposes the specific project and program benefits of the flexible funding, highlighting these in terms of Return on Investment (ROI). This draft budget should serve as a mechanism for discussions with the Board of Supervisors and County Executive Office as described above, and form the basis for an amendment to the otherwise existing FY-2004/05 TOT Budget for the NLTRA.
2. **Complete Strategic Marketing Plan.** The Master Plan reinforces the need for successful long-term NLTRA tourism development strategies. It outlines goals, objectives and general directions. To accommodate the rapidly changing marketplace, development of a separate but related strategic marketing plan with a three-year focus is recommended. This strategic plan should form the basis

for development of the Tourism Division’s annual plan. It is recommended that the annual plan be reviewed on a quarterly basis, and the strategic marketing plan be reviewed on an annual basis.

- a. **Immediate Priorities.** It is recognized that the NLTRA Tourism Division, Marketing and Reservations Committee, and Board of Directors have already begun work on foundational elements of the new three-year strategic marketing plan. As recommended in this Master Plan, subject to a more flexible use of existing funds as described in 1 and 1.a above, and new sources of funds for marketing which may be developed, the strategic marketing plan will focus more of North Lake Tahoe’s marketing and promotional efforts on “destination guests.” A key component of the plan is a more strategic utilization of Lake Tahoe Central Reservations as the “revenue conversion mechanism” for NLTRA marketing programs. It is recommended that the NLTRA accelerate development of the strategic marketing plan and continue ongoing efforts to improve the efficiency and capabilities of Lake Tahoe Central Reservations as a “one-stop shop” for Tahoe vacation planning, packaging, and reservations.
3. **Operate within the Environmental Framework.** The environment of Lake Tahoe and the North Lake Tahoe area is a public resource that serves as our home and source of livelihood. Given that millions of state and federal dollars continue to be invested to help protect and enhance the environment and special qualities of our region, the North Shore must remain a welcoming place for a diverse base for full- and part-time residents, property owners, and visitors. This perspective is central to the NLTRA’s decision-making as the association responds to internal and external pressures on the community and environment.
 - a. **Immediate Priorities.** Consciously and actively support and apply the Principles Guiding Implementation of the *North Lake Tahoe Tourism and Community Investment Master Plan* as set forth in Chapter 2. Continue to participate in the region’s environmental planning process. Continue the NLTRA’s role as a partner in the implementation of Environmental Improvement Projects (EIP) as set forth in the EIP project list adopted by the Tahoe Regional Planning Agency. Continue the NLTRA’s role in the cooperative regional efforts to help secure additional state and federal funding in support of EIP projects.
4. **Secure Funding for Transportation Improvements.** The NLTRA should work with the North Lake Tahoe Transportation Authority to explore opportunities to place before the voters a sales tax increase dedicated to funding transportation improvements. In a sales tax election, voters would



have the opportunity to vote on a specific transportation expenditure plan intended to provide direction and priorities for how the sales tax increase would be spent.

- a. **Immediate Priority/Existing Funds.** Flexibility should be created within the existing eight percent base TOT allocated to the NLTRA consistent with recommendations 1 and 1.a above, in order to provide additional funds for transit and transportation improvements. Attachment A to this chapter lists specific priority projects that would be funded, all or in part, with the use of these funds.
 - b. **Immediate Priority/New Funds.** The NLTRA should play a leadership role in helping to reactivate the North Lake Tahoe Transportation Authority (created previously by state legislation) and work with the authority to explore opportunities to place before voters a sales tax increase dedicated to funding transportation improvements. Because it has been developed with significant public input, it is recommended that guidance for developing the sales tax expenditure plan be provided by the transportation plan of this *North Lake Tahoe Tourism and Community Investment Master Plan*.
5. **Complete Visitor and Community Facilities and Services Projects as Funds Become Available.** The NLTRA should continue to leverage its infrastructure and visitor facilities/services monies to implement the projects described in detail in this Master Plan. It is recognized that because the NLTRA funds such projects with partners, project priorities are sometimes timed at the request of one or more partner.
- a. **Priority Projects.** A partial list of critical projects that should be funded as a priority includes: Kings Beach sidewalks and Commercial Core Improvement Project, North Shore way-finding signage system, Lakeside Bike Trail, the Tahoe Vista-Northstar Bike Trail, Swallows Bank Public Plaza (former Motamedi property), 30-minute headway bus service, evening bus service, scheduled transportation connecting the Reno/Tahoe International Airport with North Lake Tahoe, increased traffic management, transportation centers, Kings Beach Visitors Center, and recreation center. These priority projects are listed in Attachment B to this chapter.
6. **Initiate Collaborative Planning Process to Amend Chapter 15 of the TRPA Code of Ordinances (Redevelopment).** It is recommended that the NLTRA help initiate and participate in a

collaborative process to amend Chapter 15 of the TRPA Code of Ordinances to facilitate the planning and approval for North Lake Tahoe Redevelopment Projects within the areas defined as eligible for such projects by the Redevelopment Agency.

Immediate Priorities

- a. Initiate the collaborative process as described above. Participants in this process should include, but not necessarily be limited to, the TRPA, Placer County Redevelopment Agency, Placer County, the NLTRA, other interested public agencies, and interested private-sector partners.
 - b. As specifically referenced in Chapter 6, it is recognized that the Placer County Redevelopment Agency and the Office of Economic Development have conducted a number of studies and developed several programs to help improve the commercial districts of Tahoe City and Kings Beach. It is also recognized that economic conditions continue to change, as does the competitive marketplace. The new Village at Squaw Valley and the coming of Northstar Village have changed the economic dynamic for North Tahoe’s longtime commercial districts. The NLTRA, Redevelopment Agency, and the Office of Economic Development should partner and work with the property and business owners and community representatives of Tahoe City and Kings Beach/Tahoe Vista to further define a vision, and prepare and implement additional redevelopment strategies, programs, and projects designed to ensure the economic vitality and sustainability of these communities. New opportunities for these areas can be facilitated and based on the work done to amend Chapter 15 of the TRPA Code of Ordinances.
7. **Explore All Funding Options.** As described in this Master Plan, there are several potential avenues to increase funding and broaden sources beyond TOT. Although none are necessarily easy, NLTRA needs to take the lead in defining the opportunities, hurdles, and actions required to secure several of these sources.

Immediate Priorities

- a. Based on the research, needs, directions, and recommendations contained in this Master Plan, the development of new sources of revenue to help fund transportation improvements should be a top priority, as should the development of new sources of funds for direct marketing and promotions. The development of new sources of funds and partners to provide additional affordable and workforce housing opportunities in the community should also be a priority.



- b. Consistent with 7a, above, the NLTRA should take the lead to convene an *ad hoc* community-based working group to further examine and discuss the specific funding options summarized in Chapter 8, Funding the Master Plan. This group should develop additional information and detail regarding each proposal, discuss the relative legal and political feasibility of each, and consider development of a shorter list of more likely revenue opportunities. An initial report from this working group should be completed by no later than December 2004, and be submitted to the NLTRA, Placer County, and the community for further discussion and consideration.
 - c. The NLTRA should continue its policy of leveraging its infrastructure monies to the maximum extent possible to help fund the tourism and community infrastructure projects identified in this Master Plan.
8. **Implement Marketing and Sales Strategy.** The NLTRA's Tourism Division should conduct marketing (research, planning, public relations and brand development) and more direct promotional sales (advertising, direct marketing, tour/travel, and group conference sales) in conjunction with its member businesses and constituents. All marketing and sales efforts should be closely coordinated with each other and with the central reservation service that feeds participating subscribers. The NLTRA's Tourism Division should lead the planning and overall direction of these efforts, conduct its own direct promotional efforts, and develop cooperative programs with member businesses that attempt to leverage available funds, and better coordinate branding and promotional messages.
- a. **Immediate Priority/Existing Funds.** Flexibility should be created within the existing eight percent base TOT allocated to the NLTRA consistent with recommendations 1 and 1.a above, in order to provide additional funds for direct media promotions. Attachment C to this chapter illustrates this recommendation, and the Return on Investment associated with this investment.
 - b. **Immediate Priority.** New marketing resources and cooperative, coordinated programs should be aggressively pursued to increase available promotional funds and better synchronize efforts toward shared objectives and messages to the marketplace.
 - c. **Immediate Priority/Planning.** Complete the NLTRA Strategic Marketing Plan, as described in recommendation 2 and 2.a above.

9. **Advocate for Community Housing.** The NLTRA should continue its efforts to support and promote collaboration among the agencies and organizations responsible for advocating, planning, and delivering affordable and workforce housing in the area. In doing so, the NLTRA should be represented on all relevant organizations, boards, and committees.
 - a. **Immediate Priorities.** Consistent with the above, and as appropriate, the NLTRA should take an advocacy role in support of Placer County and TRPA policies, planning proposals, and projects which help to provide additional affordable and workforce housing opportunities in the community. The NLTRA should encourage and mobilize others to do the same.



Attachment A

Priority Project Expenditures with flexible eight percent TOT funds
in partnership with other funding sources

Transit Operations/Traffic Management

1.	Day/Evening Peak Season 30 minute headway transit service (7 am to 10:30 pm)*	\$350,000
2.	Reno/Tahoe International Airport - North Lake Tahoe Airport Shuttle Service (scheduled daily service)**	\$100,000
3.	Regional Traffic Management Coordination**	\$80,000

* This will require both flexibility in the North Lake Tahoe Resort Association 8% Transient Occupancy Tax funds, plus an additional allocation of Placer County Transportation Development Act (TDA) funds.

** This will require matching funds.

Attachment B

Priority Project Expenditures for Visitor & Community Facilities
using NLTRA Infrastructure Funds in partnership with other funding sources

Capital Expenditures
(estimated NLTRA contributions)

Kings Beach Sidewalks & Commercial Core Improvement Project
\$1 million

North Shore Wayfinding Signage
\$500,000

Swallows Bank Plaza (former Motamedi property)
\$200,000

Lakeside Bike Trail
\$200,000

Tahoe Vista-Northstar Bike Trail
\$1 million

Northstar Transit Center
\$400,000

Regional Recreation Center
\$2 million

Kings Beach Visitor Center
\$200,000

Squaw Valley Visitor Information Kiosk
\$100,000

Operations & Maintenance Contribution toward the projects above
\$50,000 (annual)

Note: This is not intended to be a complete list of projects. A more complete list can be found in Chapter 7. No list precludes other project opportunities which may arise and be supported by the NLTRA, Placer County, and/or other partners.



Attachment C

Marketing Expenditure Priority with Flexible eight percent TOT Funds
 Direct Media Promotions (Advertising)

Marketing Return on Investment ROI Based on \$200,000 Increments		
DESCRIPTION	AMOUNT	NOTES
Investment	\$200,000	NLTRA Direct Promo
Return	\$3,278,000	LTCR Gross Revenue
Return on Investment (1)	16.39	
Tax Rate	10.00%	
Return to Tax Base	\$327,800	
Return on Investment (2)	\$1.64	



APPENDIX:

Working Papers



MARKETING

Introduction

The 1995 Tourism Development Master Plan (TDMP) set a direction for tourism development in the North Lake Tahoe area and the subsequent formation of the North Lake Tahoe Resort Association (NLTRA). Since that time, the marketplace has undergone significant change, the North Tahoe tourism "product" has grown, and NLTRA has evolved. Additional information and detail regarding these changes is provided in the Situation Analysis section (Chapter 1, section b) of this, the *North Lake Tahoe Tourism and Community Investment Master Plan* (TCIMP), and is summarized below.

Marketplace

Changes in the North Lake Tahoe marketplace since 1995 have been heavily influenced by an economic roller-coaster, the fluctuations of which were centered in the San Francisco Bay Area, the heart of Tahoe's primary market. The wealth generated and lost by the "dot-com" industry impacted the leisure travel industry, both during its rapid climb and its dramatic decline. The tragic events of September 11, 2001, dealt a devastating blow to the travel industry. Some of the negative impacts on the industry have continued through the wars in Afghanistan and Iraq, and the general unrest and economic uncertainty in much of the world. Resort communities, including Lake Tahoe and its competitive set, are still experiencing the negative impacts on tourism and the resulting changes in consumer travel and booking patterns. New developments in technology, including the rise in popularity and use of the Internet, have been disruptive as new travel distribution patterns evolve, creating new winners and losers among travel destinations and their tourism-dependent businesses. Tahoe in general, and North Lake Tahoe specifically, have weathered these turbulent times better than many competitors, but not without change and consequence.

Vacation Product

Key components of the North Lake Tahoe vacation product have grown and matured. In 1995, North Lake Tahoe did not have a destination resort product on par with other mountain resort communities. Since that time, tourism-related facilities and amenities have undergone significant changes. Resort villages have been developed at Squaw Valley and in South Lake Tahoe. A new village is being planned for Northstar. Major resort developers – Intrawest, East-West Partners, and Vail Resorts – are active in the





region. In addition, major public infrastructure projects have been constructed since 1995. Examples include sidewalks, streetscape and related improvements in downtown Tahoe City, expanded bicycle and walking paths in the North Lake Tahoe area and along the Truckee River, a community park in Squaw Valley, the renovation of Commons Beach in Tahoe City and the Tahoe City Community Center, and shoreline improvements in Kings Beach. Many private-sector improvements have been stimulated by the public investments. As these developments and improvements progress, the Tahoe region will have a more competitive destination product. The related marketing focus can logically turn some amount of attention and resources toward building a national destination "brand" that positions Lake Tahoe in the mind of consumers as a viable choice among the best destination mountain resorts in North America.

North Lake Tahoe Resort Association

Established because of a recommendation in the 1995 TDMP, the NLTRA has evolved and matured as an organization. In the NLTRA, the North Lake Tahoe region has a cohesive organization from which collective marketing efforts, along with collaborative infrastructure and transportation projects, can be launched.

In Fall 2002, the NLTRA Board established a new Tourism Division, designed to integrate and improve the coordination of all NLTRA functions and services in the areas of marketing, conference sales, tour and travel sales, special events, public relations, central reservations, and visitor information. Subsequently, additional steps were taken to more fully integrate the NLTRA's Chamber of Commerce and Membership Services Department with Visitor Information Services and improve the overall value and benefits of membership.

Begin with the End in Mind

It is recommended that the marketing portion of this Master Plan set long-range goals for the general direction and emphasis of tourism promotion and development. Additionally, it would give strategic direction in key areas and provide for a related long-range Strategic Marketing Plan that would address specific objectives and strategies to be reviewed annually. Key plan elements being recommended include:

Background Information: Provide background information to the NLTRA's Board of Directors, committees, management, and this TCIMP Advisory Committee regarding destination marketing organizations in similar mountain resort communities.

Target Markets: Set a direction for target markets, visitor profiles, length of stay and desired vacation experience. The choice between current and established markets/visitors and new market development represents a strategic "Y" in the road and is recommended for discussion as part of the TCIMP process.

Responsible Tourism Promotion: Set appropriate parameters, consistent with responsible, sustainable tourism promotion, so that tourism promotion complements other objectives and uses of the Tahoe Basin and the long-term sustainability of the Tahoe "product."

The NLTRA's Appropriate Role: Clarify appropriate role for the NLTRA's Tourism Division and, in particular, those marketing, central reservations, and visitor information functions that it performs on behalf of its tourism-dependent businesses.

Resources: Identify related resource requirements, funding sources, and other considerations.

Target Markets: A "Y" in the Road

Over the years, North Lake Tahoe has established a reliable and faithful drive market from Northern California and, specifically, from the San Francisco Bay Area. This local market has consistently brought visitors to the Tahoe region. The NLTRA's current funding for marketing can appropriately maintain this drive market. However, this market is also within the target and resources of the NLTRA's individual member businesses and is largely composed of repeat guests who have established relationships with area lodging properties and businesses.

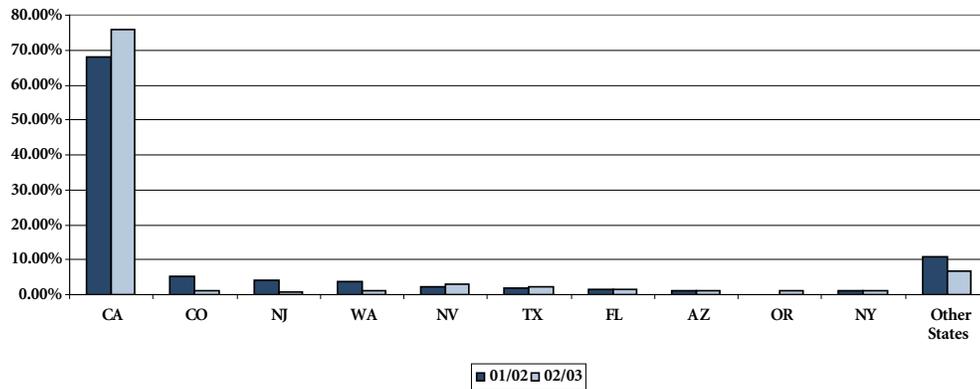
Visitors from the primary Northern California market typically know Tahoe, may make multiple trips annually, and probably require less marketing and visitor services when making their vacation plans. These same guests also typically spend less, drive, and stay for a shorter period of time than their destination counterparts. Visitors from the Northern California market tend to contribute more to crowding on peak weekends and during high seasons. Destination visitors travel more often by air, stay longer, and spend more per stay¹. While continued focus on the primary California market is efficient and economical, the NLTRA could, if resources were available, begin to transition its marketing and related efforts to focus more on development of the destination visitor, targeting to the extent possible and practical, to better fill shoulder seasons and midweek business. The harvesting of established, repeat business from Northern California



could be left more to the area’s individual tourism-dependent businesses. Tahoe appears to have made inroads into the development of a regional and national market, but post-9/11 travel reverted largely to trips taken closer to home. Tahoe had its California market to fall back on and was impacted to a lesser extent than other destinations. However, Tahoe appears to have lost some of its Western regional and national markets in the process. Additionally, Tahoe’s regional and national markets appear to be less developed than most others in its destination competitive set.

Figure 1: Total Arrivals by State

Fiscal Year 01/02 vs. 02/03



In its primary market, tourism development efforts could begin to establish a new target visitor profile. A secondary market composed of selected regional and national markets, from further west and to the east, should be pursued, again with a target guest profile that complements Tahoe’s primary market. A new, more affluent guest who books earlier, stays longer, spends more, and leaves their car behind is desirable, although more expensive and difficult to attract. A more remote destination visitor will require a more accessible and comprehensive transportation network (to, from, and within the region) and expect support services consistent with those available at Tahoe’s competitor destinations. To achieve this goal, a more coordinated effort between transportation support services and new market development will be necessary.

Development of this TCIMP should provide input to the NLTRA’s target market/guest decision-making process to help balance between the following:

- The maintenance of current markets/guest profile and programs;
- An expanded role for the NLTRA, leading to a long-range pursuit of new markets/guest profiles to the west and east. This would require substantial additional funds and commitment to a sustained effort during an extended development period involving "sowing and harvesting."

Responsible Tourism: Peaks and Valleys in the Mountains

Seasonal fluctuations exist in virtually all destination markets but vary significantly, based on target markets, visitor profiles, and proximity to urban population centers. High demand "peaks" carry with them crowding, congestion, and challenged community facilities and services, as maximum capacities are approached. Conversely, mid-week and low-season "valleys" reduce demand, leaving facilities and services underutilized and creating financial challenges for tourism-dependent businesses.

**Figure 2: Sample Occupancy
(Illustration Only)**

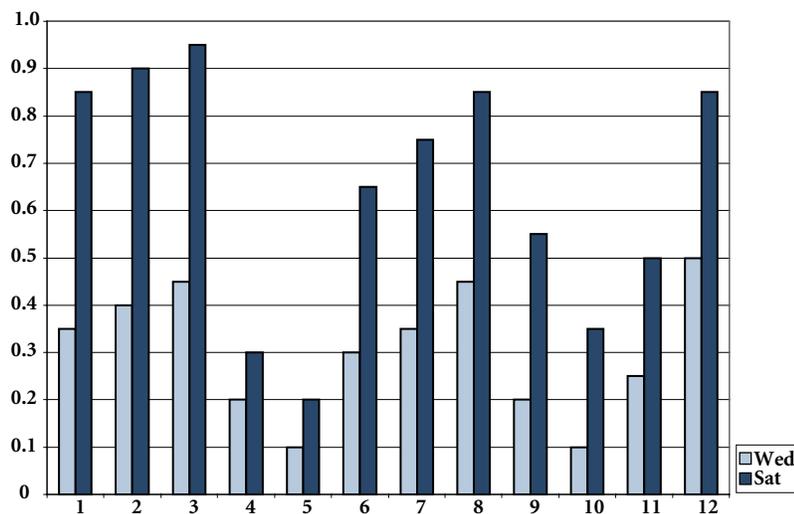
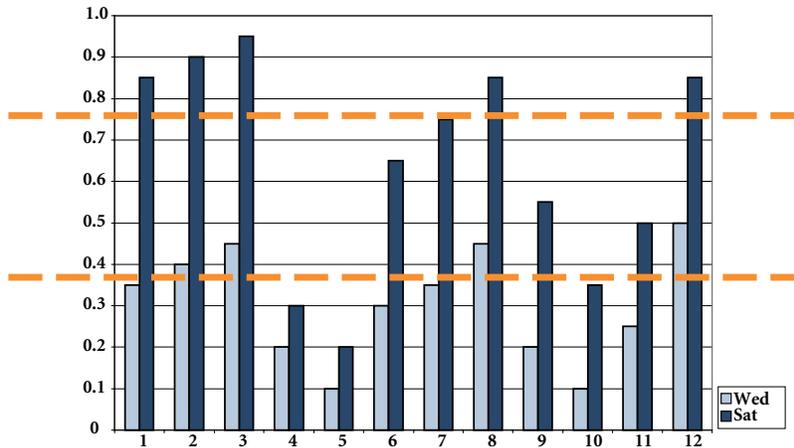


Figure 3: Target “Strike Zone”
(Illustration Only)



To some extent, Tahoe’s competitive destinations experience similar challenges. Those closer to population centers, like Summit County, Colorado, and Park City, Utah, are more accessible, have a larger drive market, and experience similar periods of high demand. More remote destinations, like Aspen and Jackson Hole, are less impacted by such pressures.

A Strategic Marketing Plan to develop more and new destination visitors, to increase length of stay, and to target shoulder, mid-week and other low-season periods is recommended, preferably as part of a more comprehensive "responsible and sustainable tourism promotion" policy. Significant time, resources, and continuity of effort are essential to developing new business in non-peak periods. This effort will have to be coordinated with transportation and infrastructure improvements, as discussed in other sections of this TCIMP Working Papers Appendix.

The NLTRA’s Appropriate Role

The NLTRA Tourism Division appears to have been well-served by the integration of its marketing with central reservation and visitor information services into a more coordinated and cohesive effort similar to other destination marketing organizations (DMOs). Looking forward, the TCIMP can help further define the appropriate role and responsibilities for NLTRA tourism promotions in general. DMOs are usually composed of tourism-dependent businesses that combine resources to accomplish common objectives. More often, key attractions and lodging properties, who must attract and communicate

with guests in advance, take the lead, while the DMO (using currently existing lodging tax or transient occupancy tax (TOT)) helps conduct collective tourism promotion for the larger destination area as a whole. Tasks most commonly addressed by a typical DMO include:

- a. **Development of New Target Markets/Guests.** Develop new target markets/guests with related brand and image advertising and the overall common promotion of the resort area through collective sales efforts. Marketing efforts should develop and promote the North Lake Tahoe "brand" and generally create awareness and demand using typical tools of advertising and public relations. These efforts should be coordinated with individual tourism-dependent businesses and directed at the desirable visitor, consistent with the principles of responsible tourism promotion, with an awareness of competitive destinations (as viewed by the target visitor) and carefully scaled to the available resources. Specific messages should be developed and delivered to targeted audiences to increase effectiveness and potential customer purchase. Efforts should be based on available research and results tracked and evaluated.
- b. **Maintenance of Existing Target Markets/Guests.** Marketing efforts should be directed to maintain existing target markets/guests (i.e., consumer direct and not through intermediaries) and to drive business to member suppliers (both lodging and activity suppliers) with specific promotional offers and a call to action via the central reservations service whenever possible. Efforts should be consistent with the marketing direction, as above, and results should be tracked and evaluated.
- c. **Running/Management of Conference Sales and Tour and Travel Sales Activities.** Conference Sales and Tour and Travel market development each have a solid tactical role within a DMO's marketing efforts. These specific activities should be conducted in a manner consistent with the goals established by the Tourism Division. The details of their respective functions are beyond the scope of this document but should be addressed in the subsequent Strategic Marketing Plan.
- d. **Development of Special Events.** Special events are a critical component for any successful destination resort. Special events are designed to deliver a specific target audience during a determined time of year. Targeted to the destination resort visitor, as well as local residents, special events create an atmosphere consistent with the overall direction of the DMO's marketing objectives.





- e. Dissemination of Visitor Information. Most visitor information functions are typically the responsibility of the community's chamber of commerce. In the case of the NLTRA, chamber and visitor information functions are integrated into the DMO. While these services are directed at visitors, they are conducted on behalf of local tourism-dependent businesses and are justifiable as a means of further promoting and merchandising the retail, entertainment, dining, and activity member services to visitors once they have reached the destination. See *NLTRA Organizational Structure: Visitor Information* for further information.
- f. Operate Integrated Voice/Web Central Reservation Service. The NLTRA central reservation service, Lake Tahoe Central Reservations (LTCR), is responsible for "converting" the marketing and sales efforts by serving as the call to action for marketing and sales advertising and promotional efforts. LTCR performs an important service to potential guests who call or click on the North Tahoe phone/Web sites by matching them with available lodging/activities offered by participating members.

LTCR, like most destination reservation services, attempts to provide these services and cover its costs by charging guest booking fees and lodging and activity supplier commissions, carefully balancing its income to the level of services it can provide. See *NLTRA Organizational Structure: Central Reservations* for further information.

Summary of Current Funding Sources for Marketing

NLTRA's primary source of marketing funds is Placer County Transient Occupancy Tax (TOT). This source is augmented by various membership-based funds, commissions, fees for service, and cooperative marketing funds. While other potential sources of revenue for NLTRA and its Master Plan projects and programs have been identified, none have been authorized or approved and none are in the works at this time.

The funding received by the NLTRA from Placer County comes to the association through the development and approval of an annual contract for services between the NLTRA and the county. Since 1996, the county has directed that the funds received be allocated to the NLTRA uses as follows: Infrastructure 47 percent, Visitor Support Services (transportation) 11 percent, and Marketing 42 percent. The marketing budget is required to bear the majority of the cost of operating the NLTRA, including the cost of staff and operational expenses. Also contained within the marketing budget are

the costs for the full complement of NLTRA marketing, sales, promotion, and public relations functions, as well as the NLTRA's contributions to various regional associations and marketing partners. These currently include Ski Lake Tahoe, the Sierra Ski Marketing Council, the Placer County Film Office, the North Tahoe Conference Center Marketing Program, and the North Lake Tahoe Wedding & Honeymoon Association. Marketing also contributes to the cost of providing visitor information services. Up until fiscal year (FY) 2003/04, marketing funded a modest grants program to help support new community special events and other activities. Due to an overall lack of funds, this program has been discontinued, at least for the current budget year.

The result of all the uses and mandates assigned to marketing is that the budget available for direct media advertising and promotion has continued to erode. This decline has been exacerbated by a significant increase in the cost of advertising and promotion.

The result of the NLTRA's current limited funds for direct media advertising and promotion is a focus on North Lake Tahoe's primary Northern California markets. This is where the "harvesting" of historical customer equity provides the best use of funds and generates the most business to member suppliers with the fewest dollars. However, new market/target visitor development opportunities will require additional resources, either from a larger proportion of currently available TOT revenues, and/or from new funding sources. Like other destination resorts, a marketing return-on-investment (ROI) analysis shows that marketing funds prudently invested can increase gross lodging revenues, and the TOT funds that result. The taxes generated from gross lodging revenues thereby create a return on investment, and, in a sense, can replenish themselves, becoming a revenue stream for the NLTRA and its TOT funding partner (Placer County). This creates a compelling argument for increasing the amount of funds available for direct tourism promotion, one that should be addressed in combination with other strategic decisions as outlined in this working paper.

(Endnotes)

¹ RRC Associates, Inc. 2000 Web survey.





VISITOR FACILITIES AND COMMUNITY SERVICES

This working paper is an update from the Visitor Facilities paper that was completed for the *1995 North Lake Tahoe Tourism Development Master Plan*. It focuses primarily on elements within the man-made environment at North Lake Tahoe that serve as attractions and amenities for visitors to the area. This updated inventory was conducted through site reconnaissance, interviews with community service providers (TCPUD, NTPUD and the North Lake Tahoe Resort Association), research, etc. This paper addresses the following areas:

- Features that draw visitors to North Lake Tahoe
- Evaluation of the built environment - visitor facilities and community services
- Facilities missing from the visitor experience
- Missing community components

Features That Draw Visitors to North Lake Tahoe

Located close to heavily populated areas, including the San Francisco Bay Area, North Lake Tahoe has long been a place to escape to tremendous natural beauty. The combination of high mountain peaks, a 125,000-acre lake and significant scenic and natural resources makes North Lake Tahoe unique in North America. Visitors have traditionally come to Lake Tahoe for the clean air, clean water, peace and quiet, natural beauty, slower pace, and varied recreational opportunities. Recent studies have concluded that “natural scenic beauty” is among the most appealing characteristics of the North Shore, followed by a place that provides “rest and relaxation.” Respondents stated that sightseeing and scenery were the most important components, followed by good value, quality recreation opportunities (including skiing) and rest and relaxation.

For decades, the North Shore has provided a haven to retreat into a relaxing way of life for residents and visitors. It is the drive to “get away” combined with numerous recreational opportunities that provides the area with a competitive advantage. Recent surveys indicate that growth and development contribute to the perception that the North Lake Tahoe experience has declined, while improvements to amenities and facilities contribute to the perception that the experience has improved. These seemingly opposing



results would indicate that what visitors desire from the North Lake Tahoe experience are high quality facilities and amenities within the small-scale character historic to the area.

Evaluation of the Built Environment

As noted in the 1995 Master Plan, the Tahoe City Community Plan states, “policies must stimulate the rehabilitation of the existing community and together point to a high quality destination resort community of limited scale, which would still retain the character of the existing community.” Since 1995, steps have been taken, by both the public and private sectors, to address what was a deteriorating built environment and resulting substandard product. This transformation, while in its preliminary stages, has not only been noted in Tahoe City, but throughout the North Shore communities at varying levels. The fact remains that the topographic and regulatory environments make improvements difficult. However, it is also true that continued reinvestment will be necessary in order to position the North Lake Tahoe region well in competitive destination markets.

The information below summarizes the built environment as it relates to Visitor Facilities and Community Services.

Visitor Facilities

Visitor facilities are integral to the visitor experience. Such facilities, which include visitor welcome and information centers and accommodations, welcome visitors to the region, provide information and direction on area amenities and house visitors during their stay in the region. Additionally, visitors require day and nighttime activities, dining, shopping, access and transportation to complete their North Lake Tahoe experience (availability of these opportunities is addressed in the Recreation, Culture and Arts working paper).

Visitor Information Center

A Visitor Information Center is typically located at the gateway to the area. Attractive and free of clutter, an ideal information center would be highly visible, serve as a welcome center, provide orientation to the area, provide activities information and facilitation and serve as a transportation hub. The North Lake Tahoe Resort Association provides visitor information in Tahoe City – and although the facility is small, it handles a high volume of walk-in and telephone traffic.

Accommodations

Accommodations within the study area include bed and breakfast inns, hotels, motels, resorts, and condominium and vacation home rentals. In 1995, it was noted that the general quality of accommodations on the North Shore was lower than in competitive resort communities. Since 1995, many properties have undergone renovations and new products, including vacation ownership properties, have been introduced in the study area. These efforts have been supported by recent study findings, which indicate that over half of visitor respondents rated renovated accommodations as very important and 65 percent of visitors are satisfied with lodging opportunities offered within the study area.

Bed and Breakfast Accommodations

Bed and breakfast accommodations provide a quaint, homey Tahoe experience for visitors. Rates for this type of accommodation range from \$119 to \$295 per night, depending on season, and most include a full breakfast.

Motels and Hotels

The majority of accommodations within the study area are small, independently owned motels. The only franchise motels located within the scope of the study are the Travelodge in Tahoe City, Best Western in Truckee, and Holiday Inn Express in Truckee. In 1995, it was noted that, “while several motels had undergone complete renovations, the majority of accommodations were aged and in need of upgrades. The need for renovations, however, is tempered by the fact that the majority of these properties are family-owned and there is a hesitancy to reinvest dollars. Compounding this hesitancy is an annual occupancy rate of 40 percent to 50 percent, which makes reinvestment financially difficult.”

Prices at this type of property are relatively reasonable; however, the product is not always considered to be a good value. Standard room rates for motels such as the Tahoe City Inn or Lake of the Sky Motor Inn average \$60/night. Upgraded properties, such as the Red Wolf Lodge or Rockwood Lodge, command a much higher rate, averaging approximately \$210/night.

As noted in the 1995 study, the majority of accommodations along The Lake remains motels with fewer than 30 rooms. Dispersed throughout the North Shore communities, these properties include:





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Kings Beach

Big 7

Falcon Lodge

Ferrari's Crown Motel

Gold Crest Resort Motel

North Lake Lodge

Stevenson's Holliday Inn

Sun 'N Sand Lodge

Ta-Tel Lodge

Tahoe Inn

Olympic Valley

Christy Inn

Olympic Village Inn

PlumpJack Squaw Valley Inn

Squaw Valley Lodge

Alpine Meadows

River Ranch

Stanford Alpine Chalet

Tahoe City

Lake of the Sky Motor Inn

Tahoe City Inn

Mother Nature's Inn

Peppertree Inn

Sunnyside Lodge

Tahoe Vista

Cedar Glen Lodge

Tahoe Vistana

Firelite Lodge

Franciscan Lakeside Lodge

Holiday House
Rustic Cottages
Tahoe Sands
Vista Shores Resort
Woodvista Lodge

At the time of this report, the Tahoe Sands property in Tahoe Vista is engaged in the planning process for property upgrades. Additionally, the former Villa Vista Resort in Tahoe Vista is currently in the reconstruction process to provide an upgraded vacation ownership product.

Resorts

In addition to the two resort properties noted in the 1995 report, a number of properties have developed an upgraded, resort-oriented product.

Granlibakken

Located just south of Tahoe City, this is a secluded condominium resort with a small ski hill, cross-country trails, snow play area, tennis facilities, hiking trails and an executive retreat meeting facility.

Resort at Squaw Creek

Ranked among the top 50 best resorts in North America by Conde Nast Traveler magazine, this four diamond ski-in/ski-out resort has 403 rooms, five restaurants and lounges, 33,000 feet of function space, a fitness center/spa, a Robert Trent Jones, Jr., championship golf course, a tennis complex, an outdoor skating rink and a comprehensive children's program.

The Village at Squaw Valley USA

The first two phases of the Village at Squaw Valley USA have been completed and offer vacation-ownership style accommodations at the base of the grand peaks of Squaw Valley. A four-season destination resort, the Village is located at the base of the mountain and includes accommodations, conference facilities, special events, dining, shopping, and access to one of the premier mountains in the Western United States.

Northstar Village

Projected for construction in fall 2004, Northstar Village seeks to provide a world-class, four-season vacation destination. The proposed Village comprises slope-side resort condominiums and an active village plaza that includes an ice rink, shopping, dining, and special event opportunities.





Tonopalo

Situated on the site of the former Villa Vista Resort in Tahoe Vista, Tonopalo is a private residence club (high-end fractional), is currently completing construction, and will provide lakefront vacation ownership opportunities.

Condominium and Vacation Home Rental

It is estimated that there are between 1,000 and 1,500 condominiums and homes under property management for short-term rentals and approximately 400 properties available for long-term rentals on the North Shore. Short-term property rentals range from an average of \$2,900 per week for a four-bedroom house and \$1,600 per week for two- and three-bedroom condos. Amenities within these properties may include: beach or lake access; lake views; hot tub or spa; proximity to ski resorts, bike trails or open space; pools; and recreation complexes.

Of particular import to this segment of the accommodations sector is the current regulatory environment, which is examining the potential regulation of vacation rentals in residential areas that are not currently zoned for tourist accommodation properties.

Campgrounds

Campgrounds within the study area are operated by the California State Parks, Tahoe City Public Utility District and the United States Forest Service and include:

Kaspian Campground

Lake Forest Campground

Tahoe State Recreation Area Campground

Sandy Beach Campground

William Kent Campground

The majority of campgrounds have a 14-day limit and provide access to numerous recreational activities including beaches, The Lake and trails.

Retail Experience

Noted in 1995 as a component missing from the visitor experience, a “village” retail form with a pedestrian orientation was recommended. In 2000, Tahoe City underwent a transformation of its downtown core, providing pedestrian and streetscape enhancements and upgraded retail opportunities.

While it is difficult to get away from the strip commercial configuration that dominates the North Lake Tahoe area (due to topographic constraints), the Tahoe City model has enjoyed some measure of success in providing a more enjoyable atmosphere. This effort is planned to be continued, wherever applicable, throughout the North Shore communities. The Kings Beach Commercial Core Improvement Project, currently being studied, could benefit from similar improvements through the commercial corridor.

Public Plazas

North Lake Tahoe's oldest public plaza is Tahoe City's Commons Beach. First dedicated in 1872 by President Ulysses S. Grant "in trust for the use and benefit of the occupants of the town-site of Tahoe City," Commons Beach was recently rededicated by and for the community following a \$5.9 million improvement and enhancement project.

A new public plaza and lake access facility in Kings Beach has been constructed and is now open. Located at the site of the former North Tahoe Beach Center, the new facility features grassy turf areas, restrooms, a group picnic facility, sand volleyball courts, parking, and beach access.

A third existing public plaza is also in Kings Beach, located to the east of the Kings Beach State Recreation Area at the corner of Highway 28 and Coon Street in downtown Kings Beach.

Community Services

Comprehensive community services provide a feeling of cohesiveness and concern for the longevity of the community as a whole. Such services include community centers, recreation complexes, local and regional parks, open space and infrastructure (sidewalks, bike paths, etc.). Efforts have been made to improve the quality of community services in recent years; however, the North Lake Tahoe communities fall short of providing an inclusive range of services.

Existing facilities within the study area include:

Fairway Community Center

Highlands Community Center

Tahoe Community Center

North Tahoe Conference Center

Commons Beach





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Kilner Park
Lake Forest Beach Park
Marie Sluchak Community Park
Pomin Park
Skylandia Park and Beach
Elizabeth Williams Park
North Tahoe Regional Park
Kings Beach Neighborhood Park
North Tahoe High School Fields
Tahoe Lake School Fields
North Shore Bike Trails
West Shore Bike Trails
Truckee River Corridor Bike Trails
Lakeside Trail, Phase 1A
Tahoe Nordic Ski Center and Trail
Olympic Trails

Public Plazas for Community Gatherings

There has recently been over \$5 million invested in the Tahoe City Commons, which provides a good public place that has been lacking in the past. Within Kings Beach, the North Tahoe Conference Center and Kings Beach Lake Access facilities provide community gathering space.

Facilities Missing From the Visitor Experience

The 1995 report identified a number of key facilities that were missing from the visitor experience. While a couple of these needs have been addressed, specifically upgraded public beach facilities and preliminary retail experience upgrades, the majority of identified key facilities have yet to be addressed.

Visitor Information Center

Improved visitor information centers located in gateway locations will assist visitors to learn about the many opportunities that exist.

Parking

Parking remains an issue within the study area. However, planning for the Placer County Parking projects, located in Tahoe City and Kings Beach, is currently underway.

Convenient Public Transportation and Transportation Solutions

Traffic congestion continues to negatively affect the visitor’s perceived experience, and the level of public transportation has not been sufficiently raised to draw people out of their cars. This is a region-wide issue of great import.

Bike Trail Connections, Indoor Activities, Ice Rink

These components are still missing from the complement of amenities provided within this study area (see Recreation, Culture and Arts working paper for a more complete description).

In addition, the most important improvements identified by visitors included:

- Improved traffic circulation
- Improved beaches and public access
- Improved parking
- Renovated accommodations
- More restaurants and dining
- Sidewalks

While the North Shore communities have made strides to achieve a majority of the above improvements, it is apparent from visitor response that a continued effort will be required to improve the visitor experience.

Missing Community Components

Quality of Life for Resident Population

Living in a resort community almost always means that one is living in a beautiful place. The quality of life for residents of the community is best defined by the opportunities from which to choose – recreation, culture, and arts. As any community relies on its workforce to achieve its business objectives, a resort community also relies on a seasonal labor force to accomplish its specialized resort needs. Unique circumstances arise with attracting a consistent workforce in a resort community, such as being able to



pay a livable wage and providing affordable housing, transportation and health care. The needs of the resort community's workforce must be taken into consideration when trying to understand the productivity of workers. By and large, the workforce must be content in order for the resort businesses to minimize attrition and maximize service. The satisfaction of the workforce affects the availability of the labor pool and the level of service delivered to tourists and residents alike.

Residents of this area have the privilege of calling Lake Tahoe home. But living in this unique and special place does not come without significant responsibilities to recognize, protect and enhance the very characteristics that contribute to this uniqueness. The community fabric cannot be lost for the sake of serving only the visitor population; indeed, such a fabric is an integral part of the visitor experience. As such, community facilities for all ages must be continually upgraded to reflect the needs of the community, while respecting the form that gives the community its own unique character.

The most important improvements identified by residents include:

- Environmental improvements
- Performing arts center (which also has visitor benefit)
- Open-space preservation
- Affordable housing
- Expanded cultural programs and facilities
- Expanded transit
- Developed recreation facilities for all ages
- Public beach access
- Bicycle paths
- Urban beautification improvements
- Regional recreation center

The above improvement priorities reiterate the findings of the 1995 report, which identified the following facilities: expanded bikeway system; recreation complex, including swimming pool and ice rink; improved public transit, efficient local governance and control; affordable housing; performing arts center; and infrastructure improvements.



RECREATION, CULTURE AND ARTS

Recreation is defined as “refreshment by means of a pastime, agreeable exercise or the like” or “a means of enjoyable relaxation.” As individuals, whether we choose to recreate through active sports, passive pastimes, or non-traditional forms of recreation such as shopping, dining, and sightseeing, recreation is an integral part of maintaining quality of life. North Lake Tahoe offers an incredible variety of recreational, cultural, and art-related activities to visitors. Additional activities and opportunities can be found in the region, including the Lake Tahoe Basin, in the Truckee area north of Lake Tahoe, and in the Reno/Sparks metropolitan area northeast of Lake Tahoe.

This working paper addresses the following areas:

- Recreation
- Cultural/Arts Activities and Facilities
- Resources that are Over- or Under-utilized
- Missing Recreation, Cultural and Artistic Components

Recreation

Beaches and Lake Access

There are numerous beach and lake access properties located throughout the North Lake Tahoe communities. As noted in the *1995 North Lake Tahoe Tourism Development Master Plan* report, however, there is a general perception that beaches and The Lake are inaccessible to the public – and recent studies confirm that this perception remains. Just as important as physical access is visual access – something that has become increasingly difficult to maintain due to larger-scale development along the lakeshore. While a number of beaches and lake access properties have adequate signage, there needs to be a comprehensive signage and information program that identifies available resources.

The following is a list of beach and lake access properties and facilities within the North Lake Tahoe communities:

64 Acres Beach/Picnic Area – Tahoe City
Bucks Beach – Kings Beach





Carnelian Bay Lake Access, East and West – Carnelian Bay (Patton Beach)

Commons Beach – Tahoe City

Elizabeth Williams Park – Tahoe City

Kings Beach State Recreation Area – Kings Beach

Kings Beach Lake Access – Kings Beach

Lake Forest Beach – Lake Forest

Moon Dunes Beach – Tahoe Vista

North Tahoe Beach – Kings Beach

Sandy Beach – Tahoe Vista

Secline Beach – Kings Beach

Skylandia Park – Lake Forest

Steamers Beach – Kings Beach

Tahoe State Recreation Area, Star Harbor – Tahoe City

Tahoe State Recreation Area, Truckee River Outlet – Tahoe City

Tahoe Vista Recreation Area – Tahoe Vista

William Kent Campground/Beach – Tahoe City

Boat Launching Ramps and Facilities

- Kings Beach State Recreation Area – Kings Beach
- Lake Forest Boat Ramp – Lake Forest
- Sand Harbor State Park (outside of study area)
- Sierra Boat Company – Carnelian Bay
- Tahoe Vista Recreation Area – Tahoe Vista
- Obexer's Boat Company - Homewood
- North Tahoe Marina - Tahoe Vista
- Tahoe City Marina - Tahoe City
- Homewood Marina - Homewood
- Sunnyside Marina - Tahoe City
- Meeks Bay Marina - Meeks Bay

Hiking

There are two regional trail systems in the Tahoe Basin: the Pacific Crest Trail and the Tahoe Rim Trail. The Pacific Crest Trail runs 2,500 miles, generally following the mountain divide from Mexico to

Canada and follows the Sierra Crest up the west side of Lake Tahoe. The Tahoe Rim Trail, a 165-mile trail, journeys along the ridge tops of scenic Lake Tahoe through the Carson Range on the eastern side and the Sierra Nevada Range on the western side of Lake Tahoe. Both trails have easily accessible trailheads every 10 to 20 miles throughout the Tahoe Basin.

Besides these two major trail systems there are hundreds of trails with varied terrain and difficulty in the Lake Tahoe Basin. The following is a brief list of popular short hikes by region.

Emerald Bay Area

- Eagle Falls-Eagle Lake
- Rubicon Trail
- Vikingsholm Trail to Emerald Bay

Donner Summit Area

- Summit Lake Trail
- Mt. Judah Loop
- Glacier Meadow Trail Loop

Squaw Valley-Alpine Meadows Area

- Five Lakes Trail
- Shirley Lake Trail

Carson Range

- Spooner Lake to Marlette Lake
- Tunnel Creek

The various ranger districts throughout Tahoe National Forest and the California State Park system have information available about trails in their respective regions of the Tahoe Basin.

Golf Courses

The demand for golf and golfing vacations within resort communities has continued to increase in popularity. Existing golf courses available within the study area include:

- Northstar Golf Course – Robert Muir Graves course. Green fees \$75-105
- Old Brockway Golf Course – nine-hole course. Green fees \$38
- Squaw Creek Golf Course – Robert Trent Jones, Jr., course. Green fees \$95-\$120
- Tahoe City Golf Course – nine-hole course. Green fees \$30





Courses within a short driving distance of the study area include:

- Incline Village Championship – Undergoing complete renovation in 2003/2004 season. Green fees \$125 for non-residents; \$38 for residents
- Incline Mountain Course – par 3 course. Green fees \$60
- Ponderosa Golf Course – nine-hole course. Green fees \$29
- Tahoe Donner Golf Course – championship course. Green fees \$80-100
- Coyote Moon, Green fees \$150
- Old Greenwood – scheduled to open in 2004

Ice-skating

Outdoor ice-skating facilities are located at the Resort at Squaw Creek and at High Camp at Squaw Valley. The High Camp facility requires a cable car ride. The Resort at Squaw Creek facility is primarily for resort guests. There is a new indoor ice arena on the South Shore, which provides public skating opportunities, but this is not convenient to North Lake Tahoe residents or visitors.

Marinas

- Homewood Marina – Homewood
- North Tahoe Marina – Carnelian Bay
- Obexer's (West Shore) - Homewood
- Sierra Boat Company – Carnelian Bay
- Sunnyside Marina – Tahoe City
- Tahoe City Marina – Tahoe City

Mountain Biking

Mountain biking continues to grow in popularity amongst residents and visitors alike. There are hundreds of single-track trails and dirt roads as well as some paved bike trails and ski lift mountain bike parks. Mountain bikes are not allowed in wilderness areas or on the Pacific Crest Trail.

Trail access to single track and dirt roads:

North Shore

- North Tahoe Regional Park
- Brockway Summit

- Emigrant Trail
- Fiberboard/Western States Trail
- Missing Link Trail

East Shore

- Genoa Peak
- Marlette Lake and the Flume Trail

South Shore

- Meiss Trail
- Mr. Toad’s Wild Ride
- Angora Ridge

West Shore

- Twin Peaks
- McKinney/Rubicon Road
- Blackwood Canyon

Mountain Bike Parks

Lift-accessed mountain bike parks and trail systems are provided at:

- Northstar-at-Tahoe
- Squaw Valley

Paved Bike Trails

North Shore, West Shore, and Truckee River Corridor Bike Trails

Seventeen miles of bike trail extend from Tahoe City in three directions. This system was funded by Caltrans and is maintained by the Tahoe City Public Utility District. It connects Sugar Pine Point State Park to the south, Alpine Meadows and Squaw Valley to the northwest and Dollar Point to the northeast. Public parking for bike path users is provided at the Truckee River Recreation Trail Public Access Trailhead, Kaspian Campground and General Creek Campground at Sugar Pine Point State Park.





Lakeside Trail, Phase 1A

This segment of trail connects the 64 Acre property and Fanny Bridge.

In addition, the North Tahoe Public Utility District maintains 1.5 miles of paved bike trails with parking and restroom facilities available. As noted in 1995, the paved bike trail system remains inadequate for residents and visitors due to connecting segments which have yet to be completed. Trail segments, which are currently in the planning process, include the Lakeside Bike Trail, the North Tahoe Regional Park to Dollar Hill Trail, and the Tahoe Northstar Community Trail.

Indoor Swimming Pool

Truckee High School and the Incline Village Recreation Center have indoor swimming pools available for public use. There are currently no indoor public swimming facilities located in the North Lake Tahoe communities within the study area.

Ski Areas, Facilities and Resorts

Ski Areas and Resorts – Alpine

- Alpine Meadows
- Boreal Mountain Resort
- Granlibakken
- Homewood Mountain Resort
- Mt. Rose Ski Tahoe
- Northstar-at-Tahoe
- Squaw Valley USA
- Sugar Bowl
- Diamond Peak
- Tahoe Donner Downhill

Ski Facilities and Resorts – Nordic

- Brockway Summit
- Clair Tappaan, Donner Summit
- North Tahoe Regional Park
- Northstar Cross-Country, Telemark & Snowshoe Center

- Resort at Squaw Creek Cross-Country Center
- Royal Gorge Cross-Country Ski Resort
- Spooner Lake Cross-Country
- Squaw Valley Cross-Country & Snowshoe
- Sugar Pine Point State Park Cross-Country
- Tahoe Cross-Country Ski Area
- Tahoe Donner Cross-Country
- Tahoe Nordic Ski Center

Snowmobiling

Snowmobile outfitters provide guided tours at the following properties:

- Tahoe City Golf Course
- Brockway Golf Course
- Brockway Summit
- North Tahoe Regional Park

In addition, there are groomed trails for riding located north of Tahoe City.

Tennis

- Granlibakken, (6 courts, no lights)
- Kilner Park, (2 courts, lights 7-11:00 pm)
- North Tahoe High School (4 courts, lights)
- North Tahoe Regional Park (5 courts, lights)
- Resort at Squaw Creek (2 courts, no lights)
- Squaw Valley USA High Camp (4 courts, no lights)
- Sugar Pine Point (1 court, no lights)
- Tahoe Lake School (2 courts, lights)

Water-Based Activities

Cruises

Cruises on Lake Tahoe provide a unique experience not found in most other resort communities. Cruises from the North Shore include the Tahoe Gal and the SunRunner II.





Fishing

Fishing guides and charters are available year-round.

River Rafting

When water levels allow, rafting the Truckee River is a very popular activity.

In addition to the above opportunities, outfitters and vendors in the area provide parasailing, rentals of motorboats, kayaks, sailboats and personal watercraft.

Cultural/Arts Activities and Facilities

There is a wide variety of cultural, performing arts and artistic activities and facilities within the study area, including areas of cultural and scenic interest, cultural and special events and art galleries.

Areas of Cultural and Scenic Interest

Squaw Valley

The original Olympic flame and Olympic rings insignia still mark the entrance to Squaw Valley. The site of the 1960 Winter Olympics attracts nostalgic sightseers. Tribute is paid to the history of the games in the 1960 VIII Olympic Winter Games Museum.

Hellman-Erman Mansion at Sugar Pine Point State Park

Located 10 miles south of Tahoe City on Highway 89, the Hellman-Ehrman Mansion provides a glimpse into the lifestyle of the early 19th century San Francisco elite. Tours of the mansion and grounds are available daily throughout the summer months and camping, picnicking, and hiking facilities are available throughout the park.

Gatekeeper's Cabin Museum

Located at William B. Layton Park, and nestled amongst old growth pines, this rustic cabin served as the home of the resident gatekeeper who controlled the flow of water out of Lake Tahoe in the early 19th century. The cabin was restored and now houses a museum operated by the North Lake Tahoe Historical Society. Open daily from May through September and by appointment from October through April.

Marion Steinbach Indian Museum

The Edmund S. Barnett wing of the Gatekeeper’s Museum houses the Marion Steinbach Indian Basket Collection which includes over 800 rare and diverse baskets from over 85 tribes, as well as dolls, artifacts and a Southwestern pottery collection – all fully described and documented – and a Native American research library. Adding to the intriguing diversity of the collection are such artifacts as gambling trays and caribou hoof rattles.

The Watson Cabin Museum

Located in downtown Tahoe City and overlooking Commons Beach, Watson Cabin is a living museum depicting life at Lake Tahoe at the turn of the 19th century. Open June through Labor Day, guided tours are conducted by docents dressed in period costume.

Outside of Study Area

Points of cultural and scenic interest that are located just outside of the study area include:

Western America Ski Sport Museum

Located off I-80 at the Boreal Ridge exit. Ski exhibits from 1860 to present.

Lake Tahoe Historical Society

Native American relics, pioneer artifacts and historical photos describe Lake Tahoe’s rich past. Located on Highway 50 in South Lake Tahoe (next to Chamber of Commerce).

Vikingsholm and Fannette Island, Emerald Bay

Located at the head of Emerald Bay and built in 1929, Vikingsholm is one of the finest examples of Scandinavian architecture in the western hemisphere. Guided tours are available from early June through Labor Day. Fannette Island is the only island in Lake Tahoe and was the site for the tea house where Vikingsholm guests were occasionally entertained. The island is open for day use from June through January.





Donner Campsites and Museums

Three locations in and around the Truckee area provide insight into the story and history of the Donner Party.

Cultural and Special Events

Numerous cultural and special events take place in North Lake Tahoe and surrounding communities throughout the year. These events include:

- 24 Hours of Tahoe Mountain Bike Race
- America's Most Beautiful Bike Ride
- Annual Art, Wine and Music Festival
- Blues and Bluegrass Festival
- Concours d'Elegance Wooden Boat Show
- Donner Lake Triathlon
- Italian Street Painting Festival
- Lake Tahoe Marathon
- Lake Tahoe Summer Music Festival
- Lake Tahoe Shakespeare Festival
- Truckee Rodeo
- Lake Tahoe Autumn Food and Wine Festival
- North Lake Tahoe Snow Festival
- Tahoe ArTour – North Lake Tahoe
- Tahoe Big Blue Adventure Race
- Tahoe Rim Trail 50K/50m Endurance Run
- Tahoe League for Charity Gala
- Village Movie Nights
- Village Music Series
- Wildflowers Music Festival

In addition, there are numerous cultural and special events hosted around the lake and in the Truckee and Reno areas. One of the greatest challenges, with so many events, is to ensure that there is minimal conflict in scheduling among events.

Art Galleries

There are a number of galleries that feature a variety of work such as Native American art and jewelry, regional art, sculpture, Western art and wildlife art. Galleries include:

Art Attack Gallery – Incline Village
Artists of Tahoe/Arts Desire – Incline Village
Backstreet Framers – Truckee
Bolam Gallery – Tahoe City
Frames by Ryrie – Tahoe City
Freeman Photography and Gallery – Tahoe City
Gallery at Squaw Creek – Squaw Valley
Galleria Chipotle: A Multicultural Art Center – Kings Beach
Glasforms Glassblowing/Hacker Sculpture – Truckee
Heritage Graphics West – Tahoe City
James Harold Galleries – Tahoe City
JoAnne’s Stained Glass & Gallery – Truckee
Keoki Flagg Gallery of Fine Arts – Tahoe City
Lake of the Sky Gallery – Tahoe City
Lakeside Gallery and Gifts – Kings Beach
Local Color – Incline Village
Mother Nature’s Wildlife Art – Tahoe City
Mountain Leaf Fine Art & Gifts – Tahoe City
North Lake Tahoe Arts – Tahoe City
Pogan Gallery – Tahoe Vista
Potter’s Wheel – Kings Beach
Tahoe Gallery at Sierra Nevada College – Incline Village
Vista Gallery – Tahoe Vista
Vrooman Woodcarving & Wildlife Gallery – Truckee

Resources That Are Over- or Under-utilized

Numerous visitor opportunities remain virtually undiscovered by the first time visitor. Many areas that are





unknown to visitors are favorite local spots, and locals desire to keep these locations secret. While there appears to be adequate information available regarding recreational opportunities, this information may not be readily available to the visitor. Many lodging properties do not provide comprehensive information to their guests and the responsibility to research areas of interest falls to the visitor.

The 1995 report suggested that development of a comprehensive mapping and signage system to mark recreational opportunities, and putting visitor activity information in the hands of guests, would enhance the visitor experience. To date, such a comprehensive system has yet to be developed.

Under-utilization of Facilities

The majority of facilities are under-utilized during mid-week, except for a brief period during the summer months. While, in the past, fall and spring represented shoulder seasons during which most facilities were under-utilized, these shoulder seasons have become busier and weekend visitation remains high throughout most of the year. Ski resorts have made great strides toward increasing summer utilization through the advent of on-mountain, lift-accessed mountain bike parks and trail systems.

Areas that have been identified as being under-utilized by visitors include:

- Skylandia Park
- North Tahoe Regional Park
- Burton Creek State Park
- Ski areas (mid-week)

Over-utilized Areas

There are several areas that suffer from overuse, including:

- Five Lakes Trail
- Emerald Bay Trail
- Public beach facilities
- Truckee River Trail

Missing Recreational, Cultural and Artistic Components

There are a number of recreation-related facilities that were identified as a need in the 1995 Master Plan and that have yet to be developed or completed within the North Lake Tahoe communities.

Bike Trail Connections

The West Shore, Truckee River Corridor and Tahoe City area bike trails provide a fair amount of access from Tahoe City to Alpine Meadows/Squaw Valley, Sugar Pine Point State Park and Dollar Point, and the newly constructed Phase 1A Lakeside Trail provides a needed segment within Tahoe City. There is not, however, a safe, convenient connection from Dollar Point to Carnelian Bay and Kings Beach – and this connection is crucial to the completion of a comprehensive North Lake Tahoe bikeway system. The Lakeside Trail and the Tahoe Northstar Community Trail are currently in the planning stages, but construction of these trails is still two to three years out. Any planning efforts should consider the need to provide a continuous linkage throughout the communities located within the study area.

Indoor Activities

Indoor facilities such as an indoor swimming pool and recreation center have not yet been provided. Tahoe City Public Utility District and the North Tahoe Public Utility District, in conjunction with R3C, a community-based recreation advocacy group, are currently in the preliminary planning stages for a community recreation facility that would meet these needs.

Ice Rink

Outdoor ice-skating facilities are located at the Resort at Squaw Creek and at High Camp at Squaw Valley USA. Access to the High Camp facility requires a cable car ride. The Resort at Squaw Creek facility is primarily for resort guests. There is a new indoor ice arena on the South Shore, which provides public ice-skating opportunities, but this is not convenient for North Lake Tahoe visitors or residents.

Performing Arts Center

Performing arts are an important part of the visitor experience and community element. Well-organized non-profit organizations often take the lead in raising funds and building performing arts facilities. A center in Squaw Valley or Northstar would provide a good location for such programs.







TRANSPORTATION RESOURCES ANALYSIS

Introduction

Transportation issues are critical to a resort community, affecting residents and visitors alike. Inter-city highways and transportation services form a visitor's first impression of a resort area. Poor conditions -- traffic congestion, delays, inconvenient public transportation, or inadequate pedestrian/bicycle facilities -- can dramatically impact visitors' overall perceptions of an area and their desire to return. Enjoyable transportation experiences, on the other hand, can serve as an attribute to an area, thereby improving the visitor experience. In addition, transportation factors are often the element of the community in which visitors most impact the livability of the resort area for residents.

This paper presents an evaluation of the current transportation conditions provided in the North Lake Tahoe study area. A review of existing transportation services is first presented, sorted or organized by travel mode. Travel patterns and perceptions are then discussed. Finally, potential strategies to address transportation deficiencies are outlined.

Existing Transportation Modes

Existing Traffic Conditions

Regional Roadway Network

The major regional access to the study area is provided by Interstate 80, connecting Sacramento, California, and Reno, Nevada, over Donner Summit and through Truckee. Four travel lanes are provided between Applegate and Reno. The California Department of Transportation (Caltrans) considers this highway to have a poor level of service, with severe deficiencies in particular between Applegate and Colfax. Average Daily Traffic (ADT) volumes on this roadway are approximately 30,000, increasing to approximately 38,000 during winter weekends. Approximately 3,000 of these vehicles are large trucks; this large volume of truck traffic results in operational and safety problems.

As the major highway crossing of the Sierra Nevada, with a crest elevation of 7,239 feet, I-80 is substantially impacted by winter weather. The institution of chain controls or temporary closure across



the summit creates very long delays and virtual gridlock throughout the area. This problem, and the public's perception of this problem, are seen to have a negative impact on the regional tourist economy. Caltrans has developed a system of three levels of chain controls: R1, requiring chains or snow tires, R2, requiring chains on all vehicles except four-wheel drives with snow tires, and R3, requiring chains on all vehicles. This latter stage is infrequently reached; typically, the highway is simply closed before R3 is enacted. Caltrans records indicate that chain controls are implemented on an average of roughly 40 days a year.

State Route 89 is a two-lane rural highway linking Truckee and Tahoe City, continuing south along Lake Tahoe's West Shore to South Lake Tahoe. In addition to serving as the most heavily traveled access to Lake Tahoe, this roadway provides the sole regional access to Squaw Valley and Alpine Meadows along the Truckee River Canyon, as well as to Sunnyside, Homewood and Tahoma on the West Shore. The cross-section of this roadway varies substantially, including a narrow two-lane underpass of the Union Pacific railroad tracks in Truckee (the "Mousehole"), a relatively wide section (originally designed as a four-lane roadway) between Truckee and Squaw Valley, and relatively narrow pavement with little paved shoulder in the Tahoe Basin. Snow typically causes the closure of SR 89 in the Emerald Bay area south of the study area during the winter months for several days or weeks. In addition, snow conditions can also cause the closure of SR 89 near Alpine Meadows Road for short periods.

State Route 28 (North Lake Boulevard) originates at the junction with State Route 89 in Tahoe City and contours eastward around the North Shore through Kings Beach where it intersects State Route 267; it continues into Nevada as State Highway 28, serving Incline Village and State Highway 431 before terminating at US Highway 50 on Spooner Summit. State Route 28 is largely a two-lane conventional highway serving local, regional and inter-regional traffic in the Lake Tahoe Basin, with a three-lane cross section through Tahoe City, and a four-lane cross-section through Tahoe Vista and Kings Beach. During the peak months, this highway operates at or near capacity during the late morning and afternoon periods, particularly in the Tahoe City area.

State Route 267 (North Shore Boulevard) is a two-lane highway that connects Interstate 80 at Truckee in Nevada County to the North Shore of Lake Tahoe at Kings Beach in Placer County. The roadway has recently been realigned to provide a direct connection between the airport area and Interstate 80 (the Truckee Bypass), thereby eliminating the historic bottleneck in downtown Truckee. The route serves local traffic in the Truckee area, the Northstar area (and nearby residential developments in the Martis Valley), as well as roughly 40 percent of the traffic traveling between the Tahoe Basin and I-80.

Existing Traffic Volumes

Table 1 presents a summary of existing traffic volumes on regional state highways, as well as trends in these volumes from 1992 through 2002 (the latest year for which data is available).¹ As shown, the highest peak-month Average Daily Traffic (ADT) occurs on I-80, with volumes ranging from 39,000 in central Truckee to 38,000 over Donner Summit and 31,000 to the east of Truckee. Off of the interstate, the highest volume occurs on SR 89 at Fanny Bridge in Tahoe City, with 26,500 vehicles per day, followed by SR 28 in Kings Beach (24,100), SR 28 in Tahoe City (23,800), SR 28 in Tahoe Vista (23,700), and SR 89 south of I-80 (23,500). Peak-month ADT on SR 89 south of Truckee (14,100) is roughly identical to the volume on SR 267 south of Truckee (14,200). The lowest peak-month ADT in the study area is found on SR 89 at Bliss State Park (4,500).

Table 1: Traffic Counts on State Routes in North Tahoe/Truckee Region

Route	Location	1992 2-Way Traffic Volumes		2002 2-Way Traffic Volumes		Total 1992-2002 #Change		Total 1992-2002 % Change	
		Average Annual Daily	Peak-Month Avg. Daily	Average Daily	Peak-Month Daily	Average Annual Daily	Peak-Month Avg. Daily	Average Daily	Peak-Month Daily
28	East of SR 89 Wye	16,700	22,100	17,000	23,800	300	1,700	2%	8%
28	East of TC State Rec Area	14,700	19,000	15,100	19,700	400	700	3%	4%
28	Dollar Hill	11,400	14,800	12,100	15,100	700	300	6%	2%
28	West of SR 267 in Tahoe Vista	17,100	24,200	18,100	23,700	1,000	-500	6%	-2%
28	East of Coon St. in Kings Beach	13,200	18,800	15,100	19,400	1,900	600	14%	3%
28	West of State Line	13,600	19,000	14,300	19,300	700	300	5%	2%
80	Donner Summit	24,500	31,500	30,000	38,000	5,500	6,500	22%	21%
80	Agricultural Insp. Station	26,500	37,000	29,000	37,500	2,500	500	9%	1%
80	Central Truckee	23,500	31,000	28,000	39,000	4,500	8,000	19%	26%
80	East of SR 267 Interchange	23,100	30,000	24,600	31,000	1,500	1,000	6%	3%
89	Emerald Bay	3,000	4,800	4,000	5,000	1,000	200	33%	4%
89	North of Bliss SP	2,750	4,500	3,000	4,500	250	0	9%	0%
89	Homewood	7,600	12,000	8,300	12,300	700	300	9%	2%
89	South of 28 at Fanny Bridge	16,500	24,800	15,600	26,500	-900	1,700	-5%	7%
89	South of Squaw Valley Road	11,700	15,000	15,500	20,200	3,800	5,200	32%	35%
89	North of Squaw Valley Road	9,800	12,200	11,300	14,100	1,500	1,900	15%	16%
89	Mousehole (UPRR Undercrossing)	10,500	13,600	12,200	16,500	1,700	2,900	16%	21%
89	South of I-80	16,600	21,100	19,900	23,500	3,300	2,400	20%	11%
267	South of I-80	8,000	11,300	10,200	12,800	2,200	1,500	28%	13%
267	South of Donner Pass Road	12,500	14,900	14,200	16,100	1,700	1,200	14%	8%
267	South of Reynolds Way	8,600	11,600	11,500	14,200	2,900	2,600	34%	22%
267	South of Airport Road	7,300	9,600	9,900	11,400	2,600	1,800	36%	19%
267	South of Northstar Drive	6,700	8,800	8,100	9,900	1,400	1,100	21%	13%
267	North of North Avenue	7,800	10,500	8,500	10,800	700	300	9%	3%
267	North of SR 28	8,000	11,100	9,200	11,900	1,200	800	15%	7%

Source: Caltrans Web site, and 1991 Traffic Volumes on California State Highways



Changes in peak-month traffic volumes on the local highway system from 1992 through 2002 vary dramatically depending upon location. At one extreme, the greatest growth was observed on SR 89 between Tahoe City and Squaw Valley, where volumes grew by 5,200 (35 percent), followed by a 2,900 volume increase on SR 89 through the Mousehole (21 percent). At the other extreme, volumes on SR 28 in Tahoe Vista dropped by 500 ADT (or 2 percent). Overall, traffic volumes changed relatively little in the Kings Beach area and the southern portion of the West Shore, while increasing at a relatively high rate in the Tahoe City area, Truckee River Corridor, and in Martis Valley. For the regional highways as a whole (excluding Interstate 80), peak-month traffic volumes increased by 8 percent from 1992 to 2002, while average annual traffic volumes increased by 13 percent.

Congestion Issues

Due to the very limited highway network and the great fluctuations in traffic levels generated by visitor activity, the study area suffers from several episodic, but recurring, traffic congestion problems.

The most significant ongoing traffic delays occur in the Tahoe City area. Long queues of stop-and-go traffic commonly form through the peak summer season on SR 89 northbound (generated by the pedestrian, bicycle and traffic congestion around Fanny Bridge) and on SR 28 westbound (generated by similar factors, as well as on-street parking in the Tahoe City commercial core areas). Delays exceeding 30 minutes are not uncommon. In addition, in the P.M. peak-hour of peak winter Saturdays (and Sundays prior to a Monday holiday), the high traffic volumes exiting the ski areas create traffic queuing on southbound SR 89 and SR 28.

Summer traffic delays and queues also commonly form on SR 28 in both directions at Crystal Bay, generated by the combination of traffic turning movements and the pedestrian-actuated signal.

Summer traffic conditions in Kings Beach and in Truckee near capacity of the roadways, but typically do not result in the extensive traffic queues found at the first two locations. Traffic conditions in Incline Village (in both summer and winter) are relatively good.

Winter traffic congestion also occurs on busy ski days along SR 89 between Tahoe City and Truckee, on Squaw Valley Road, on SR 267 between Northstar and Truckee, and on Northstar Drive. In particular, traffic conditions northbound on SR 89 from Squaw Valley Road to I-80 (as well as on I-80) at the end of a busy ski weekend can create substantial delays. Delays of 15 to 20 minutes are also common between Squaw Valley and Tahoe City at the end of the ski day. While the recent opening of the SR 267

Bypass will substantially alleviate traffic congestion in the Truckee area associated with SR 267, traffic queues on this highway will still occur on particularly busy skier days.

Winter traffic problems can also be generated by a combination of weather conditions and chain controls. Partial or full closure of I-80, in particular, can cause very substantial levels of traffic congestion in the Truckee area. However, travel along any of the regional roadways can be delayed if impacted by winter conditions.

These increases in traffic congestion throughout the study area have heightened local concern regarding solutions to transportation problems. The associated travel delays also can significantly impact transit operations and transit service reliability.

Another congestion issue that is increasingly impacting North Tahoe is traffic delays along I-80 in the Roseville area. As the key route connecting North Lake Tahoe with Sacramento and the Bay Area, I-80 congestion impacts a large proportion of the region's visitors. Between 1992 and 2002, peak-month average daily traffic volume on I-80 in Roseville grew by 33 percent, from 112,000 to 149,000 vehicles per day. This growth is due in large part to residential, commercial, and employment growth in the Roseville area as well as in Rocklin and Lincoln. While I-80 widening for High Occupancy Vehicle (HOV) lanes is currently occurring on I-80 west of Roseville, there are no immediate plans for capacity expansion in this key bottleneck.

Existing Traffic Control Programs

In response to episodic traffic congestion, a number of independent traffic control programs have been implemented and refined over recent years, including winter traffic control in Tahoe City, at Alpine Meadows Road/State Route 89, at Squaw Valley Road/State Route 89, and at Northstar Drive/State Route 267, as well as summer traffic control on State Route 89 at Fanny Bridge. These programs have been operated by a variety of organizations, including Placer County, California Highway Patrol, the ski areas, and private contractors. In addition, other organizations have been involved in traffic control issues, including Caltrans, the North Lake Tahoe Resort Association, and the Town of Truckee. Similarly, a variety of funding sources have been used, including private funds, Resort Association funding, air-quality program funds, and the County General Fund.

A total of roughly \$230,000 per year is expended on traffic control programs throughout the region each year. In total, regional traffic control programs currently eliminate approximately 150,200 vehicle-hours



of delay annually. The large preponderance of this reduction in delay (147,200) is a result of the winter programs, while the remaining 3,000 hours of reduced delay is generated by the summer Fanny Bridge program. The value of reduced delay alone totals roughly \$2.7 million per year. In addition, the existing programs provide benefits in the form of traffic safety, access to residential areas and benefits to the tourist economy.

Parking

As with highway congestion, parking conditions at numerous activity centers throughout the study area are influenced by the limited facilities available and the strong peaks in demand. Though episodic parking problems are found at numerous locations over the course of the year, particularly noteworthy parking shortages are observed at the following locations:

The majority of the ski areas in the study area will completely use available parking during peak ski days. The capacity of most of these areas (and thus their economic potential on peak days) is limited not by the on-mountain capacity (such as lift capacity), but rather by their parking availability.

Many of the lakeshore communities experience parking shortages during peak visitation days in both summer and winter. The lack of available public parking is a particular problem in the Tahoe City and Kings Beach areas.

Tahoe's public beach areas frequently generate parking problems during the peak summer months. In particular, parking is limited for the Kings Beach State Recreation Area and for Chambers Landing, immediately north of Tahoma.

The episodic nature of many of these parking problems indicates that a flexible strategy of transportation management can potentially be an effective means of addressing these shortfalls. These shortages also create a potential opportunity for public transit.

Pedestrian and Bicycle Travel

Existing Pedestrian and Bicycle Facilities

Regional bicycle facilities experience heavy recreational use during the spring, summer and fall seasons.

Bicycle routes are classified as follows:

Class I – Bicycle path on separate right-of-way designated for exclusive use of bicycles. No interaction with traffic.

Class II – Bicycle lane on restricted right-of-way on roadways for exclusive or semi-exclusive use by bicyclists, separated from traffic only by shoulder striping.

Class III – Bicycle route on shared right-of-way, usually designated by signs or pavement markings. No separation from traffic; high potential of interaction/accidents.

While the Tahoe City Public Utility District has completed construction of several facilities in recent years, the region’s bicycle facilities are still limited and discontinuous. Class I facilities are located as follows:

Parallel to State Route 89 from Sugar Pine Point State Park to Squaw Valley (except one missing segment in the Homewood area)

Parallel to State Route 28 from the Tahoe State Recreational Area to Dollar Hill

West of Village Drive in Incline Village

In Squaw Valley

Class II striping is provided on sections of main roadways sporadically throughout the study area. The remainder of bicycle travel must share travel lanes with motor vehicles with no separation or distinction of separate bike lanes.

The greatest existing deficiency in the bicycle trail network is the lack of a Class I facility through the downtown Tahoe City area, connecting the Truckee River and West Shore Trails on the west with the North Shore Trail on the east. In addition, there are no bicycle facilities of any kind serving the West Shore south of Sugar Pine Point State Park (such as to Meeks Bay and Bliss State Park) or serving the North Shore east of Dollar Hill.

With the notable exception of the Tahoe City commercial core area, pedestrian facilities are noticeably lacking in the study area, being sporadic and discontinuous in nature. The condition of existing pedestrian



facilities discourages pedestrian activity and encourages vehicle use for even short trips. With the exception of sidewalks in Incline Village and downtown Tahoe City and scattered discontinuous segments elsewhere, pedestrians in the North Shore communities are also forced to walk on dirt paths or along the roads' shoulders. During the winter months, the potential for accidents is increased due to the lack of snow removal on existing walkways, forcing pedestrians to walk in the roadway. In particular, the lack of sidewalks in the Kings Beach commercial core area dissuades pedestrian travel and window shopping.

Existing Bicycle/Pedestrian Activity Levels

Current levels of pedestrian and bicycle activities that impact traffic control are as follows:

Pedestrian counts were conducted on SR 89 at Fanny Bridge in the summer of 1996 as part of an evaluation of Traffic Control Officer development in the area. A total of 372 pedestrians were observed crossing SR 89 at the Tahoe City Bridge between 12:30 p.m. and 1:30 p.m. on Saturday, August 17, 1996 (230 at or near the south end of the bridge and 142 at or near the north end of the bridge). Bicycle counts were also conducted and a total of 247 bicyclists were observed to cross the bridge (135 in the northbound direction and 112 in the southbound direction).

A survey was conducted for the Tahoe City Public Utility District regarding trail use on the PUD's bicycle trails over a 12-hour period on Thursday, August 24, 1994. A total of 842 trail users were observed on the Truckee River Trail, 696 trail users on the West Shore Trail, and 420 users on the North Shore Trail. Peak usage was observed in the noon hour, when 276 trail users (14 percent of total) were observed.

Counts of pedestrian and bicycle activity along SR 28 in Tahoe City were conducted by LSC staff for a peak summer day in 1991 as part of the Tahoe City Traffic Mitigation Project. Peak crossing activity was observed at the Grove Street intersection with a peak-hour volume of 125 pedestrian crossings plus 25 bicyclist crossings.

Counts of bicycle and pedestrian activity crossing SR 28 in Kings Beach were conducted by Caltrans staff during the summer of 1999, indicating volumes of up to 122 pedestrians crossing SR 28 at Deer Street, 145 crossing at Bear Street, and 100 crossing at Coon Street.

Public Transit Services

TART

The Tahoe Area Regional Transit (TART) system began service on the North Shore of Lake Tahoe in 1975. The system is currently operated by the Placer County Department of Public Works, which also operates the Placer County Transit service in Western Placer County. TART is funded by Transportation Development Act funds, Federal Transit Administration funds, fare box revenues, by contract revenues from the Washoe County Regional Transportation Commission for Incline Village service, and by contract revenues from the Town of Truckee and the North Lake Tahoe Resort Association for the Truckee Route.

TART currently consists of three services:

The Main Line route operates on State Routes 28 and 89 along the northern and western shores of Lake Tahoe from Sugar Pine Point State Park in El Dorado County on the southwest to Incline Village, Nevada, on the northeast. The route is operated once per hour in California; while in Nevada, each bus operates two 30-minute route trips per hour between the Hyatt and North Shore stateline. On the whole, the route requires three hours to operate using three buses. This service operates from 6:00 a.m. to 6:45 p.m. seven days a week and 364 days per year (excepting Christmas). Service from the Nevada state line to Incline Village began in May 1985 under a contract with the Washoe County Regional Transportation Commission.

The Tahoe City/Truckee route serves the Truckee River Corridor between Tahoe City and Truckee, and also serves Squaw Valley. Leaving Tahoe City, the route proceeds north on SR 89, travels into Squaw Valley on Squaw Valley Road to the Cable Car, returns to SR 89, travels north to Donner Pass Road, and travels east past the Gateway Center and Tahoe Forest Hospital to the Truckee Train Station. The return trip repeats this route in the opposite direction. During most of the year, this service operates five round trips per day, from 7:30 a.m. to 5:30 p.m., using a single vehicle to provide roughly two-hour headways. As this schedule can only provide convenient commute services in one direction (to or from Tahoe City), during the winter season a second bus is operated and the span of service is extended, starting at 6:00 a.m. and ending at 5:40 p.m. Funding for the service between Tahoe City and Truckee is partially provided by the Town of Truckee, and other funds are coordinated by the Truckee/North Tahoe Transportation Management Association (TNT/TMA).





The door-to-door service required by the Americans with Disabilities Act is provided via the Complementary Paratransit Service (CPS) operated by Alpine Taxi, under a contract with TART. This service is provided from 6:30 a.m. through 6:30 p.m., seven days a week (excluding Christmas), for trips with origins and destinations within an area defined as within three-quarters of a mile of all TART routes. Eligible riders are required to request service 24 hours in advance, and service must be provided within 60 minutes of the requested ride time.

In addition, the TART program also operates the summer Tahoe Trolley service, using funds provided by the North Lake Tahoe Resort Association, El Dorado County, and business donations generated through the TNT/TMA. Operating from roughly the weekend before July 4th through Labor Day, the following services were operated over the 2003 summer season:

From roughly 8:00 a.m. through 6:00 p.m., one trolley was operated between the Tahoe City “Wye” and the North Shore stateline, on a schedule 30 minutes off of the TART bus schedule. This effectively provided half-hourly service on the North Shore.

During the daytime, a second trolley operated from Sugar Pine Point State Park to Emerald Bay, providing connections with TART to the north and the South Shore trolley program to the south.

In the evening, service was provided hourly between Squaw Valley and the Hyatt from 6:05 p.m. to midnight, using two trolleys. The third trolley was used to provide service from Sunnyside to North Shore stateline, on an hourly headway, from 7:05 p.m. to 10:10 p.m. Together, these trolleys provided two runs per hour in each direction between Tahoe City and north Stateline during the higher-ridership periods of the evening.

Ridership

Existing annual ridership estimates on the various TART services for fiscal year FY 2002/03 ridership was 284,041 one-way passenger-trips, which will be down 6 percent from TART’s all-time high ridership in FY 2001/02 of 301,396. Over a longer 10-year horizon, the system has experienced a general increase in ridership, equaling approximately 2.9 percent per year on average.

Considered by service, the TART fixed-route service generates 93 percent of the total annual ridership served by TART, while the remaining 7 percent consists of trolley program ridership. Ridership on the TART routes is strongly concentrated on the Tahoe City/Kings Beach route, which generates 57 percent

of all TART route ridership, and 51 percent of systemwide ridership. TART's Nevada and Truckee services each generate 15 percent of total ridership, while the West Shore route generates only 12 percent of total ridership. Ridership growth over recent years has been particularly strong on the Tahoe City/Truckee Route, increasing by 46 percent from FY 98/99 to FY 02/03.

Town of Truckee Transit Program

Truckee Trolley

The Truckee Trolley is a public-private partnership between the Town of Truckee, the North Lake Tahoe Resort Association, and several private organizations. Service is provided seven days per week from roughly 7:00 a.m. to 6:00 p.m. during the winter months. In the non-winter months, one bus is operated Monday through Saturday between the airport and the west end of Donner Lake between roughly 9:00 a.m. and 5:00 p.m. No service is offered during the non-winter months between noon and 1:00 p.m., while drivers take lunch breaks.

During the winter months, three Truckee Trolley routes have been operated:

Route A originates at the Truckee Train Station, operates along Donner Pass Road to the Sugar Bowl Ski Area, with major bus stops at the Tahoe Forest Hospital, the Gateway Shopping Center, the Factory Outlet Stores, and Donner Lake. Service is provided on hourly headways.

Route B originates at the Truckee Train Station, operates along SR 267 to Northstar Village, with major bus stops at Hilltop, 7-Eleven/Truckee Regional Park and Truckee Tahoe Airport. Service is provided on hourly headways.

Route C originates at the Tahoe Sands Resort in Tahoe Vista and travels along the Highway 28 and 267 corridors to Northstar Village. Major bus stops include the Mourelatos Lakeside Resort, the Shore House, the Edgelake Beach Club, and the Firehouse located at the intersection of Highway 28 and 267 in Kings Beach. Service is provided on hourly headways. One morning and one evening trip to the Cal-Neva (at the North Shore stateline) is provided daily.

The one-way fare is \$1.00, with a discounted fare of 50 cents for seniors, disabled, and children between the ages of five and 15. Northstar-at-Tahoe Ski Resort directly pays for employee and guest riders coming from Truckee and the North Shore of Lake Tahoe to its resort, and Sugar Bowl Ski Area directly pays for employee rides from Truckee to its resort.





Truckee Dial-A-Ride

The Truckee Dial-A-Ride program provides curb-to-curb demand response service to persons with disabilities with ADA certification, and the general public. The Dial-A-Ride service area is generally the Town of Truckee corporate limits. Service is provided between 7:00 a.m. and 7:00 p.m. Monday through Friday, using a maximum of two vans, with one van providing Saturday service from 9:00 a.m. to 5:00 p.m. No Dial-A-Ride service is provided on Sundays, although Truckee Trolley service operates on Sundays during the winter months.

Ridership in FY 2000/01 totaled 57,446 passenger-trips for the Truckee Trolley, and 16,826 passenger-trips for the Truckee Dial-A-Ride. While Truckee Dial-A-Ride passenger levels have been relatively constant (rising 4 percent from the FY 1995/96 level of 16,134), ridership on the Truckee Trolley service expanded by over six times from the FY 1995/96 level of 9,494 passenger-trips. Ridership on the Truckee Trolley is concentrated in the December to March winter months, when 67 percent of all rides are served. In comparison, ridership on the Truckee Dial-A-Ride is relatively constant throughout the year; monthly ridership on the Truckee Dial-A-Ride in the winter is actually 2 percent below the annual average. Over the past two winters, Routes B and C accounted for 71.6 percent of total winter Truckee Trolley ridership.

Regional Employee Shuttle Services

Several private organizations operate employee transportation services:

Northstar, Squaw Valley, Alpine Meadows/Reno Employee Shuttle – In the 2000/2001 ski season, Northstar, Squaw Valley and Alpine Meadows ski areas, in a collaborative effort, started an employee shuttle operating between Reno, Nevada and Truckee, California. Northstar manages the shuttle program, using Northstar employees as drivers and billing Squaw Valley and Alpine Meadows based on the number of employees utilizing the service. The drivers live in Reno, parking the buses at or near their homes. Two buses are utilized (one 36-passenger and one 44-passenger) on each trip. The morning run picks up employees at the Comstock and the Truckee River Lodge at 6:30 a.m. In peak season, approximately 70 passengers board the bus at these two locations (35 at each location). About three employees board the bus at Boomtown at 6:45 a.m. At 7:10 a.m., the employee shuttle drops off Squaw Valley and Alpine Meadows employees at the Truckee Train Station. Squaw Valley and Alpine Meadows alternate service to pick up/drop off employees of their resorts at this location. The evening employee shuttle leaves Northstar at

5:30 p.m. and picks up the Squaw Valley and Alpine Meadows employees at the Truckee Train Station at 5:45 p.m. Employees are dropped off at Boomtown at 6:10 p.m. and at the Comstock and Truckee River Lodge at 6:30 p.m.

In the 2001/2002 ski season, the employee shuttle operated 112 days, with a seasonal operating cost of \$34,316. Total seasonal one-way employee trips totaled 10,166. Of this total, Alpine Meadows generated 346 one-way employee trips, with Northstar and Squaw Valley generating 5,698 and 4,122 one-way employee trips, respectively.

Alpine Meadows Employee Shuttle – On January 2, 2003, Alpine Meadows started an employee shuttle operating between Alpine Meadows and Incline Village. The employee shuttle began due to the high volume of ridership on the early morning TART runs along the North Shore, exceeding the capacity of the TART buses. Weekday morning employee shuttle service, which was subsequently terminated on February 3, 2003, left Incline Village at 6:20 a.m. and averaged 18 passengers. On weekday afternoons, employees rode the 4:30 p.m. Alpine Meadows general public shuttle, or they took the 5:30 p.m. TART bus. The evening TART bus picked up at SR 89 and Alpine Meadows Road. Employees transferred in Tahoe City to the West Shore or North Shore buses. The Alpine Meadows employee shuttle also operated on the weekend. The morning run left Incline Village at 6:20 a.m., with the afternoon employee shuttle run leaving Alpine Meadows at 5:30 p.m. An average of 18 to 25 employees rode this shuttle on each weekend trip. In January, total ridership was 676 passengers. This shuttle operated free of charge to employees.

Resort at Squaw Creek Employee Shuttle – The Resort at Squaw Creek operates an employee shuttle between the Resort and Reno, Nevada, seven days a week. The driver leaves the Resort at 5:00 a.m. for the 6:30 a.m. pick-up in Reno. There are six pick-up locations in Reno, with the last pick-up at Gold Ranch at 7:10 a.m. The afternoon run departs the Resort at 4:45 p.m., with the last Reno drop-off at 6:10 p.m. Ridership totals approximately 21 employees on each run. Employees are charged \$1.00 per trip.

Skier Shuttle Services

Skier shuttle services provided within the North Lake Tahoe/Truckee region consist of the following:

Alpine Meadows Guest Shuttle – Alpine Meadows provides free ski season shuttle service to its resort and serves the West Shore, the North Shore to Incline Village, and the Squaw Valley area. Two morning runs serve the West Shore beginning at 8:15 a.m. and 8:45 a.m., and Squaw Valley runs



begin at 9:15 a.m., and 10:15 a.m. Additionally, two afternoon runs depart Alpine Meadows to the West Shore, at 2:00 p.m. and 4:00 p.m., and to the Squaw Valley area at 2:15 p.m. and 4:15 p.m. Morning service to Alpine Meadows leaves Incline Village at 8:00 a.m., with the afternoon departure from Alpine Meadows to Incline Village at 4:30 p.m. The Alpine Meadows Guest Shuttle connects with TART services. Ridership totaled 47,288 one-way passenger trips in the 2002/03 ski season.

Squaw Valley USA Skier Shuttle – Squaw Valley USA operates a free skier shuttle from mid-December to the end of March, serving the North Shore from Incline Village to Tahoe City, and the West Shore on an on-call basis only. The morning run departs Hyatt Lake Tahoe at 7:50 a.m., arriving at Squaw Valley at 8:55 a.m. The afternoon run departs Squaw Valley at 4:30 p.m. In the 2002/03 ski season, the Squaw Valley shuttle carried 19,122 one-way passenger trips.

Homewood Mountain Resort – Homewood Mountain Resort operates an on-call skier shuttle serving the North Shore of Lake Tahoe. The service operates seven days a week during the ski season. There is no charge to passengers utilizing the service. No operating data is available.

Diamond Peak Ski Resort – Diamond Peak Ski Resort operates two free skier shuttles between mid-December and the beginning of April, seven days a week. One morning and one afternoon run operates between the ski resort and Safeway in Kings Beach. Service is also provided between the ski resort and the Hyatt Regency in Incline Village every half hour on the hour between 8:00 a.m. and 5:00 p.m. Although Diamond Peak does not track ridership, a Diamond Peak representative estimated that approximately 50 one-way passenger trips were provided on the Safeway run during the entire 2002/03 ski season. The Hyatt run provided approximately 60 one-way passenger trips per day during this same period.

In addition, the following services are provided between North Tahoe ski areas and the Reno area:

Northstar/Reno Skier Shuttle–Northstar, through Aztec Tours, operates a skier shuttle service from Reno to Northstar-At-Tahoe. Reservations are recommended, with a space-available policy for walk-up customers. The shuttle service is only available to those passengers holding a Northstar ski-lift ticket. Ski-lift tickets can be purchased at any of the pick-up locations. Ten scheduled pick-up locations are served at lodging properties in the Reno area. The shuttle

operates between mid-December and mid-April. Approximately 3,644 one-way passenger trips were provided in the 2001/02 ski season.

Squaw Valley USA Reno Coach Shuttle – Squaw Valley, through Amador Stage Lines, operates a skier shuttle service from Reno to Squaw Valley USA. Reservations are recommended, with a space-available policy for walk-up customers. Passenger fare is \$5.00 per person round-trip. Eleven scheduled pick-up locations are served at lodging properties in the Reno area. The shuttle operates between mid-December and mid-April. Approximately 5,600 one-way passenger trips were provided in the 2002/03 ski season.

Airport Shuttle Services

Private transit services connecting the North Tahoe/Truckee region with the airport currently consist of the following:

The Resort at Squaw Creek offers daily shuttle service between the Resort and the Reno/Tahoe International Airport for the general public. Vans depart on the hour between 4:00 a.m. and 9:00 p.m. Conversely, vans depart the airport hourly between 6:00 a.m. and 11:00 p.m. Reservations are required by 3:00 p.m. the day prior to travel. One-way fare is \$57.50 for one passenger, with discounts offered with each additional passenger. The private airport shuttle one-way fare is \$125 for one to four passengers, with the private SUV at a cost of \$150 each way. In 2002, the airport shuttle made 3,340 trips from the Reno/Tahoe International Airport to the Resort, and 3,243 trips from the Resort to the airport. Ridership data is not available.

The Granlibakken Resort, located on the West Shore of Lake Tahoe, provides shuttle service for its guests between its property and the Reno/Tahoe International Airport. The service is provided seven days a week, 24 hours a day. Reservations are required 24 hours in advance. No operating data is available.

No-Stress Express operates seven days a week, with 21 one-way runs per day to the airport. Service is provided between 5:00 a.m. and 10:35 p.m. Passenger fares range from \$41 to \$61. No operating data was provided for this service.

In addition, other transit services (such as cab companies based in Reno) provide airport service on a sporadic basis.





Inter-city Public Transit Service

Greyhound provides bus service between Reno and Truckee seven days a week. Passengers are dropped off in Truckee at the train station. This location is considered a flag stop. Five westbound runs are provided from Reno, departing at 5:30 a.m., 8:10 a.m., 1:00 p.m., 4:15 p.m., and 7:45 p.m., with an average travel time of 50 minutes. Three eastbound runs are provided from Truckee, departing at 11:35 a.m., 5:30 p.m., and 10:40 p.m., with an average travel time of 50 minutes. One-way passenger fare is \$10.25.

Waterborne Transportation

Tahoe Queen Skier Ferry Service – Aramark operates the Tahoe Queen Winter Ski Shuttle from South Lake Tahoe (Ski Run Marina) to the Tahoe City Marina. The shuttle provided transportation Tuesday through Friday during the 2001/02 ski season, operating a total of 44 days between January 16 and March 30, 2002. The shuttle provided breakfast, with dinner and dancing on the return trip. Passengers paid \$119 per person or \$79 per person without a lift ticket. Squaw Valley USA shuttled 5,802 passengers from the Tahoe Queen shuttle to its ski resort, while Alpine Meadows provided shuttle service for 130 passengers during the 2001/02 ski season.

Air Transportation

Reno/Tahoe International Airport – The Reno/Tahoe International Airport is located approximately 45 minutes east of Truckee via I-80. Managed by the Airport Authority of Washoe County in Reno, this airport serves roughly five million passengers per year. As shown in Table 2, this airport is served by a total of 10 passenger airlines, which generate a total of 82 departures, plus 82 arrivals per day. Direct service is provided as far away as Dallas, Chicago, and Minneapolis/St. Paul.

Table 2: Total Daily Non-Stop Air Service To and From Reno/Tahoe International Airport

City	Total Number of Flights (Inbound Plus Outbound) By Airline										Total
	America					Delta /					
	Alaska	Aloha	West	American	Continental	Skywest	Frontier	Northwest	Southwest	United	
Boise	0	0	0	0	0	0	0	0	6	0	6
Chicago (O'Hare)	0	0	0	6	0	0	0	0	0	0	6
Dallas / Fort Worth	0	0	0	4	0	0	0	0	0	0	4
Denver	0	0	0	0	0	0	4	0	0	8	12
Elko	0	0	0	0	0	8	0	0	0	0	8
Houston (Intercontinental)	0	0	0	0	4	0	0	0	0	0	4
Las Vegas	0	0	2	0	0	0	0	0	20	0	22
Los Angeles	4	0	0	0	0	0	0	0	5	0	9
Minneapolis / St. Paul	0	0	0	0	0	0	0	4	0	0	4
Oakland	0	0	0	0	0	0	0	0	11	0	11
Orange County	0	2	0	0	0	0	0	0	0	0	2
Phoenix	0	0	10	0	0	0	0	0	6	0	16
Portland	8	0	0	0	0	0	0	0	0	0	8
Salt Lake City	0	0	0	0	0	12	0	0	4	0	16
San Francisco	0	0	0	0	0	0	0	0	0	12	12
San Jose	0	0	0	0	0	0	0	0	0	12	12
Seattle	6	0	0	0	0	0	0	0	6	0	12
Total	18	2	12	10	4	20	4	4	58	32	164
Percent of All Flights	11%	1%	7%	6%	2%	12%	2%	2%	35%	20%	100%

Note: Includes all non-stops operated at least 5 days per week.
Source: Reno/Tahoe Flight Guide: July/August/September 2003.

Passenger interviews are conducted on an ongoing basis. The results of these surveys for 2001, as shown in Table 3, indicate that 6.6 percent of airport passengers are bound to or from the North Tahoe /Truckee region. Of these 162,000 “local” passengers, 84 percent were visitors, and the remaining 16 percent were residents. In total, approximately 124,000 one-way trips through the Reno/Tahoe International Airport are made by North Lake Tahoe visitors each year. In comparison with other commercial airports serving Western mountain resort communities, operations at this facility are relatively infrequently affected by inclement weather.

Table 3: Passenger Activity To North Lake Tahoe From Reno/Tahoe International Airport, 2001

City	Total Number of Flights (Inbound Plus Outbound) By Airline										Total
	America					Delta /					
	Alaska	Aloha	West	American	Continental	Skywest	Frontier	Northwest	Southwest	United	
Boise	0	0	0	0	0	0	0	0	6	0	6
Chicago (O'Hare)	0	0	0	6	0	0	0	0	0	0	6
Dallas / Fort Worth	0	0	0	4	0	0	0	0	0	0	4
Denver	0	0	0	0	0	0	4	0	0	8	12
Elko	0	0	0	0	0	8	0	0	0	0	8
Houston (Intercontinental)	0	0	0	0	4	0	0	0	0	0	4
Las Vegas	0	0	2	0	0	0	0	0	20	0	22
Los Angeles	4	0	0	0	0	0	0	0	5	0	9
Minneapolis / St. Paul	0	0	0	0	0	0	0	4	0	0	4
Oakland	0	0	0	0	0	0	0	0	11	0	11
Orange County	0	2	0	0	0	0	0	0	0	0	2
Phoenix	0	0	10	0	0	0	0	0	6	0	16
Portland	8	0	0	0	0	0	0	0	0	0	8
Salt Lake City	0	0	0	0	0	12	0	0	4	0	16
San Francisco	0	0	0	0	0	0	0	0	0	12	12
San Jose	0	0	0	0	0	0	0	0	0	12	12
Seattle	6	0	0	0	0	0	0	0	6	0	12
Total	18	2	12	10	4	20	4	4	58	32	164
Percent of All Flights	11%	1%	7%	6%	2%	12%	2%	2%	35%	20%	100%

Note: Includes all non-stops operated at least 5 days per week.
Source: Reno/Tahoe Flight Guide: July/August/September 2003.



Sacramento International Airport – This airport is located along Interstate-5, several miles to the north of I-80, approximately a two-hour drive from North Lake Tahoe. While the travel time, congestion in the Sacramento metropolitan area, and winter conditions across the Sierra make ground access less convenient than at the Reno/Tahoe International Airport, Sacramento has over 150 daily departures by 13 major airlines to cities as far away as Atlanta, Chicago, Dallas, Houston, St. Louis and Guadalajara.

Truckee Tahoe Airport – This regional airport is located southeast of Truckee, along SR 267 on the Nevada and Placer county line. The Truckee Tahoe Airport predominantly handles smaller aircraft and is not currently served by scheduled airline service. In 2000, this airport served 21,648 landings and departures, including 4,702 visits by transient (non-based) aircraft. Of the parties arriving by transient aircraft, 73 percent made overnight visits to the Truckee/North Lake Tahoe area. These figures reflect the significant and growing role of the Truckee Tahoe Airport on regional visitor transportation patterns.

Rail Transportation

Amtrak provides westbound rail service between Reno and Truckee seven days a week, as part of the California Zephyr route between the Bay Area and Chicago. Westbound service departs Reno at 10:00 a.m., arriving in Truckee at 11:02 a.m. Eastbound service departs Truckee at 3:03 p.m., arriving in Reno at 4:11 p.m. Due to delays along the route, this service often operates substantially behind schedule, particularly in the westbound direction, limiting the usefulness of this service to residents.

In addition, Amtrak Thruway bus service is provided to the Truckee Train Station as a feeder to the Capitol Corridor rail system operating between Auburn and San Jose. Westbound service is provided at 4:40 a.m., 9:20 a.m., 1:50 p.m., and 5:20 p.m., with eastbound service arriving at 11:59 a.m., 3:05 p.m., 6:30 p.m., and 11:05 p.m. Service is available only to passengers transferring to and from rail services in Auburn or Sacramento.

While existing passenger rail services are very limited, adopted Caltrans statewide rail plans call for the eventual extension of the existing San Jose – to – Auburn/The Capitols rail service over Donner Summit to Truckee and Reno. The Placer County Transportation Planning Agency is leading a study that will, in part, further these plans. This service has the potential to greatly increase the usability of passenger rail service to Truckee, as service frequency and on-time performance would be substantially improved over the current Amtrak service. While there is substantial uncertainty regarding the necessary capital

improvements and state and federal funding availability, it is reasonable to assume that this expanded passenger rail program will be serving Truckee in coming years.

Existing Transportation Patterns and Characteristics

Existing Mode Split

A key element of overall transportation conditions is the “mode split” – the proportion of existing travel (person-trips) that occurs via the various travel modes (auto, transit, pedestrian, and bicycle). This can be estimated for a busy summer day based upon available data regarding traffic levels, vehicle occupancy, transit ridership, and pedestrian/bicycle activity levels. Two locations were evaluated as examples for the North Lake Tahoe region: SR 28 just east of Tahoe City and SR 28 in central Kings Beach, which yielded the following results:

Location	Private Vehicle	Transit	Pedestrian	Bicycle
East of Tahoe City	97.6%	1.0%	0.6%	0.9%
Central Kings Beach	98.6%	0.9%	0.4%	0.1%

As shown, at both locations the private vehicle mode (autos, trucks, etc.) carries the overwhelming preponderance of travel. The mode split for alternatives to the automobile are lower than typical figures for larger urban areas. These figures indicate that the region’s transportation problems are almost entirely traffic problems, and that there is a high potential to increase usage of alternative modes.

Means of Transportation to Work

The 2000 U.S. Census shows that the majority of employed residents (72 percent) drove alone, while 12.1 percent carpooled. Of other means of transportation to work, 4.1 percent walked, 1.2 percent reported “other means” of transportation, 0.1 percent used a motorcycle, 1.4 percent used public transportation and 0.6 percent bicycled. An estimated 8.5 percent of the labor force worked at home, which is significantly higher than statewide (3.2 percent).

Existing Commute Patterns

In Fall 2001, the NLTRA sponsored a survey of major employers throughout the North Lake Tahoe/Truckee region, in order to gain information on commuting patterns. A total of 63 employers participated, who together employed a total of 5,462 summer employees, 8,444 winter employees, and 2,687 off-season employees. A total of 91 percent of all employees were reported to live within the North Lake Tahoe/





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Truckee region (including Donner Summit) in the summer, falling slightly to 90 percent in the winter and 89 percent in the off-season.

The largest numbers of summer employees were found to reside in Incline Village (1,015) and Tahoe Vista/Kings Beach (885). Other areas with large populations of summer employees are Truckee, excluding Glenshire and Tahoe Donner (571), Tahoe City/Dollar Hill (506), Glenshire (494), and Tahoe Donner (479). The largest winter population areas include Tahoe Vista/Kings Beach with 985 employees, Incline Village with 973 employees, and Tahoe Donner with 868 employees. Glenshire (806), Truckee (796), and Tahoe City/Dollar Hill (606) also house a significant number of employees. In the off-season, the two areas that house the largest numbers of off-season employees are Incline Village (723) and Tahoe Vista/Kings Beach (517).

With regard to residential locations outside of the North Lake Tahoe/Truckee region, the survey results indicate the following:

The highest number of employees were reported to reside in the Reno/Sparks area, with up to 306 employees commuting in the winter. Summer commuter (137) and off-season commuter (72) numbers were reported to be substantially lower.

No other external location was found to generate 100 or more commuters in any season, though Western Nevada County was found to generate 99 commuters in the winter. Another relatively high external commuter figure was reported for Carson City in the winter (95) and in the summer (79).

Significantly for transportation planning in the Tahoe Basin, the number of employees reported to be residing in South Lake Tahoe/Meyers was reported to be only 49 in the winter, 43 in the summer, and 28 in the off-season. Overall, the South Shore generates less than 1 percent of total commuting to North Lake Tahoe/Truckee employment sites.

Cross tabulations were also analyzed between employment location versus employee residence location. Review of this data indicates the following:

The proportion of employees residing outside the North Lake Tahoe/Truckee region ranges from none for the West Shore employers to a high of 30 percent winter/16 percent summer for the Donner Summit employers.

The most significant external commuter trip is reported to be from the Reno/Sparks/Verdi area to Squaw/Alpine, with a total of 180 winter commuters. An additional 62 commuters to Northstar/Martis Valley and 39 commuters to Truckee also come from Reno/Sparks/Verdi in the winter.

Commuters coming from Carson City and Minden/Gardnerville are largely going to work in Incline Village/Crystal Bay. Of the total of 155 winter and 110 summer commuters from these areas, 81 percent and 71 percent work in Incline Village and Crystal Bay, respectively.

Unlike other potential commute corridors, the number of commuters to Incline Village/Crystal Bay from Reno/Sparks and Carson City/Minden/Gardnerville remains relatively strong year-round. Even in the off-season, the number of commuters from these areas is reported to be 72 and 91, respectively.

Another relatively strong commute pattern is generated by Donner Summit employees living in Nevada City/ Grass Valley/Western Nevada County, with a total of 83 employees making the commute in the winter. In the other seasons, this figure falls off to very low levels.

Within the region, the data reflects the importance of Truckee as a “bedroom” community for employers elsewhere. For instance, in the winter, Truckee is identified as the residence location of 45 percent of Northstar/Martis employees, 37 percent of Tahoe City employees, 35 percent of Donner Summit employees, and 27 percent of Squaw/Alpine employees (in addition to 66 percent of Truckee employees).

Visitor Perception of Transportation Conditions

A good indication of visitors’ perceptions of transportation conditions in the Tahoe Region (though not specific to North Lake Tahoe) is provided by a series of reports prepared for the TRPA over the last few years by Chuck Nozicka Consulting. Specifically, these reports consist of the Recreation User Preference Survey and Focus Group Research (March 2001), the Future Recreation Conditions and Facilities Survey Final Report (March 2003) and the Recreation User Survey Winter 2003. These studies included a telephone survey of 641 persons who had visited Lake Tahoe within the previous two years for recreation, an intercept survey and mail-back survey of 602 respondents at a variety of summer recreation sites, and a self-administered survey of 630 respondents at a total of five winter recreation facilities (including downhill and cross-country ski areas). Key findings of these studies regarding transportation issues are as follow:





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Of summer visitors, 87 percent traveled by personal vehicle only, while the other 13 percent used some other form of transportation for all or a portion of their trip. Of this 13 percent, 20 percent used a resort shuttle, 7 percent used a trolley (either on the North Shore or South Shore), while 1.4 percent used TART or the South Shore STAGE program.

Of summer visitors, only 24 percent indicated that traffic conditions were “good” or “excellent”, while 41 percent indicated that conditions were “disappointing” or “poor.” In comparison, fully 75 percent of residents interviewed at recreational centers indicated that traffic conditions were “disappointing” or “poor.”

Of winter visitors, 21 percent indicated that traffic conditions in the Tahoe Region are “disappointing” or “poor,” while 41 percent indicated they were “about average” and 38 percent indicated they were “excellent” or “good.” These visitors indicated that traffic conditions were moderately important to their overall visit, but were less important than security and safety, the attitude of staff at recreation areas, the level of maintenance at recreation sites, and the overall level of crowding. In comparison, residents scored traffic conditions relatively poorly, with 35 percent indicating “disappointing” or “poor” conditions and only 28 percent indicating they were “excellent” or “good.” Traffic conditions were also relatively important to residents who ranked it as the single most important attribute of their recreational experience.

Of visitors, 47 percent indicated a desire for expanded public transportation options, compared with 52 percent of residents. However, visitors indicated a higher likelihood of actually using public transit, with 90 percent of visitors indicating that they would either definitely or probably use alternative public transport, compared with 74 percent of residents.²

Suggested public transportation improvements focused on improved bus service, (such as more buses, higher frequency, longer hours, etc. Of 435 suggestions for public transportation options 59 percent were for improved bus service. Other common suggestions were for rail service (6 percent), and waterborne transportation (2 percent).

The Internet is a vital source of information for first-time visitors to Tahoe: fully 67 percent of first-time visitors indicated they used the Internet to obtain information.

Summary of Existing Transportation Conditions

During peak summer and winter travel periods, the transportation conditions in the study area are perceived as generally poor. Many visitors experience substantial travel delays along the regional roadways, which reportedly dissuades return visits. With the exception of limited shuttle services provided by private firms, the transit service can be described as minimal and is far below the level of service provided to visitors of competing resort areas. Many portions of the area have no designated bicycle or pedestrian facilities. Overall, transportation conditions currently have a serious negative impact on the visitor experience, and also significantly impact the quality of life for residents in the peak winter and summer seasons.

By mode, conditions can be considered as follows:

While North Lake Tahoe does not have direct scheduled **air service**, the Reno/Tahoe International Airport provides relatively convenient and dependable air service to a large portion of the country. Direct flights to additional cities are also available within a reasonable drive via the Sacramento International Airport. This accessibility is a definite “plus” for the North Lake Tahoe area in efforts to expand the national market. The lack of scheduled ground transportation from the airport (such as that provided by the Tahoe Casino Express to the South Shore), however, limits the value of this facility to the region.

The poor (and largely realistic) public perception of **highway conditions** in the study area appears to be a substantial “negative” to the overall public opinion of the Tahoe area as a visitor destination, and even more so as a place to live.

With the exception of private transit services, current **transit services** in the Tahoe Basin have proven to be largely unattractive to visitors. Specific shortfalls that impact visitor use of the transit service include the lack of any evening service and the low (mainly hourly) frequency of service. In addition, there is a lack of connectivity and coordination among existing services that reduces overall transit attractiveness while increasing overall transit costs. Other resort areas, moreover, have found that improvements in transit facilities such as shelters can result in increased visitor transit use. While other areas have been successful in making transit service more attractive than the private automobile as part of the visitor experience, the existing North Lake Tahoe transit services provide little incentive to shift visitors out of their cars.



Table 4 presents a comparison of ridership and service levels (as measured in annual vehicle-hours of service) provided by public transit services in the North Lake Tahoe region against those provided in competing mountain resort areas. These figures are also depicted in Figures 1 and 2, while Figure 3 presents a comparison of the passengers served per vehicle-hour of service. In addition, Table 5 presents a summary of service characteristics associated with the peer transit services. As shown, North Lake Tahoe visitors and residents are provided with the lowest level of public transit service found in the various mountain resort communities, and not surprisingly also make the lowest number of trips on transit. These peer comparisons underscore the lack of winter evening transit service provided at all competing resorts as well as the low frequency of transit service compared with that provided at the competing resorts, all of which offer service in some or all periods.

The existing **bicycle paths** provide a substantial benefit to the area’s attractiveness to visitors, drawing additional visitors to the area and extending the length of stay for visitors already coming to the area. The fragmentation of the system and the fact that many visitor activity centers are not served limit the attractiveness of the bike trail system.

Pedestrian facilities (other than the bicycle trails) are severely deficient. The lack of sidewalks outside of the Tahoe City core area reduces the level of pedestrian activity, and also discourages transit use (as virtually all transit trips include walking on one end of the trip or the other).

Table 4: Transit Ridership and Service Level Provided at North Lake Tahoe Peer Mountain Resort Transit Systems

	Annual One-Way Passenger Trips	Annual Vehicle Service Hours	Passenger Trips Per VSH
Aspen, Colorado	3,390,322	194,087	17.47
Jackson Hole, Wyoming	323,160	21,454	15.06
Mammoth Lakes, California	739,087	24,356	30.35
Park City, Utah	1,520,063	55,916	27.18
South Lake Tahoe, California	626,612	31,106	20.14
Summit County, Colorado	1,409,714	77,828	18.11
North Lake Tahoe, California	290,287	19,288	15.05
Source: FY 2002 data provided to LSC Transportation Consultants, Inc., by each respective transit agency.			

Figure 4: Annual Ridership on Peer Mountain Resort Transit Systems

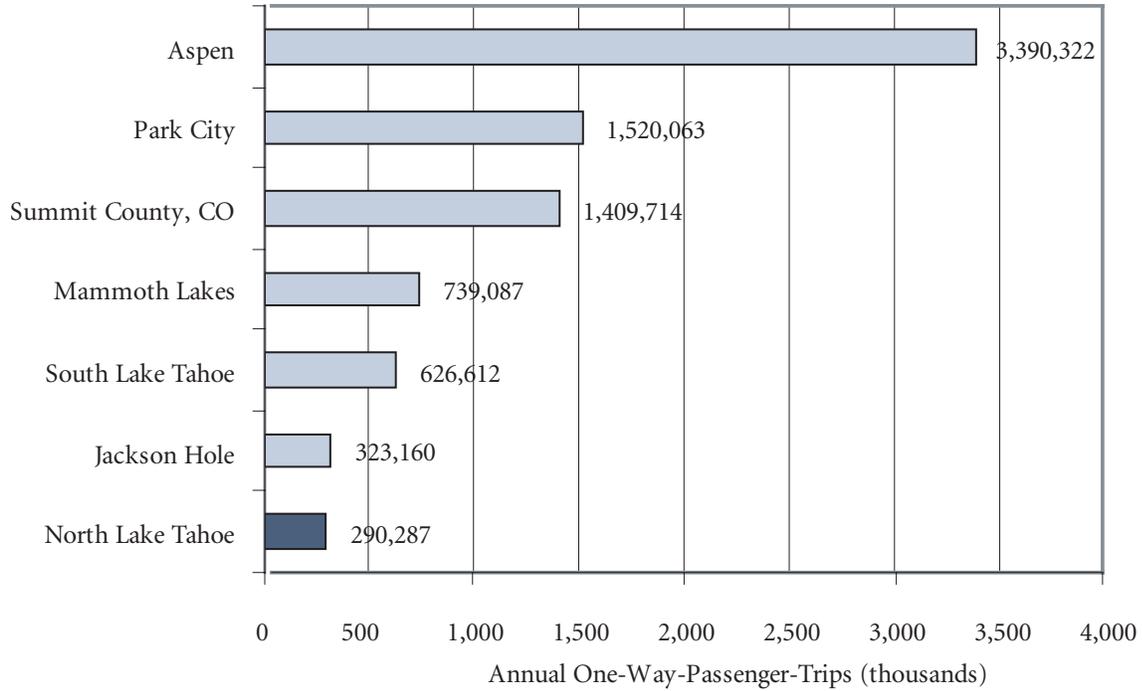
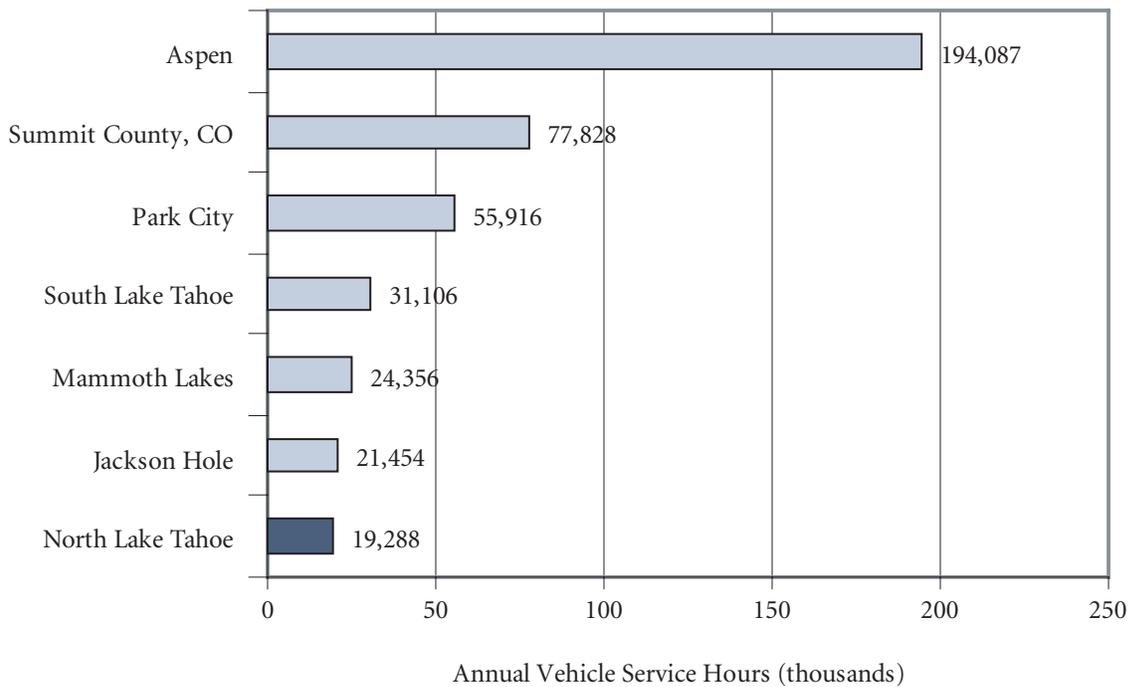


Figure 5: Annual Vehicle Service Hours Peer Mountain Resort Transit Systems



**Figure 6: Passenger-Trips Per Vehicle Service Hours
Peer Mountain Resort Transit Systems**

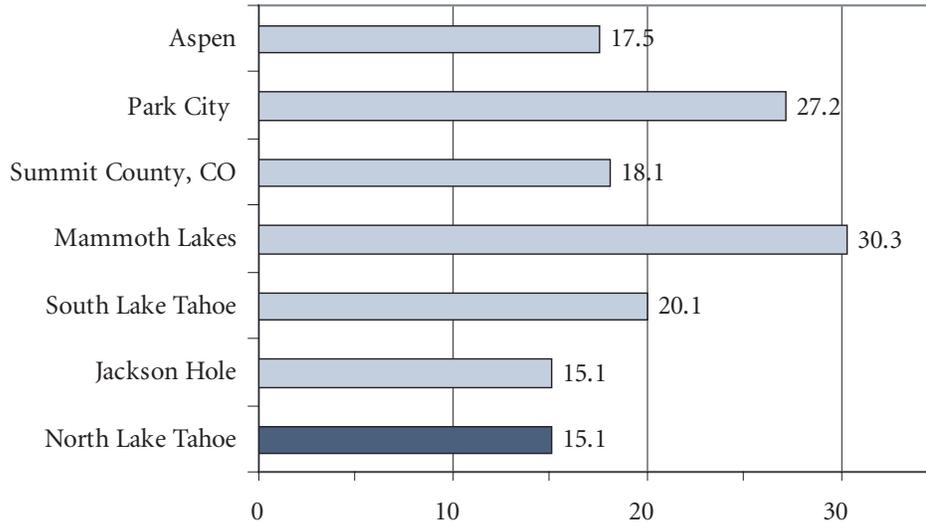


Table 5: Service Characteristics of North Lake Tahoe Peer Mountain Resort Transit Systems

	Periods Service Provided						Periods Service Provided at Least Every 30 Minutes					
	Winter		Summer		Off Season		Winter		Summer		Off Season	
	Daytime	Evening	Daytime	Evening	Daytime	Evening	Daytime	Evening	Daytime	Evening	Daytime	Evening
Aspen	■	■	■	■	■	■	■	■	■	■	■	■
Jackson Hole	■	■	■	□	■	□	■	■	■	□	■	□
Mammoth Lakes	■	■	■	□	■	□	■	■	■	□	■	□
Park City	■	■	■	■	■	■	■	■	■	■	■	■
South Lake Tahoe	■	■	■	■	■	■	■	■	■	■	■	■
Summit County, CO	■	■	■	■	■	■	□	□	□	□	□	□
North Lake Tahoe	■	□	■	■	■	□	□	□	□	□	□	□

Source: Route schedules provided by each respective transit agency

General Transportation Strategies

Strategies to address the transportation deficiencies of the North Lake Tahoe/Truckee area can be considered in the following categories:

Expand the Capacity of the Highway System – The traditional means of addressing traffic problems has been to build new roadways, or expand existing ones. Within the Tahoe Basin, TRPA regulations effectively prohibit this option (except for relatively minor projects to address traffic operational problems or reduce the impact of traffic on communities, such as the realignment of SR 89 near Fanny Bridge). Within the Tahoe Basin, as well as elsewhere, various factors make roadway capacity expansion very difficult:

- Limited right-of-way due to nearby development and topography.
- Environmental regulations, such as Regional Water-Quality Control Board regulations regarding impacts on water quality.
- The dire state highway funding picture.

Moreover, roadway projects carry an additional risk in a resort setting: the potential that the visual and community impacts will reduce the overall attractiveness of the region as a resort destination.

Reduce Or Manage Auto Travel Demand – Rather than expanding the supply of traffic capacity, another means of attaining a better balance between supply and demand is to reduce peak demand for auto travel. At one extreme, these strategies include establishment of tolls on regional access roadways (such as is found at National Parks, or has been established for the central business districts of Singapore and London), or establishing paid parking at recreational and/or lodging establishments. While these approaches can be effective (particularly in generating funds for alternative transportation programs), they bring with them a host of impacts, such as the real or perceived impact on the business community, spillover parking impacts on areas near paid parking lots, impacts on the areas outside of the toll locations, traffic impacts associated with toll collection, and legal issues associated with imposing tolls on state and federally funded public roadways or imposing parking fees on private or state parking lots.

Short of these broad approaches, there are other demand management techniques that would generate less impact and controversy, such as:





Concerts or other special events held around the end of the ski day could entice skiers from using the regional roadway system during the very concentrated peak period.

Night skiing could similarly reduce peak traffic volumes to and from the ski areas by providing greater choices to skiers wishing to have a “day” of skiing. Additional ticketing options for skiers (such as half-day tickets or afternoon/evening tickets) could also reduce the existing traffic peaking problems.

Multi-night lodging or lodging/ski packages have been successful in similar mountain resort areas to reduce the traffic problems experienced at the beginning and end of a weekend, as well as to increase mid-week lodging utilization.

Incentives for Transit and Carpooling, such as reimbursement of transit fares or preferred parking for carpools, can reduce traffic congestion as well as parking needs at activity centers.

Expand Alternatives to the Automobile – Methods of drawing a higher proportion of North Lake Tahoe/Truckee travelers out of their private vehicles could include the following:

Increase the attractiveness of non-motorized alternatives for shorter trips that are more likely to serve as reasonable alternatives to non-recreational auto trips:

Sidewalks and bicycle facilities in the Kings Beach commercial core area;

Completion of the Lakeside Trail around the Tahoe City commercial core area;

Improvements to the West Shore Trail, including closing the “Homewood Gap” and improving/eliminating highway crossing locations;

Extension of the Class I West Shore Trail from Sugar Pine Point State Park to Meeks Bay and Bliss State Park with Class II facilities to Emerald Bay;

Sidewalks and bicycle lanes in the Tahoe Vista area;

Including winter maintenance and snow removal of bicycle trails within a relatively short distance of activity centers (such as Granlibakken Road to Lake Forest Drive near Tahoe City, or Tahoe Vista to North Shore stateline when sidewalks are available);

Improve the quality of public transit (TART) services, particularly by providing evening service, increasing the frequency of service, improving facilities and their maintenance and providing service along the SR 267 corridor;

Focusing visitor trolley services on shorter trips (such as Squaw Valley to Tahoe City) in order to increase the frequency of service that can be funded with limited resources. (Ridership patterns in both North Shore and South Shore, moreover, indicate that visitors are more likely to find a relatively short trolley trip to be more attractive than a longer trip);

Increased use of shuttle buses for special events (such as Snow Festival, summer music concerts, or the Wooden Boat Show), to serve visitors and residents while reducing related traffic problems;

Water-taxi summer transit programs, such as between Sunnyside and Tahoe City and Tahoe Vista and Kings Beach.

Employee commute bus programs, such as service from Reno to North Lake Tahoe.

Increase the Proportion of Visitors Arriving Without a Private Vehicle – A crucial element in the success of transportation strategies in competing resorts is that a substantial proportion of visitors arrive without a private automobile and can complete a quality recreational trip wholly without one. For instance, over 35 percent of winter visitors to Park City, Utah, do not have a private vehicle. Of course, some of the relatively low proportion for the North Lake Tahoe Region is a result of the visitation patterns in which a large proportion of visitors travel from relatively nearby areas of Northern California. However, there are several strategies that could potentially increase non-auto access.

The Placer County Transportation Planning Agency is currently conducting a study of extending the Capitol Corridor railway service between San Jose and Auburn eastward to Truckee and Reno. If local public and private transportation services can provide the connecting services to the various resort centers, a quality rail service over the Sierra could potentially deliver several hundred visitors per day to the region.





TRANSPORTATION RESOURCES ANALYSIS

The Resort Association could take a larger role in serving as a broker for airport shuttle services, or in providing financial assistance to airport shuttle services. The long-term goal of this strategy would be to establish a scheduled shuttle service (as is found in competing resort areas) where an advance reservation is not required and fares do not vary depending upon the number of travelers.

Improve Transportation Information – Providing timely and accurate information to motorists regarding traffic conditions can reduce traffic problems (by encouraging a shift to travel in non-peak times, for example) and can also reduce the perceived impact of traffic congestion (as travelers are more accepting of delays for which they can plan than they are of delays which are a surprise to them).

Low wattage radio messages, such as is currently provided by Caltrans in the Truckee area, and in particular, a locally-controlled program in the Tahoe City, Northstar, and Alpine/Squaw areas, would provide a convenient means of reaching drivers en route regarding route choices and traffic conditions. Messages broadcast in the mornings regarding expected afternoon conditions could help reduce peak travel demands.

Variable message boards can also reach drivers if placed along the roadside. In addition, message boards could be placed in areas of high pedestrian activity, such as at ski base areas; during peak traffic periods, these messages could encourage drivers to delay their trips to avoid the worst conditions.

The implementation of media services to provide up-to-date roadway information to radio, television, and newspapers is yet another strategy that can improve transportation information.

There is currently an effort on the national level to establish a 511 traveler information system phone number, similar to the 911 emergency phone number. When fully established, a traveler anywhere in the country will be able to access a menu of traffic and transit information by calling 511 toll-free. Parallel Web-sites are also being established.⁴ Participation in the 511 program is particularly important for the Tahoe/Truckee Region, as many visitors are from areas that currently have established or soon will establish 511 systems, such as the San Francisco Bay Area. Web-based travel information is also particularly useful for lodging staff and other local employees ongoing contact with visitors.

Improve Traffic Management – In addition to providing a real increase in roadway capacity (and corresponding reduction in travel delay), the use of Traffic Control Officers (TCOs) sends a clear message to the visitor that the community is striving to reduce traffic delays. Existing programs have been found to be very cost-effective. Existing TCO programs could be expanded to include a summer

Traffic Control program at SR 28 and Bear Street in downtown Kings Beach.

Encourage Development Patterns That Reduce Reliance on the Private Automobile – Even for resorts with a high proportion of visitors arriving by car (such as Mammoth Lakes), transit, pedestrian, and bicycle use can be high if travel distances are short. “Village” developments near downhill ski areas in particular can substantially reduce the per capita traffic impact of new visitors in comparison with North Tahoe’s historic dispersed land-use pattern.

Table 6 presents a summary of the key traffic problems in the NLTRA area, as well as a summary of potential solutions. Note that there are many other more localized traffic problems in specific areas. In addition, more long-range solutions (such as land use changes) are not reflected in this table. As shown, most of the potential solutions that have a high effectiveness in solving the problems have a low feasibility of implementation (and vice versa). Notable exceptions are the relocation of SR 89 westward across the 64 Acre Parcel, and the provision of Intelligent Transportation Systems/Traveler Information programs.

(Endnotes)

¹ These counts are factored from “spot counts” typically conducted over several days, and therefore can vary significantly from year to year depending on which specific days are counted due to the substantial variation in traffic activity over the course of the summer season.

² It bears noting that these stated preferences are at odds with actual visitor ridership on existing public transit services, which is relatively low.

³ Representatives of Truckee in particular have raised concerns about serving as the “parking lot for Tahoe” regarding the proposed installation of toll booths for collecting fees from those entering the Tahoe Basin. Additionally, in the Finance and Funding Chapter, there is a section entitled “Revenues Generated by Highway Tolls”, referring to current language in public law which generally prohibits the imposition of tolls on roads constructed by public tax dollars and tolls charged against people or vehicles as they enter or leave the Tahoe Basin.

⁴ See, for example, www.511.org.



Table 6: Summary of Key Traffic Problems and Potential Solutions

Route and Traffic Problem	Existing Caltrans Adopted Solution to Solve Problem	Potential Solution	Effectiveness in Solving the Problem	Implementation Feasibility
SR 89 Northbound Entering Tahoe City in Summer: Traffic congestion on the West Shore caused by traffic, pedestrian and bicycle congestion at Fanny Bridge and Wye	None, other than relatively minor Wye signal improvements and signal at Fanny Bridge pedestrian crossing.	Relocate SR 89 to West Across 64 Acre Parcel	High	Moderate
		Improvements to Wye Signal or Conversion to Roundabout	Low	High
		Increased Transit Service	Low	Moderate
		ITS / Traveler Information	Low	High
		Encourage ridesharing, ped/bike travel, home mail delivery	Low	Moderate
SR 28 Westbound Entering Tahoe City in Summer: Traffic congestion caused by traffic, pedestrian and bicycle congestion in Tahoe City between Lighthouse Center and Cobblestone	None	New roadway north of existing SR 28 from State Recreation Area to Wye	High	Low
		Improvements to Wye Signal or Conversion to Roundabout	Low	High
		Increased Transit Service	Low	Moderate
		ITS / Traveler Information	Low	High
		Encourage ridesharing, ped/bike travel, home mail delivery	Low	Moderate
SR 89 Northbound Entering Truckee in Winter: Traffic congestion between Squaw Valley / Alpine Meadows and Truckee caused by ski area traffic and weather-related roadway conditions	Replace/Widen the Mousehole (no funding identified). ITS program	Replace/Widen Mousehole	Moderate	Moderate
		Improvements to I-80 / SR 89 Intersections	Moderate	High
		Widen SR 89 to 4 Lane Truckee – Squaw Valley	High	Low
		Increased Transit Service	Low	Moderate
		ITS / Traveler Information	Moderate	High
		Encourage ridesharing, ped/bike travel	Low	Moderate
SR 89 Southbound Entering Tahoe City in Winter: Traffic congestion between Squaw Valley / Alpine Meadows and Tahoe City caused by ski area traffic and weather-related roadway conditions	None, other than assisting locally-funded 3-Lane program with snow removal	Improvements to Wye Signal or Conversion to Roundabout	Low	High
		Relocate SR 89 to West Across 64 Acre Parcel	Moderate	Moderate
		Increased Transit Service	Low	Moderate
		ITS / Traveler Information	Low	High
		Encourage ridesharing, ped/bike travel, home mail delivery	Low	Moderate
SR 267 In Both Directions Between Northstar and Truckee on Peak Ski Days: Traffic congestion caused by ski area traffic and weather-related roadway conditions.	Ultimately widen to 4 lanes (no funding identified). ITS program.	New roadway north of existing SR 28 from State Recreation Area to Wye	High	Low
		Improvements to Wye Signal or Conversion to Roundabout	Low	High
		Increased Transit Service	Low	Moderate
		ITS / Traveler Information	Moderate	High
		Encourage ridesharing, ped/bike travel, home mail delivery	Low	Moderate
I-80 in Both Directions Over Donner Summit in Winter: Traffic congestion caused by recreational traffic, high truck activity, and weather-related roadway conditions.	Ultimately widen to 6 lanes (no funding identified). ITS program.	Widen to 6 Lanes	High	Low
		Improved Intercity Rail Service	Moderate	Moderate
		ITS / Traveler Information	Moderate	High

Note: ITS = Intelligent Transportation Systems, such as real-time monitoring of traffic conditions and improved driver information.



GOVERNMENT & MANAGEMENT RESOURCES

Government & Management Entities

The North Lake Tahoe area has many government agencies and quasi-governmental organizations, ranging from federal, state, and regional to the local level. Each of these entities impacts the visitor and community experience in various ways. Some have, or appear to have, conflicting goals and authorities. There is no single agency, at any governmental level, that has sole, comprehensive authority in the study area. Cohesive governmental direction, collaboration, and leadership in the North Lake Tahoe region is therefore difficult to identify or achieve. This Working Paper reviews the existing entities that administer, regulate, provide general services, specific services, construct and maintain improvements, and/or have the responsibility for planning and land use **within the study area**.

Federal

United States Forest Service

The federal government owns, and United States Forest Service (U.S. Department of Agriculture) administers, approximately 79 percent of the lands within the watershed of the Lake Tahoe Basin. These lands are actually part of three separate national forests (the Tahoe, El Dorado, and Toiyabe National Forests). However, all Forest Service lands within the Basin are administered by the USDA Forest Service Lake Tahoe Basin Management Unit (LTBMU), headquartered in South Lake Tahoe. The primary Forest Service planning document for the Basin is the *Land & Resources Management Plan* for the Lake Tahoe Basin Management Unit. This plan is required to be consistent with the Tahoe Regional Planning Agency's *Regional Plan for the Lake Tahoe Region* (see TRPA, below). The current Management Plan was adopted in 1988. It is currently being updated as part of a collaborative, multi-agency planning process referred to as "Pathways 2007".

The Forest Service mission at Lake Tahoe is "to manage, protect, and enhance the environment of this national treasure for the benefit of the people." The purpose and goal of the Forest Plan is "to provide a management program that uses a mix of management activities to direct the use and protection of resources, fulfill legislative requirements, and address local, regional, and national issues."





Outside of the Tahoe Basin, but within the study area, there are additional Forest Service lands, which are part of the Tahoe National Forest. Those lands are administered by the Tahoe National Forest, headquartered in Nevada City, California.

Other Federal Agencies at Lake Tahoe

Other federal agencies which have responsibilities within the Lake Tahoe Basin include the United States Bureau of Reclamation, the Natural Resources Conservation Service, the United States Environmental Protection Agency, U.S. Army Corps of Engineers, Federal Highway Administration, Federal Transit Administration, Federal Aviation Administration, U.S. Fish & Wildlife Service, and the U.S. Geological Survey. The U.S. Postal Service is a quasi-governmental agency.

The Lake Tahoe Federal Interagency Partnership

In 1997, the President of the United States issued Executive Order 13057, intended to ensure the coordination of federal agencies and their efforts to help protect the natural resources of the Lake Tahoe Basin. This order created the Lake Tahoe Federal Interagency Partnership. It also called for a Memorandum of Agreement between the Federal Partnership, the States of California and Nevada, the Washoe Tribe of California and Nevada, and the Tahoe Regional Planning Agency. This MOA was subsequently signed by all the parties. Its purpose is to facilitate coordination and cooperation in development, funding, and implementation of the Lake Tahoe Environmental Improvement Program (EIP)*.

Regional

The Tahoe Regional Planning Agency

The Tahoe Regional Planning Agency (TRPA) is a bi-state agency created by adoption of the Tahoe Regional Planning Compact between the States of California and Nevada, ratified by Congress. A land use planning, resource allocation, and regulatory agency with significant powers and authorities, TRPA's jurisdiction is within the watershed boundaries of the Lake Tahoe Basin. Within these boundaries ("the region"), the land use regulations of other agencies must be consistent with those of TRPA. TRPA is directed by a 15-member Governing Board, assisted by an Advisory Planning Commission (APC), and a staff currently comprised of more than 70.

The original TRPA was established in 1969. The first Compact was later revised and amended by the States, and ratified by Congress in 1980 (Public Law 95-551). The revised Compact required TRPA

to adopt "Environmental Threshold Carrying Capacities for the region" (Thresholds), and a "Regional Plan," based on the requirement to achieve and maintain the Thresholds.

* TRPA describes the EIP as "an integrated approach to achieving and maintaining the environmental threshold standards for the Lake Tahoe Region." Program components include a list of all the projects (Action Plan) identified as necessary to help achieve the requirements and goals of the Tahoe Regional Planning Compact, a planning process for updating the EIP, an implementation strategy, a monitoring/evaluation component, and a finance plan. The foundation of the EIP is the Compact requirement that TRPA achieve and maintain adopted "environmental threshold carrying capacities for the region."

In 1982, the TRPA Governing Board adopted threshold standards for nine categories – water quality, air quality, soils/stream environment zone (SEZ) restoration, wildlife habitat, fish habitat, vegetation (including forest health), scenic quality, recreation, and noise. In 1984, the Governing Board adopted a 20-year Regional Plan, which they believed met the Compact requirements. Others did not agree. Major litigation was filed on both sides of the issue. One perspective alleged the Plan was too restrictive; the other, that it was not restrictive enough. The federal judge who heard the arguments imposed a building moratorium while the issues were debated in court. TRPA went back to the "drawing board" and developed a revised Regional Plan, adopted in 1987. At that time, the federal judge lifted the moratorium, and TRPA began implementation of its new Plan. This Plan is scheduled to expire in 2006. A new 20-year Regional Plan is currently in development, and is scheduled for adoption by the year 2007. It is being developed concurrently with other regional plan updates. This multi-agency, collaborative planning process is referred to as "Pathways 2007."

Tahoe Transportation District

The Tahoe Transportation District (TTD) was established in Article IX when the Tahoe Regional Planning Compact was amended in 1980. TTD is a special purpose district with the same jurisdictional boundaries as TRPA. Although TRPA provides staff, the TTD has a Board of Directors separate from the TRPA Governing Board. Its powers and authorities include (partial list): the ability to own and operate a public transportation system to the exclusion of all other publicly owned transportation systems in the region; own and operate support facilities for public and private systems of transportation, including, but not limited to, parking lots, terminals, facilities for maintenance, devices for the collection of revenue and other related equipment; by resolution, determine and propose for adoption a tax for the purpose of obtaining services of the district. The TTD is an entity eligible for a variety of state and federal transportation grants. It advises TRPA on the allocation and expenditure of such grants, as received, including state and federal sources of transit capital and operating funds. However, the TTD has never





activated its authority to own and operate a public transportation system at Lake Tahoe "to the exclusion of all other publicly owned transportation systems in the region."

State of California

California State Water Quality Control Board - Lahontan Region

The study area is located within the Lahontan Region of the California State Water Quality Control Board. Lahontan's mission is "To preserve, enhance and restore the quality of California's water resources, and ensure their proper allocation and efficient use for the benefit or present and future generations. Our vision is a sustainable California made possible by clear water and water availability for both human uses and environmental resource protection." Based on its adopted operating principles, Lahontan takes a watershed approach to the development, implementation, and enforcement of water laws, regulations, and programs consistent with its mission.

California Tahoe Conservancy

Established in 1984 by the California Legislature as part of the California Resources Agency, the mission of the California Tahoe Conservancy (CTC) is "to preserve, protect, restore, enhance and sustain the unique and significant natural resources and recreational opportunities of the Lake Tahoe Basin." To achieve its objectives, the Conservancy implements projects and programs in seven program areas: 1) Preservation of environmentally sensitive lands through acquisition; 2) Repair of already disturbed areas through soil erosion control grants; 3) Restoration of degraded wetlands and watershed areas; 4) Mitigation of land coverage impacts on water quality and facilitating the transfer of development rights from more environmentally sensitive areas to ones that are less sensitive; 5) Enhancement of public access and recreation opportunities; 6) Protection, preservation, and enhancement of wildlife populations and the diversity of habitats that sustain them; and 7) Management of the lands it acquires so they can most effectively serve the purposes for which they were acquired.

To implement these programs as rapidly as possible, the Conservancy uses two basic approaches simultaneously: 1) It directs activities by the Conservancy, which acquires and improves land under all of its programs; and 2) It provides grants consistent with its mission to other public agencies and organizations which are eligible under its specific legislative granting authority.

California State Parks Department

There are state parks in the study area which are under the jurisdiction of the Sierra District of the California State Parks Department. The department is responsible for managing the lands under its jurisdiction for the preservation of forest health, biological diversity, the protection of natural and cultural resources, and the purpose of providing high quality recreation opportunities. The department prepares and implements a general plan for each park, which directs the long-range protection, development and/or improvement and management of each park unit.

California Department of Transportation (Caltrans District 3)

Caltrans is responsible for the network of state and federal highways within the State, including planning, construction, repair, maintenance, traffic operations and management, snow removal, and related functions. Caltrans District 3, is headquartered in Marysville, California.

Local

Placer County

Placer County is the unit of local government which has jurisdiction in the study area, and provides comprehensive governmental services. Its sources of revenue include property tax, sales tax, and Transient Occupancy Tax (TOT). The County's responsibilities include land use planning and regulation; within the jurisdiction of TRPA, land use is required to be consistent with the TRPA Regional Plan.

Because there are no incorporated areas in Placer County within the study area, Placer plays an important role in providing local services. These include law enforcement, animal control, tax collection, public transportation, public works (county road construction, maintenance, snow removal and related), planning, code enforcement, various social, medical, and welfare services, library/museum, courts, county owned and operated public recreational facilities, beaches, and other public facilities.

Public Utility Districts

There are two public utility districts (PUD) within the study area. These provide specific municipal services, including water, sanitary sewer, public parks, and recreation programs. Under California law, PUD powers include the ability to acquire, construct, operate, plan, and/or finance public parks, public recreation facilities and other public places within their service boundary. A PUD may sell surplus water or other utility commodities to entities outside the district and may form specific improvement districts to provide for the acquisition, construction, improvement, operation or maintenance of water works,





drainage and flood control, erosion control, irrigation, street lighting systems, sidewalks, golf courses, public swimming pools, or other public facilities and amenities. They have the power of eminent domain and may form "Joint Powers of Authority" (JPA) with other public or private entities for the purpose of providing services. PUDs receive funding through a combination of property tax revenues, utility service charges, user fees, and grants.

The two PUDs within the study area are the Tahoe City Public Utility District (TCPUD) and the North Tahoe Public Utility District (NTPUD). TCPUD is a 22-square-mile district that has over 3,800 water customers, more than 7,000 sanitary sewer customers, and over 500,000 parks and recreation customers. NTPUD serves a 6.5-square-mile area with more than 5,000 sanitary sewer customers and over 3,000 water customers. Among its parks and recreation facilities, NTPUD operates the North Tahoe Regional Park in Tahoe Vista.

Community Service Districts

There are several zones within the study area that are within community service districts (CSD). CSDs are formed in unincorporated areas to provide a variety of services, which can include water, irrigation, sewage collection, garbage, fire protection, public recreation, street lighting, mosquito abatement, law enforcement protection, and/or any other public services deemed necessary. The power of these districts is limited to the specific service purpose(s) in a specific geographic area. The districts have the authority to construct improvements on public property, adopt regulations, and charge for services.

CSDs in the study area include the Squaw Valley Public Services District, serving a 15-square-mile area in Squaw Valley that provides water, sanitary sewer, garbage, and fire protection services, and the Northstar Community Services District, which serves a two-square-mile area of the Northstar community, providing water, sanitary sewer, roadway maintenance, snow removal, solid waste contracting, vegetation recycling, trails, fire protection and paramedic services.

Other districts which provide services to specific areas of jurisdiction within the study area include the North Tahoe Fire Protection District and the Alpine Springs County Water District.

It is noted that some neighborhoods within the study area are served by private water companies. Garbage and refuse collection services are provided by Truckee-Tahoe-Sierra Disposal Company, under franchise agreement with local governments. These private companies do not have any powers of government or public service districts.

Tahoe-Truckee Sanitation Agency

Under California law, a sanitary district is organized within any territory with the purpose to collect, treat, and dispose of garbage, storm water, and sewage. It also has the authority to compel usage and enforce regulations for the timely removal of garbage and cleanliness of roads and streets. The district can implement a tax or fee for use of the sewer system, but the revenues collected from this tax cannot be used for acquiring or constructing additional street sewers or laterals augmenting an existing sanitary sewer system.

The Tahoe-Truckee Sanitation Agency (TTSA) operates the Martis Valley Wastewater Reclamation Plant, serving most of the North Lake Tahoe area. Five districts are served: TCPUD, NTPUD, the Squaw Valley Public Services District, Alpine Springs County Water District, and the Truckee Sanitary District.

Truckee-Tahoe Airport District

The Truckee-Tahoe Airport is located just south of Truckee off of Highway 267. It is a general aviation facility serving the North Lake Tahoe/Truckee region. Private and charter aircraft use the airport, but there are no regularly scheduled commercial flights. The airport is operated by the Truckee-Tahoe Airport District, a special purpose district, which encompasses a broad area of North Lake Tahoe and Truckee. The district operates on revenue from fuel sales and the rental of district owned buildings, including aircraft hangers. Capital improvements are funded primarily through district tax revenues.

Non-Profit Organizations

There are a variety of non-profit organizations in the study area. This Working Paper discusses two non-profit membership organizations which provide services and a forum for public input and discussion.

North Lake Tahoe Resort Association

Established in 1996, the North Lake Tahoe Resort Association is a 501(c)(4) non-profit corporation that promotes tourism and benefits business through efforts that enhance the economic, environmental, recreational, and cultural climate of the area. Detailed information about NLTRA can be found in the Working Paper entitled NLTRA Organizational Structure.





Truckee-North Tahoe Transportation Management Association

The Truckee-North Tahoe Transportation Management Association (TNT/TMA) was founded in late 1990 as the result of recommendations contained in the 1989 North Lake Tahoe/Truckee Resort Triangle Regional Urban Design Assistance Team (RU/DAT) Report. The report and recommendations were based on the work of a study team sponsored by the community in partnership with the American Institute of Architects.

The TNT/TMA is a membership organization and community forum with the following mission: "The Truckee-North Tahoe Transportation Management Association is dedicated to fostering public-private partnerships and resources for the advocacy and promotion of innovative solutions to the unique transportation challenges of the Truckee-North Lake Tahoe Resort Triangle."

The TNT/TMA membership program provides small business, resorts, neighborhoods, government, and individuals with a cost-effective opportunity to participate in this vital, solution-oriented partnership. TNT/TMA is a unique partnership that combines the best qualities and abilities of business and government in a collaborative effort to facilitate problem solving. The work of TNT/TMA is guided by a 13-member Board of Directors and a full-time executive director, assisted by a part-time administrative assistant.



NLTRA ORGANIZATIONAL STRUCTURE

Introduction

This section addresses strategic organizational issues related to NLTRA as a platform from which tourism development and marketing strategies can be planned and implemented. The current NLTRA organization, and its departments, functions, programs, and services are described in the Situational Analysis section of this Master Plan. They are referenced but not repeated in this section.

The underlying organizational structure from which a destination marketing organization's (DMO) efforts are operated does not normally get public attention. However, appropriate structure is critical to the success of public sector tourism efforts. The types of structures used range widely among destinations. These are frequently based on state, county, and city and/or other local influences, factors related to the types of funding used, specific management and staff systems, and the support the organization is able to garner from its members and constituents. North Lake Tahoe's lack of such an organization in 1995 was noted, and called for as one of the recommendations of the 1995 *North Lake Tahoe Tourism Development Master Plan* (TDMP).

Today, the NLTRA and its Tourism Division are in place, established, and charged with the responsibility for handling typical DMO functions for North Lake Tahoe. They are ready and willing; however, they may not be as able as others who make up the competitive set. Items which relate to their ability are addressed below, compared whenever practical to the competitive set, including Aspen/Snowmass, Summit County, Colorado, the greater Park City area of Utah, and Jackson, Wyoming, which make up Tahoe's competitive set for purposes of this Master Plan. A strategic approach to these organizational elements over the long term can capitalize on NLTRA strengths, while at the same time minimizing weaknesses.

Regional Market Overview

The promotion of a tourism destination in California comes with unique considerations. Over recent years, increasing state deficits have eroded state funding for tourism promotion, which has traditionally fluctuated up and down even in the best of economic times. During the summer of 2003, the State Legislature and former Governor Gray Davis eliminated all state funds in support of tourism promotion,





NLTRA ORGANIZATIONAL STRUCTURE

including funds for the State Department of Tourism. The promotion of tourism in California has been left primarily in the hands of the California Travel and Tourism Commission (CTTC), an organization funded by the private sector tourism industry. CTTC previously coordinated with the California Technology, Trade and Commerce Agency, but will soon fall under the California Business, Transportation & Housing Agency. The result of these changes at the State level leaves a greater burden on local efforts in support of tourism promotion, on counties and cities as well as the private sector.

The primary source of funding tourism promotion at the local level in California is the Transient Occupancy Tax (TOT), collected by the lodging industry. In most jurisdictions, it is not dedicated to tourism promotion, as it is in other states. More frequently, it is used as part of a local government's general fund, where it is subject to competition with other, non-tourism uses. The amounts and conditions under which it is provided to support tourism vary considerably, usually the result of a contractual agreement between the county or city and a local destination marketing organization (DMO). Such a contractual agreement exists between Placer County and the North Lake Tahoe Resort Association, developed and approved annually by both the County and NLTRA.

Local Governance: There is no municipality (city or town) in North Lake Tahoe's central destination resort area in Eastern Placer County, so conventional municipal revenue sources and services are not available. The region is governed by Placer County, along with a network of local and regional agencies, which collectively provide a range of local and regional services.

Political/Geographic Boundaries: Further complicating local governance and an ability to focus resources on tourism promotion, the North Lake Tahoe region lies within parts of two states and four counties, and includes one town (Truckee). The majority of North Lake Tahoe's destination resort area is in Placer County, which extends westward toward Sacramento, while the greater resort region extends north into Truckee and Nevada County (California), eastward into Crystal Bay and Incline Village (Washoe County, Nevada), and south along Tahoe's western shore into El Dorado County. The result is seemingly unavoidable discontinuity, splintered funding sources, and a more complicated and laborious set of efforts required for communication and coordination. This often leads to further weaknesses in purpose and focus.

In combination, these structural elements tend to create a weaker foundation from which to address tourism development and promotion in a world of rapidly changing market conditions, where

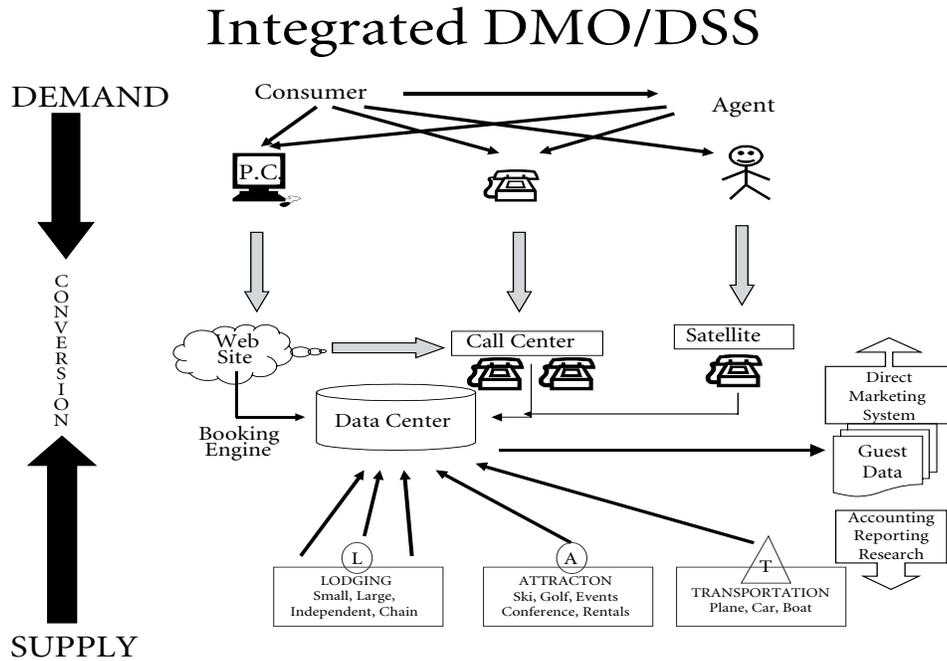
responsiveness can distinguish winners from losers in the game of market share. Further, it's logical to assume that opportunities are lost in the time and effort necessary to combine and deploy a destination marketing "war chest" within the context of Tahoe's complicated structure of governance and political/geographical boundaries. To these current organizational realities there are no immediate solutions within the scope of the TCIMP process, except to acknowledge the strategic implications. However, the final North Lake Tahoe Tourism and Community Investment Master Plan should be shared with similar efforts of other Tahoe area tourism development efforts, with an eye toward further coordination of shared strategies and combined resources when appropriate.

The NLTRA and Its Tourism Division

The organizational structure of the NLTRA, which includes its board of directors, committees, departments and staff, has evolved over the years and now comprises a solid foundation from which strategies can and are developed and actions implemented.

Several key steps in this evolution have occurred over the past year, starting in the fall of 2002 with the integration of all marketing, sales, special events, visitor information and central reservations functions into the Tourism Division, headed by a Director of Tourism. Continuing during 2003, 1) the NLTRA moved its Visitor Information Center in Tahoe City to a smaller, more cost-effective location in the renovated Tahoe City Community Center; and 2) moved its Lake Tahoe Central Reservations call center to the NLTRA's main office building in Lake Forest. As a result of these consolidations and changes, the NLTRA has reduced overhead expenses, strengthened its organizational structure, and positioned itself to become a more effective destination marketing organization. Notwithstanding the issues created by the region's governance and geopolitical boundaries, the combination of these NLTRA attributes may now represent an advantage over other DMOs in Tahoe's competitive set.





Demand



Supply

DMO

Destination Marketing Organization

An association of tourism-dependent businesses, who share common attractions, similar geography, and leverage their individual marketing efforts through private or public sector funding and organizational infrastructure.

DSS

Destination Support System

"Centralized tourism information, fulfillment, and reservation processing system for independent lodging properties, activity and transportation providers, who promote, package, and distribute their products collectively."

NLTRA Tourism Functions

Marketing & Sales: The NLTRA's Marketing and Sales functions and related considerations are addressed in the Marketing Working Paper, and will not be repeated herein. Marketing functions include advertising, promotion, public relations, and special events. Sales functions include Conference

Sales, and the Tour & Travel sales program. The NLTRA Marketing and Reservations Committees provide input and help direct tourism activities.

Visitor Information: In most communities, visitor information functions are typically the responsibility of the local chamber of commerce. They become part of the DMO when chamber functions are merged with the DMO, as has occurred with formation of the NLTRA. When the NLTRA was originally formed, visitor information services were funded in part by chamber member dues, and in part by TOT revenues contained in NLTRA's "Visitor Support Services" budget. In addition to its Visitor Center in Tahoe City, the NLTRA also operates a small information booth in Kings Beach during the summer season.

Effective July 1, 2003, Placer County required that the NLTRA fund visitor information services through its marketing budget. While some portion of chamber member dues continues to help support visitor information services, these services must now compete directly with funds otherwise available for marketing.

Visitor information services are primarily directed at visitors, but may be better thought of and described as a service to chamber member businesses. They can be justified as a means of further promoting and merchandising local retail, dining, entertainment, recreation and other activities offered to visitors once they have arrived in the area. Ideally, visitor information services would be available to visiting guests in several obvious population centers, and staffed seasonally consistent with the needs of visitors. To accommodate seasonally changing population centers, portable, satellite Visitor Information stations could be mobile and located as appropriate, supported from the NLTRA's central, year-round facility in Tahoe City.

As part of the TCIMP process, the appropriate role for Visitor Information Services should be clarified and appropriate funding established. Ideally, more or all of the budget for these services could be derived from those member businesses which benefit, and not compete with marketing funds as is currently the case.

Central Reservations: The NLTRA's marketing efforts are supported by a voice and Web-based reservations service doing business as Lake Tahoe Central Reservations (LTCR). Most mountain destination resorts, including all in the Tahoe competitive set, have similar services. They justify their existence by converting





the guest inquiries generated by marketing and sales into revenue-generating reservations, selling lodging and activity supplier services, and providing a range of services to those inquiring and making reservations. The resulting additional business generated by a central reservations service can be a competitive advantage, depending on the quality of services provided, as well as additional market intelligence from related market and guest history database services.

Fundamentals of Central Reservations

- Revenue Generating Items:
 - Call-to-Action for collective marketing efforts.
 - Increase inquiries on behalf of guests and participating vendors.
 - Serve as clearing house for guest/members during high demand periods.
- Member Service Items
 - Distribution, via Internet and onward distribution, Web booking, and
 - Vacation packaging functions for guests/member businesses.
 - Share the considerable costs associated with deploying travel technology to prepare for the future of electronic distribution systems.

Successful Central Reservations Characteristics

Most central reservation services, including LTRC, attempt to perform their functions, covering as many of their costs as practical, by charging supplier commissions and guest booking fees. Based on data from the Central Reservations Association of Destination Resorts (CRADR), those that are most successful have the following characteristics:

- A large direct-marketing budget, for driving calls and Web visits to the center,
- Well-qualified guest inquiries, which represent immediate sales opportunities,
- The ability to predict call volumes and patterns, then staff accordingly,
- Reasonable commission structure with member businesses,
- Adequate and modern enabling technology,
- Competent, seasoned management and trained/motivated staff.

When such circumstances are not in place, reservation services are subsidized as service centers or obliged to adopt aggressive business practices in order to generate sufficient revenue to cover costs, sometimes at the expense of their own member businesses.

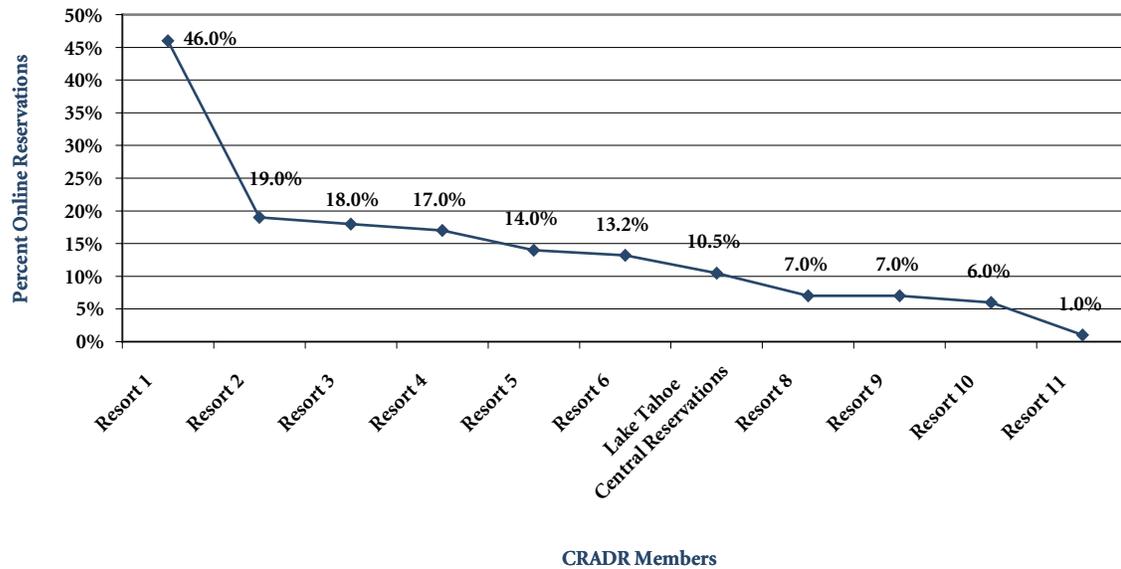
LTCR does not enjoy some of the key factors that contribute to self-sufficiency, but is required by Placer County to cover its costs (as opposed to the service-center model). This leaves LTCR on an uncertain financial footing. During 2002 and 2003, in response to its financial requirements and related mandates, LTCR has:

- curtailed its destination guest services, including air and car rental and much of its destination vacation packaging;
- reduced staff and systems to near or below operating minimums;
- sought other non-NLTRA contract business to help drive volume and commission revenue;
- raised commission charges and added a consumer booking fee charge to help cover costs;
- significantly reduced LTCR overhead expenses with a recent relocation from office space in Tahoe City to the NLTRA's main office building in Lake Forest.

The appropriate role and related funding for Lake Tahoe Central Reservations was not addressed in the 1995 Tourism Development Master Plan. Placer County has required that LTCR operate without direct support from TOT. There is no specific provision within the NLTRA's budget for covering LTCR operating losses or funding for the acquisition of new technology, which evolves and becomes essential and strategic for a modern voice and Web-based booking center. At one time a competitive advantage for North Lake Tahoe, LTCR has fallen behind other competitive destinations in its ability to take advantage of new Web-based booking systems and the electronic distribution of vacation products to the marketplace. Due to the rapid evolution of guest booking patterns toward Internet-based systems, technology is a strategic need and must be addressed. (Note: As of November 1, 2003, LTCR implemented a new Web-booking engine, Inntopia, provided under contract to NLTRA by Sterling Valley Systems, based in Stowe, Vermont. Inntopia represents a much-improved Web-booking function as compared with the NLTRA's previous provider.)



Figure 7: Online Reservations as a Percentage of Total Reservations



During the TCIMP process, long-range marketing goals will be charted. An opportunity will exist to clarify the appropriate role for LTCR as part of the development of the NLTRA’s new Strategic Marketing Plan, with a clear direction regarding the balancing act necessary to achieve reservation service self-sufficiency. A clearer vision for its focus and services, a more synchronized role with marketing, and improved reservations software and Web-based technology are among the LTCR issues that need to be addressed. The NLTRA Reservations and Marketing Committees provide input and member-based guidance for Lake Tahoe Central Reservations.

Other NLTRA Departments and Functions

Infrastructure & Transportation: This department directs and coordinates NLTRA activities in connection with the development of local infrastructure and transportation projects. Transportation projects currently include NLTRA financial support for transit services and traffic management programs. The NLTRA works hard to leverage all of its infrastructure and transportation expenditures; projects are rarely funded by the NLTRA alone. Rather, the NLTRA typically functions as a funding partner with at least one or more other partners to implement agreed-upon projects and programs. The NLTRA Infrastructure and Transportation Committees provide input and help direct department activities.

Membership Services: This department provides and coordinates the NLTRA's chamber of commerce-type services, including chamber member services, chamber events and activities, and visitor information services. The NLTRA Membership Committee provides input and helps direct department activities.

Network Administration: This is a new in-house position, established in June 2003. The Network Administrator provides and/or is responsible for coordinating all of the NLTRA's technical support requirements, including the company computer network and communications systems. These services were previously provided by an outside contractor.

Finance and Human Resources: This department handles and/or coordinates all financial and accounting functions, as well as human resources services and support. The NLTRA Finance Committee provides input and helps direct department activities.

Administration: The function of NLTRA administration is to oversee, manage, and support the full spectrum of resort association functions and departments. The role of the executive director is to provide the leadership and overall direction and ensure the appropriate level of coordination and support for all departments and functions of the organization. The NLTRA Board of Directors provides policy direction, guidance and input to the NLTRA's management and administrative staff.

NLTRA Facilities

In the late 1990s, the NLTRA offices were decentralized into separate physical locations, tied together with a telephone and computer network shared among the various departments.

During the past year, as more fully described elsewhere in these Working Papers, measures were undertaken to centralize the previously separate physical locations. This resulted in a significant reduction in overhead expenses and an increase in communications and coordination between the various departments, functions, and management. The computer network, workstations and selected software systems have also been partially upgraded as part of the 2003/2004 NLTRA Budget. However, neither the Central Reservations software nor the NLTRA communications system have been upgraded, and no specific reserve has been established for their ongoing improvement and replacement.





NLTRA ORGANIZATIONAL STRUCTURE

The NLTRA should be able to plan and budget for the ability to operate efficiently over the long term. Accordingly, a long-term facilities and enabling technology plan should be put into place and the necessary funding provided. A permanent, adequately sized and designed facility should be planned and budgeted so that management and staff and all departments can continue to be accommodated in one facility and able to continue to improve operational efficiency. Enabling technology, Internet connectivity and other tools for marketing and communications have become strategic needs and should be planned for and funded so as to create an advantage for the NLTRA over its competition.

Funding

The following information provides a tourism development perspective on funding, but does not attempt to give direction or make recommendations. More information on funding as it relates to the comprehensive Master Plan is provided in the Finance and Funding Working Paper.

Sources and Uses: The NLTRA is challenged, having few sources of funds while at the same time having many disparate and competing uses for its limited funds. Though not an unusual phenomenon in today's public sector and community service organizations, the NLTRA appears to have both fewer sources and more responsibilities than other DMOs with whom they compete.

The NLTRA's primary source of funds is the Placer County Transient Occupancy Tax (TOT). This source is augmented by various membership-based funds, commissions, fees for service, and cooperative marketing funds. While other potential sources of revenue for the NLTRA and its Master Plan projects and programs have been identified, none has been authorized or approved, nor are any in the works at this time.

The TOT funding received by the NLTRA from Placer County comes to the NLTRA through the development and approval of an annual contract for services between the NLTRA and the County. Since 1996, the County has directed that the funds received be allocated to NLTRA uses as follows: infrastructure 47 percent, visitor support services (transportation) 11 percent, and marketing 42 percent. The marketing budget is required to bear the majority of the cost of operating the NLTRA, including the cost of staff and operational expenses. Also contained within the marketing budget are the costs for the full complement of NLTRA marketing, sales, promotion, and public relations functions, as well as the NLTRA's contributions to various regional associations and marketing partners. These currently include Ski Lake Tahoe, the Sierra Ski Marketing Council, the Placer County Film Office, the

North Tahoe Conference Center Marketing Program, and the North Lake Tahoe Wedding & Honeymoon Association. Marketing also contributes to the cost of providing visitor information services. Up until fiscal year 2003/04, marketing funded a modest special events grant program. Due to an overall lack of funds, this program has been discontinued, at least for the foreseeable future for the current budget year.

The result of all the uses and mandates assigned to marketing is that the budget available for direct media advertising and tourism promotion has continued to erode. This decline has been exacerbated by a significant increase in the cost of advertising and promotion.

Direct Promotional Funds

The limitations on available promotional funding, combined with post-9/11 changes in travel patterns, have resulted in the NLTRA is promotional focus on primary (drive-up) markets. It is in these markets where the harvesting of historic customer equity arguably provides the best use of limited funds, generating the most business to member suppliers with the fewest dollars. Promotional campaigns are also being targeted toward specific price-based offers, which include a call-to-action that increases visitor vacation revenue and drives business to member properties. Clearly, the NLTRA's available funds are working hard in this context, expended in a manner consistent with the traditional short-term, "most bang for the buck" strategy, as would a private-sector business during lean economic times. However, such short-term business harvesting can run contrary to the conventional charter of a DMO, taking attention and resources away from the development of new markets and new visitors, and, on occasion, putting the DMO in competition with its own member businesses for the established, repeat visitor.

Breadth of Funding

As already established, the NLTRA is largely dependent on revenue generated by TOT (taxes on lodging guests). While most lodging properties understand that they "collect the tax" rather than actually pay the tax, lodging providers pay additional NLTRA membership dues (for members of Central Reservations), conference commissions, and central reservation commissions. Other sectors of the community, including activities/attractions, food/beverage/entertainment, retail and professional services have been shown by the "The Economic Significance of Travel in the North Lake Tahoe Area" (Dean Runyan Associates, December 2003) to benefit in both direct and indirect ways from tourism spending, but do not have a mechanism for contributing proportionally. An opportunity may exist to broaden the funding



base by soliciting funding from all who benefit. This is a strategy used successfully in destination resort communities included in Tahoe’s competitive set.

Tourism Marketing Return on Investment (ROI)

In any attempt to best allocate and expend available funds, DMOs often use a return on investment (ROI) assessment. Proponents of increased marketing funds argue that all available funds should be allocated to a destination resort’s direct promotional efforts. These direct efforts, when properly invested, can increase product awareness, drive guest visitation, create gross lodging revenues, and, once taxed, generate return revenue based on the current percentage of TOT collected. The taxes generated from gross lodging revenue thereby create a return on initial investment, and, in a sense, can replenish themselves, becoming a revenue stream not only for the DMO but for the funding partner (Placer County) as well.

Table 8: Marketing Return on Investment NLTRA

Marketing Return on Investment (ROI)		
Company: NLTRA		
FY 2002/2003		
DESCRIPTION	AMOUNT	NOTES
Investment	\$305,000	NLTRA Direct Promo
Return	\$5,000,000	LTCR Gross Revenue
Return on Investment (1)	\$16.39	
Tax Rate	10.00%	
Return to Tax Base	\$500,000	
Return on Investment (2)	\$1.64	

While funds invested in growing established markets can produce a short-term ROI on initial investment (due to familiarity with a resort area and a high propensity to visit), funds invested on establishing new markets have a longer development period, but may generate a higher return in the long term as new markets open and new destination guests are attracted. This ROI argument has been used successfully in competitive destinations such as Colorado, which increased state spending for tourism promotion in 2003 by \$9 million (while in the midst of a state funding deficit) by demonstrating a tourism marketing ROI of 12:1.

Table 9: Marketing Return on Investment Colorado Tourism

Marketing Return on Investment (ROI)		
Company: Colorado Tourism 2001-2002 Longwoods Analysis		
DESCRIPTION	AMOUNT	NOTES
Investment	\$2,546,000	
Return	\$522,190,000	
Return on Investment (1)	205.10	
Tax Rate	6.20%	
Return to Tax Base	\$32,375,780	
Return on Investment (2)	12.72	

Source: Longwoods International Assessment of Colorado Tourism Board 2001-2002 Campaign







AFFORDABLE HOUSING

Affordable Housing in Mountain Resort Communities

Housing is the biggest element that impacts affordability in a destination resort community. Achieving affordability becomes a series of lifestyle tradeoffs (e.g., living with more roommates, living outside of the town, having a long commute, etc.).

Providing affordable and employee housing is a challenge in mountain resort communities nationwide. The ideal community is a balance of the people who live, work, own businesses, visit, and retire there. Successful communities are able to provide an adequate supply of resident housing to support their community's workforce. In all communities, people want the ability to live near where they work. Some may choose not to, but they still expect the option. They want to raise their families and have the option to retire there.

Resident accommodations include deed-restricted affordable housing (both rental and for sale), market-rate housing for permanent and semi-permanent residents, rental units (units that are typically rented by lease or on a month-to-month basis), and second homes. The types and availability have a direct impact on the real estate market, one of the more vibrant market sectors in resort communities today.

Affordability is especially difficult to address in a resort community because of the disparity of wealth. Per the U.S. Internal Revenue Service (IRS), Teton County, Wyoming, is the wealthiest county in America.¹ A few patterns are emerging, according to Jonathan Schechter, an economist there. One is the rise of Jackson Hole and Aspen as places that attract the super-wealthy. While both places have been among America's wealthiest counties for years, the recent attraction of the ultra-rich in a short period of time is noteworthy. Between 1991 and 2000, Teton County's households (number of people filing a tax return) increased 23 percent; while total income grew 239 percent, 10 times as much. This and other data suggest that the past decade's unprecedented growth widened the divide between not just the rich and poor, but between the rich and the middle class and between the rich and the really rich.





However, Jackson Hole has noted that no Rocky Mountain community has done more to house locals than Aspen. Yet despite their massive efforts to keep the community oriented toward locals living in Aspen, the town is ascending the ranks of America's wealthiest counties: from 48th in 1995 to fourth in 2000. Because Aspen has relentlessly moved up the list during the last few years, perhaps even those who live in affordable housing may be finding it difficult to stay in that community.

As the popularity of a resort community grows, so does the real estate market. Second homes have increasingly dominated the real estate market in resort communities. The displacement of local citizens who "cash out" has been a common theme in many municipalities. This happens when long-time locals sell their property and leave the community and new arrivals cannot afford to buy housing at current values. With real estate demand outpacing supply, a resort community struggles with enabling the local workforce to live within the community boundaries due to rising housing costs. Most all resort communities have a great deal of the workforce living outside the community in order for them to afford housing. The local public sector assumes the role of providing resident housing for its citizens by whatever methods they are able to create. The amount of affordable housing can have a direct effect on other systems, such as transportation, recreation, schools and social services. The public sector is also concerned with the financial implications the housing and accommodations market has on the community from a tax-base standpoint, since these taxes provide the resort community with funding for schools and public services.

Trends

Increase in resort communities identifying resident housing needs. Aspen/Pitkin County was one of the first places to identify the importance of creating a way to have employees live in the town in which they work. Many resort communities that are just now starting to address the issue are finding it difficult to implement programs in the later stages of the resort's development.

Resident housing is always "someone else's responsibility." Developers, business owners and employers don't want to build or pay for employee housing, yet they want workers to efficiently provide the service needs of their projects. The public sector believes that it is the private sector that is creating the housing needs and therefore the governmental agencies should not have to take responsibility. The ski area is looking for seasonal housing but cannot justify development costs of that product when it is heavily subsidized and vacant for portions of the year.

Housing for different types of employees. Aspen and key business operators (including the ski area owner) have focused on housing that meets the needs of different types of employees. The Marolt Housing project provides dormitory-type rooms that house seasonal ski area workers in the winter and music students in the summer. Housing programs are also in place for permanent residents (more information is included in the Best Practices section that follows).

Housing needs have regional impacts. When the people who work in a resort cannot afford to live in that community, they move away from the immediate area. Aspen's growth management policy has very successfully preserved its natural beauty but by limiting growth, construction was forced to move away from town. The same is true for Vail. Resident housing needs to be considered as a regional issue, not just a local issue. The housing market is of concern to the regional government in regard to the number of workers who cannot afford to live close to the resort community or cannot find available housing. The ability to live close to the resort community has a direct impact on transportation and infrastructure costs and pollution.

Myth of the Ski Bum. Resort communities have become so expensive to live in, where monthly rent can consume 75 percent of a worker's paycheck, that many people now hold two to three jobs in order to afford their living expenses. The days of skiing all day and waiting tables at night are now non-existent at many resort communities.

Best Practices

How do resort communities facing affordable housing issues address the problem?

Land-Use Patterns that Encourage the Integration of Businesses and Housing. At Copper Mountain, Colorado, 10 percent of the units in a residential development were once required to be deed-restricted units and located within the building. In another example, at the Aspen Airport Business Center, affordable housing is located above a variety of businesses. This creates affordable housing options close to the town core.

Zoning Ordinance and Regulation Changes

Linking a Comprehensive Land Use Plan with Local Regulations

Permitting Construction of Accessory Apartments

Requiring Inclusion of Housing in Development Projects





Reducing Lot Size Restrictions

Affordable Housing Initiatives. Housing is one of the most important aspects of resort communities' ability to fulfill the needs of the workforce in the local economy. To permanent residents, housing is first and foremost on their list of needs. A diverse array of price ranges, quality and ample quantity are required to satisfy the demands of the local residents. There is a divergent range of incomes within a resort community. The ability to provide housing for seasonal employees working for an hourly rate is one of the larger challenges facing resort communities. For instance, a seasonal employee working for a ski area will require an inexpensive rental unit allowing access to the resort in winter conditions. On the other hand, year-round residents who are invested in the community are more interested in purchasing a home within close proximity of their work. In the middle of this matrix is the person who is a full-time resident but who cannot keep up with rising property sales (taxes). Therefore, the full-time resident may require assistance from the resort community in the form of affordable housing.

Resident Housing Example - Aspen/Snowmass, Colorado

Background

According to the U.S. Census Bureau, Pitkin County grew by 17.5 percent between 1990 and 2000. The total number of housing units was 10,096, with a homeownership rate of 59.2 percent. There were 6,807 households with an average of 2.14 persons per household.²

Employee Housing

The Aspen/Pitkin County Housing Authority was established "to assure the existence of a supply of desirable and affordable housing for persons currently employed in Pitkin County, persons who were employed in Pitkin County prior to retirement, the disabled, and other qualified persons of Pitkin County."³ Their goal is to house 60 percent of the workforce by the year 2015.

According to the Aspen/Pitkin County Housing Authority, there are currently 845 rental units and 1,007 for-sale units, totaling 1,852 employee units.⁴ Pitkin County's population is currently 13,423,⁵ translating one affordable housing unit for approximately every 7.25 persons. More units of affordable housing are currently in the planning stages with development being done by the Aspen/Pitkin County Housing Authority and the private sector. The Housing Authority has prioritized the following options in order of preference regarding the types of units to construct: 1. Entry level studio and one-bedroom sales units in the low-income level, lower moderate-income level, and lower-priced in the upper moderate-income level. 2. Family-oriented sales units, three- and four-bedrooms in the upper

moderate- and middle-income levels.

The Housing Authority establishes guidelines each year, which govern the development of, admission to and occupancy of deed-restricted affordable housing units for Aspen and Pitkin County. The Affordable Housing Guidelines respond to housing needs in Aspen and Pitkin County as identified by the Housing Office. The guidelines are used to:

- Review land-use applications
- Establish affordable rental rates
- Establish affordable sales prices
- Establish criteria for qualifications and occupancy
- Develop and prioritize current and long-range housing programs
- Provide information and a process for developing affordable housing

It is the intent of the Housing Program to provide housing opportunities for persons who are or have been actively employed or self-employed in Pitkin County, who provide goods and services to individuals, businesses or institutional operations in Pitkin County.

Regarding the mitigation of affordable housing impacts, the Housing Authority has prioritized the following options in order of preference depending on the site location:

On-site Housing - The location of a deed-restricted property used for construction or redevelopment of a property for mitigation purposes must be either next to or attached to the development.

Off-site Housing - The location of a deed-restricted property used for construction or redevelopment of a property for mitigation purposes must be at a separate location approved by the Housing Authority.

Cash-in-Lieu or Land-in-Lieu - The applicant for a development may, under certain conditions and subject to certain requirements, satisfy the mitigation requirement by payment of an affordable housing dedication fee or a donation of land. The preference of cash or land shall be determined on a case-by-case basis.

An example of the promotion of employee housing is the Ullr Commons, an Employer-Assisted Development wherein the core employer group became an advisory body meeting monthly to review plans, corporate structures and financing options. Employers found that in joining together





to cooperatively purchase and renovate the Ullr Lodge, they could access a professionally managed housing project without diverting attention from their core businesses. Additionally, the larger scale permitted smaller employers to utilize employee housing that they could not obtain on their own. Management and regulation of the property was worked out cooperatively among the employers. The Ullr Commons project has opened up possibilities for future private-public projects.

Second homes

The second-home population dominates the town, making Aspen more like a private club than a resort. The second-home market competes with the resort labor market, offering better pay and flexible hours. Aspen has fundamentally changed from the traditional economy of a destination ski resort to the new economy as a second-home resort. The number of second homes has a distinct relationship to Pitkin County's vacancy rate, which, in 1995, was 37 percent compared to the State's average of nine percent.⁶

Affordable and Employee Housing in the North Lake Tahoe Area

Placer County Affordable Housing Strategy and the Placer County General Plan

Local governments play a critical role in the provision of housing that is affordable to low- and moderate-income households. California law requires each city and county to adopt a housing element as one of the required elements of the General Plan.

In Placer County, the issue of affordable housing has been addressed in the County's newly adopted and certified General Plan Housing Element. The updated Placer County General Plan includes the Placer County Housing Element and two ordinances to implement it: one addressing employee housing and one for inclusionary housing. The General Plan calls for the creation of new employee housing with each new development project undertaken in the Tahoe/Sierra region.

Placer County is large, with a diverse assortment of housing issues, opportunities, and constraints. For example, while housing production is flourishing in the southwestern portion of the County, housing production is tightly controlled in the Tahoe Basin by the Tahoe Regional Planning Agency.

Placer County has several policies and programs in place to encourage affordable housing production, including density bonuses, provisions for second units, fee waivers, and mixed-use development, as

well as development assistance for new construction provided by the Redevelopment Agency and the countywide housing trust fund. In addition, the County operates several programs to directly assist individuals and families.

Impediments to Affordable Housing Production in the Tahoe Region

The Tahoe Regional Planning Agency (TRPA) was established in 1969 to oversee development and protect the natural resources of the Tahoe Basin. TRPA adopted the Code of Ordinances, which establishes specific regulations and thresholds for, among other things, land use, density, and rate of growth, land coverage, excavation, and scenic impacts. The TRPA code sets maximum annual housing unit allocations, as well as density limitations on multi-family development. These regulations are designed to bring the Tahoe region into conformance with the threshold standards established for water quality, air quality, soil conservation, wildlife habitat, vegetation, noise, recreation, and scenic resources. However, while these regulations serve to protect and enhance the Tahoe Basin, they create additional costs and requirements that can constrain development and housing production despite the great need for such housing. For the 2001 and 2002 period, TRPA set a maximum allocation of 88 residential units per year in the Placer County portion of the Lake Tahoe Basin. This included both single-family and multi-family development.

While low-income developments may obtain waivers from the TRPA allocation requirements, once the low-income deed restriction expires and the project is eligible to convert to market rate, the owner must obtain an allocation in order to proceed with the conversion. This added process serves as a disincentive to many developers in the development of low-income housing.

TRPA's regulations have little direct effect on the rehabilitation of basic structural components of existing housing units. However, they may discourage significant additions or remodeling that involve significant changes to the building size or location. This is not considered a major impediment to rehabilitation of substandard buildings.⁷

Placer County Redevelopment Agency

The Placer County Redevelopment Agency was created in 1996. The County currently has three redevelopment project areas: the North Tahoe Redevelopment Project, the North Auburn Redevelopment Project, and the Sunset Industrial Park Redevelopment Project. A portion of the increased property tax revenue (tax increment) resulting from new private investment in the project areas is directed to the Redevelopment Agency rather than the City, County, or independent districts.





Tax increment funds must be used for public improvements and affordable housing development within the project area, or in some circumstances, outside the project area. According to State Community Redevelopment Law, one of the primary purposes of redevelopment is to increase and improve the community's supply of low- and moderate-income housing.

The housing requirements for the Placer County Redevelopment Project areas are:

The inclusionary rule – A fixed percentage of all housing constructed or rehabilitated in the project areas must be affordable to low- and moderate-income persons and families.

The replacement rule – Low- and moderate-income housing, which is removed as a result of a redevelopment project in a project area, must be replaced.

The set-aside rule – At least 20 percent of tax increment revenue must be spent to increase, improve, and preserve the supply of low- and moderate-income housing in the project area.

The Placer County Redevelopment Agency administers the North Tahoe Redevelopment Project. The Agency estimates it will generate some \$10.3 million in total revenues from the North Lake Tahoe Project area during the period 2001 to 2005. These funds will be generated by a tax increment and, as required by State law, the Agency will contribute 20 percent of this gross tax increment revenue to low-end moderate-income housing.

Affordable housing priorities for the North Lake Tahoe Redevelopment Project are:

1. Housing Rehabilitation
2. First Time Homebuyer Assistance Program
3. New Low-Income Employee and Seniors Housing

The Redevelopment Agency established the Placer County Affordable Housing Strategy, and operates a number of policies and programs countywide, to implement this strategy. Programs that include and affect the North Lake Tahoe area include:

Multi-Family Rental New Construction Program. The agency plans to assist in the production of new affordable housing. The agency estimates that approximately \$3.5 million will assist in the development of affordable multi-family rental housing in the North Lake Tahoe area for low- and moderate-income persons who live and work in the area. The agency's aim is to use this program to address the substantial need for affordable employee housing in the North Lake Tahoe project area due to high demand for lower-paying services and tourism-related jobs in the region.

Community Development Block Grant (CDBG) Funds. CDBG funds and redevelopment set-aside funds together are used to preserve the existing stock of affordable housing through the County Housing Rehabilitation Loan Program and the Kings Beach Housing Rehabilitation Program.

Mixed-Use Development Program. The redevelopment agency will identify and assist in the development of mixed-use projects to create affordable housing opportunities and ease the demand for employee rental housing. Redevelopment set-aside funds will be used for a variety of actions to assist in the development of mixed-use projects, including, but not limited to, the identification of sites, loans for the development of mixed-use projects, assistance with County fees, and assistance with expenses associated with TRPA requirements.

Mandatory Inclusionary/Employee Housing Program. The Employee Housing Program requires that developers of large-scale resorts house those lower-wage earners employed by the facility. The employee housing requirements are triggered when a new resort is built or when an existing resort is expanded.

The County has also adopted an inclusionary housing ordinance in the Redevelopment Project Areas in conformance with State law, which requires that 15 percent of all newly constructed or substantially rehabilitated residential units be affordable to low- and very-low-income households.

Housing Trust Fund. A Housing Trust Fund has been established to increase and improve the supply of affordable housing. Funding sources include in-lieu fees and employee housing needs fees. The Housing Trust Fund had approximately \$950,000 as of February 2002.

Summary of Redevelopment Agency Revenues and Housing Expenditures. The following table summarizes, by project area, revenue projections, the primary programs of the Redevelopment





Agency and their expected expenditures for the 2002 to 2007 planning period.

Table 10: Redevelopment Agency Revenue Projections and Housing Expenditures

	North Lake Tahoe Project Area FY 2001-2006	North Auburn Project Area FY 2002-2007	Sunset Industrial Project Area FY 2002-2007
Total Revenues	\$20,320,000	\$10,551,956	\$10,557,583
Housing Expenditures			
First-time Homebuyer Program	\$350,000	\$640,000	640,000
Multi-family Rental New Construction	\$3,500,000	\$690,000	1,260,000
Housing Rehab Program	\$120,000	\$745,000	664,000
Mixed-use Development Program	\$180,000	-	-
Total Housing Expenditures	\$4,150,000	\$2,075,000	\$2,564,000

The Housing Element of the Placer County General Plan and certain community plans provide the overall framework for Placer County’s formally adopted affordable housing goals and policies. In addition to these goals and policies, there are legal requirements for the provision of affordable housing in connection with the County’s redevelopment program activities.

The Placer County General Plan’s Housing Element contains affordable housing goals and policies, and identifies a variety of housing programs applicable throughout the county. Similarly, some of the community plans include affordable housing policies intended to supplement and elaborate upon those found in the policy or ordinance.⁹

Martis Valley Community Plan

The proposed Martis Valley Community Plan, in combination with the Placer County General Plan, addresses the acute need for employee, workforce and affordable housing in the Tahoe/Sierra region. The Town of Truckee, the TRPA and Placer County have recognized this need and are attempting to increase the supply of such housing.

The Martis Valley Community Plan proposes the adoption of the same policy as the Placer County General Plan relative to employee housing and additional policies to encourage and preserve opportunities for lower-cost housing. It also addresses opportunities within the Martis Valley area.

“The Town of Truckee (in Nevada County) has discussed the need for affordable housing with Placer County on several occasions. Within the town, new affordable housing projects have been built and others have been approved and not yet constructed. Most recently the Old Greenwood and Gray’s Crossing projects were approved with a requirement to construct 128 affordable or moderate-income units. The Town has suggested that Placer County has not done enough to provide for workforce housing in the region.”¹⁰

Local Working Groups

The **Sierra Business Council (SBC)** published *Investing for Prosperity* in 2003. This report devoted a large section to “anticipating and addressing the housing needs of employees and residents.” Four case studies were presented where progress had been made through market- and government-based programs. This publication has spurred SBC staff and board members to give dozens of presentations and receive feedback regarding the regional affordable housing issues.

The **Workforce Housing Association of Tahoe/Truckee (WHATT)** is a housing non-profit organization formed in 2003 in the North Lake Tahoe/Truckee area. Their mission is to educate employers and their employees to become advocates for planning and funding among governments, regional agencies and the private sector, in order to expand workforce housing in the greater North Lake Tahoe/Truckee region.

This group was generated through the work of SBC members, business owners, the Human Resources Director at Northstar-at-Tahoe, Debbie Kelly-Hogan, and Managing Partner for East-West Partners, Roger Lessman. They do not have local tax support at this time, but have secured funds to "get off the ground" and hired an executive director.

WHATT believes that the North Lake Tahoe/Truckee housing crunch will only be solved through a combination of solutions, including more traditional tax-credit-based affordable housing, market rate “granny flats,” employer-owned housing, and dorm-style housing for seasonal employees. Their plan is to work on all fronts to secure the investment capital and local political support for a wide variety of housing projects.¹¹





Summary

Due to the high housing prices in resort communities, many resorts are currently working on developing and managing employee housing projects. These projects are making it affordable for employees to live in the community in which they work and contribute to the local community.

Providing affordable housing for the resident population is a key to establishing a successful path to the future. There are no “quick fixes” to the housing issues facing resort communities. A successful destination resort community will have affordable housing programs that stipulate that:

1. A permanent population base exists within the community that is of sufficient size and diversity to ensure a vibrant community.
2. Policies and programs are in place that allow and encourage a critical mass of resident housing within the community, including resident housing that is integrated in all neighborhoods, and incentives for the private sector to build affordable housing. There is also housing for seasonal employees.
3. A community plan is in place that provides for a majority of the workforce to live close to the community, gives extra consideration for proposals for residential permits that include affordable housing, and requires commercial and lodge development to either build employee housing on-site or buy existing housing to be placed in a deed-restricted program.

(Endnotes)

¹ Jackson Hole Guide, April 17, 2002

² U.S. Census Bureau, 2000

³ Aspen/Pitkin County Housing Authority Web site

⁴ Aspen/Pitkin County Housing Authority

⁵ U.S. Census Bureau, 2000

⁶ www.aspen.gov

⁷ Placer County Housing Element 2006-2007 Draft, April 2003

⁸ Placer County Housing Element 2006-2007 Draft, April 2003

⁹ Placer County Affordable Housing Strategy, 2002, Connerly & Associates, Inc.

¹⁰ Placer County Planning Department memo, 9/12/03

¹¹ SBC News, Summer 2003



FINANCE AND FUNDING

Introduction

This Working Paper describes the funding mechanism currently being used by the North Lake Tahoe Resort Association to implement the 1995 *North Lake Tahoe Tourism Development Master Plan*. It lists the other funding sources currently used in support of transit operations in the area and the NLTRA's most active partners in funding infrastructure projects.

This working paper also describes a variety of potential new sources of revenue for implementation of the *North Lake Tahoe Tourism and Community Investment Master Plan*. The applicability of each potential new source is discussed, along with any institutional or legal issues related to the process of approval and use of each source at North Lake Tahoe.

Current Funding

The only direct, public source of funds for operation of the North Lake Tahoe Resort Association and the work of the NLTRA in implementing the 1995 Master Plan is Placer County Transient Occupancy Tax (TOT). In addition to the use of TOT dollars allocated by the County to the North Lake Tahoe area that were in place prior to formation of the Resort Association, local voters have twice passed a ballot measure authorizing an additional two percentage points of room tax revenues for infrastructure and related projects, consistent with the Master Plan.

The 1995 Plan called for the development of new revenue sources in order to augment TOT revenues, creating the additional resources necessary to implement the entire Plan, as well as establishing and ensuring equity among the funding sources. The NLTRA was successful in drafting and gaining approval from the California State Legislature for the authority to establish a Transportation District in the eastern portion of Placer County (east of Donner Summit). Based on this legislation, a proposed one-half-cent increase in the local sales tax was submitted to area voters in the fall of 2000 (Measure E). Revenues from the passage of Measure E were earmarked to fund a specific list of transportation projects, including increased transit services, traffic management and congestion relief, bike trails, and other projects, which had been identified in the Master Plan and in development of the Measure E Expenditure Plan. At the





time Measure E was proposed, it was estimated that the sales tax would have generated over \$1 million per year. However, Measure E failed to gain sufficient voter support.

Currently, the NLTRA spends approximately \$250,000 in TOT revenue annually to help fund enhanced transit services and traffic management programs. As discussed later in this Working Paper, an increase in the local sales tax remains an important revenue option for Master Plan implementation.

The 1995 Master Plan identified and discussed a total of eight possible funding alternatives. Some of these were provided as part of the “list of sources,” but were not directly germane to Master Plan implementation. Other than the sales tax, no other new sources of revenue for Master Plan implementation were specifically proposed during the period of 1995 to the present. Placer County TOT remains the primary NLTRA source of funds for Master Plan implementation. The County directs 60 percent of the TOT collected within the North Lake Tahoe area to the North Lake Tahoe Resort Association to support NLTRA marketing programs, visitor information services, visitor support services (transportation), infrastructure projects, and NLTRA operations. NLTRA has been successful in leveraging its TOT resources with funds from other sources and organizations; but, as identified elsewhere in this Master Plan, there are funding needs beyond the TOT resources currently available.

Revenue Source Alternatives

In examining Tahoe’s principal Western mountain resort competitors, the more successful communities have demonstrated a willingness to impose various use taxes in order to enhance and mitigate the visitor experience and improve local quality of life. In California, such use taxes include transient occupancy tax (TOT), sales tax (primarily used in communities throughout California to help fund local transportation improvements), recreation assessments, and the real estate transfer tax (REIT).

This report also discusses revenue that could be made available through a Community Service Area (CSA), State Community Redevelopment Law (CRL), Real Property Transfer Tax, and the County Business License Tax.

Enacting any one or more of these revenue sources would require a high degree of willingness and support on the part of the electorate and a degree of political risk to those proposing the levy. While there are no easy roads to the approval of new revenue sources, others have demonstrated that it can

be done.

Transient Occupancy Tax

Historically, Placer County has allocated 50 percent of the eight percentage points of the TOT collected within the North Lake Tahoe area back to the community to fund agreed-upon programs and projects. Since 1995, this revenue has flowed through the NLTRA for marketing, transportation and infrastructure development. Support for infrastructure development also includes the additional two percentage points of TOT overwhelmingly approved on two occasions (1996 and 2002) by local voters. These additional two points of TOT will require voter approval again in 2012.

Currently, one point of TOT generates about \$700,000 annually. Projecting a conservative growth rate of five percent, one point of TOT would generate about \$1,000,000 annually by the year 2012.

Applicability/Who Pays?

TOT is paid entirely by the visitor. Therefore, on the surface, TOT appears to be an ideal method of funding the needs and impacts of a visitor economy. However, there is a point at which the visitor considers the TOT to be excessive, and the rate becomes non-competitive when compared with other destinations. Additionally, lodging providers believe that it is unfair for one segment of the economy to provide funding for the solutions that benefit many others. In any case, TOT alone does not provide sufficient revenues to meet all the identified or agreed-upon needs.

Sales Tax

With creation of the Transportation District for Eastern Placer County, it became possible for the local electorate to enact a one-half-cent sales tax dedicated to transportation improvements. The state legislation that created the district requires a two-thirds voter majority for passage of the sales tax levy.

Many California cities and counties use a locally approved increment of sales tax to help fund transit and transportation improvements. Such communities are referred to as “self-help” communities, since by using locally approved funds as matching dollars they improve their ability to qualify for state and federal project dollars.

In California, the state returns one-quarter of one percent of the sales tax to cities and counties through





the Transportation Development Act (TDA). This pass-through is based on a fair-share formula using census data. These funds provide support for local transit operations and transportation projects. The TDA funds made available to the Placer County portion of the North Lake Tahoe area are used to help support operations of the Tahoe Area Regional Transit system.

The census formula is based on permanent residents and does not factor into consideration high-impact visitor destinations such as Lake Tahoe. According to the 2000 census, the eastern portion of Placer County has a population of 14,887. During peak periods of visitation, the area's population can swell to over 100,000, many times the TDA fair-share formula. The current fair-share formula has been in place for many years and is not considered likely to change.

Applicability/Who Pays?

An increase in the sales tax would be paid by residents and visitors. However, visitors would pay a higher portion of the levy since they contribute a greater proportion to the local economy. Consequently, the sales tax is considered in many resort communities to be an appropriate source of revenue to help mitigate visitor impacts and improve local quality of life.

Community Redevelopment Law (CRL)

The State of California first adopted the Community Redevelopment Law in 1945 to address problems of urban deterioration and to stimulate the production of low- and moderate-income housing. Once established, a redevelopment agency is allowed to exercise a number of municipal authorities, including the use of tax-increment financing and powers of eminent domain.

The Redevelopment Process

To initiate the redevelopment process, an entity, typically a city or county, must first establish a community redevelopment agency. The entity may declare by ordinance that there is a need for such a body in a community and, therefore, establish a redevelopment agency. In order to undertake a redevelopment project or projects, the agency must allow the legislative body (i.e., in this case, the County Board of Supervisors) to first designate a survey area for possible projects. Work then proceeds in cooperation with the local planning commission to determine which area or areas are suitable as

project areas. Once suitable areas are selected, they are further examined to see if they meet certain criteria, including the following:

- The area must be declared under-utilized and a finding made that these problems of under-utilization cannot be addressed simply by private development;
- The area must be predominantly urban, which means that at least 80 percent of the area must have been developed at some point in time for urban uses or must be an integral part of an urban area;
- There must be a market demand for new uses and the project must be financially feasible.

Once an area or areas have been selected, a Master Plan must be developed in cooperation with the local planning commission, which includes a redevelopment plan, an environment impact statement (EIS), and a report to the local legislative body. Any plan that includes a relocation of residents must provide for relocation; if the residents to be relocated are low-to-moderate income, the redevelopment agency must locate or provide replacement housing. To be adopted, the redevelopment plan must go through a public hearing process. Once a plan has been adopted, a redevelopment agency cannot provide funds directly to developers, but can acquire land, clear land, make loans, and write down the value of the land, among other powers and abilities.

Redevelopment Funding

To carry out the objectives of the redevelopment plan, redevelopment agencies are allowed to use a variety of funding sources, including city/county funds, tax-increment financing, lease revenue bonds, certificates of participation, mortgage revenue bonds, federal funds, private funds, assessment district funding, and others. Additionally, a redevelopment agency can issue bonds secured by tax-increment financing.

Tax-increment funding is the primary source of funds for most redevelopment agencies, including the Placer County Redevelopment Agency. Tax increment revenues are generated through the constitutionally created processes in Article XVI, Section 16 of the California Constitution. In brief, this provides that after a redevelopment plan has been adopted, property tax increases in assessed land values for those properties within the adopted project area will be allocated to the redevelopment agency for purposes of carrying out the programs envisioned by the adopted plan.

Placer County initiated its redevelopment process, establishing the Placer County Redevelopment





Agency, in 1990. The purpose of the agency is to provide a vehicle to eliminate blight and correct environmental deficiencies with the county and strengthen its economic base through public infrastructure and facility improvements, commercial and industrial problems, rehabilitation, and affordable housing. Potential project areas in the county, including the North Lake Tahoe area, were subsequently surveyed according to the process set forth in State law (as modified in 1993 by Assembly Bill 1290, the Community Redevelopment Law Reform Act). The North Lake Tahoe Redevelopment Plan was adopted by the Board of Supervisors on July 16, 1996, by Ordinance No. 4753-B. (Note: Other Placer County redevelopment areas are North Auburn and the Sunset Industrial Area, both on the county's west slope).

The Redevelopment Agency's first five-year implementation strategy was adopted for the period 1996-2001. During that time, redevelopment staff addressed administrative, infrastructure, commercial development, housing-related, and community involvement issues relative to the start-up of the agency. In 2001, the agency progressed from the start-up to implementation phase of several projects.

On April 3, 2001, the agency adopted its North Lake Tahoe Redevelopment Implementation Strategy for 2001-2006. This strategy outlines physical and economic blighting conditions in the North Lake Tahoe Project Area, which covers approximately 1,731 acres adjacent to Lake Tahoe, and includes three non-contiguous areas – the Tahoe Gateway area (41 acres on the Highway 89 corridor adjacent to the Truckee River, west of Tahoe City), the Tahoe City area (695 acres), and the Kings Beach/Tahoe Vista area (995 acres).

Blighting conditions in these areas include:

- Adverse environmental conditions
- Deficient, deteriorated, and damaged public improvements
- Deficient and substandard housing
- Blighted commercial buildings
- Business district deficiencies
- Traffic and pedestrian hazards
- Lack of public facilities (including public parking)
- Criminal activity

According to the adopted 2001-2006 North Lake Tahoe Redevelopment Implementation Strategy,

the agency plans to spend the non-housing portion on significant public facility and infrastructure improvements, such as public parking facilities in Tahoe City, Kings Beach, and Tahoe Vista. Additionally, streetscape improvements, pedestrian walkways, traffic signals and other needed public improvements are also planned.

The housing set-aside funds available during the period must be used to increase, improve and preserve the community's supply of low- and moderate-income housing within the territorial jurisdiction of the agency. The agency plans to use these funds to continue rehabilitation activities in Tahoe City, Kings Beach, and Tahoe Vista, as well as assist in the development of affordable apartment units for employees in the entire project area. Set-aside funds will also be used in conjunction with Placer County Housing Trust Funds, Community Reinvestment Act (CRA) private funds, and community development equity funds to provide assistance to low- and moderate-income first-time homebuyers, as well as to explore the development of mixed-use projects in the project area.

Community Service Area

A Community Service Area (CSA) is, in essence, an improvement district in which certain infrastructure improvements can be funded by special assessments paid for by the owners of properties that benefit from the improvements. Placer County has in place a designated County Service Area that covers the entire county.

A specific CSA could be designated in the North Lake Tahoe area by the Placer County Board of Supervisors, allowing revenues to be raised and expended within the boundaries of the designated CSA. Although theoretically possible, it would be difficult to impose an improvement zone without a vote of support of the property owners within the CSA. Revenues would likely be best suited for limited types of public improvements, such as street improvements. The Martis Valley Community Plan recently adopted by the board of supervisors discusses the potential use of CSA revenues to help pay for transit services.

Applicability/Who Pays?

This taxing authority is limited to a special assessment levied against real property; thus, visitors do not directly participate in generating this source of revenue.

Taxation Authority – Placer County





California Government Code Section 53725, adopted as part of Proposition 62 in 1986, purports to prohibit cities and counties from imposing any *ad valorem* transaction or sales tax on real property, except as allowed by Proposition 13. However, according to some legal sources consulted as part of the preparation of this Working Paper, recent case law seems to exempt charter cities and counties. This means that, due to their charters, such cities and counties can adopt tax measures with purely local effects, notwithstanding Section 53725.

Placer County is a charter county. The relevant charter provision is Section 602, fiscal provisions of which provide that:

“General law shall govern the assessment of property, the levy and collection of taxes, the adoption of the county budget, and the appropriation, accounting and transfer of funds unless otherwise provided for in this charter or by ordinance.”

It is possible that a good argument could be made that the phrase “or by ordinance” in Section 602 would allow Placer County, under its charter, to adopt an ordinance imposing a real estate transfer tax (REIT), or a “recreation tax,” subject to voter approval.

Applicability/Who Pays?

Real Estate Transfer Tax

The revenue generated by a real estate transfer tax would disproportionately come from the sales of property to second-home buyers. This market is growing, and, in some cases, reducing the stock of affordable and rental housing. These revenues could well be used for the creation of low- to moderate-income housing projects where appropriate. They could also be used to help fund expanded transit services.

Recreation Tax

A recreation tax would be paid disproportionately by the visitor and could be used to fund projects that both enhance the visitor experience and help mitigate visitor impacts.

Business License Tax

There is express statutory authority in the California Revenue and Taxation Code Section 7284 for a board of supervisors to adopt a business license tax. Placer County currently has a business license tax in place. A second level of taxation could be imposed on the types of recreational activities frequented

by visitors to the North Lake Tahoe area.

Summary

In all cases, new or additional taxes would have to be validated by voter approval and would be subject to the election requirements of Proposition 218. Typically, Proposition 218 requires a two-thirds voter majority for passage, although this requirement may vary, depending on whether a general or special tax is proposed.

Other Funds Used to Support North Lake Tahoe Area Transit Services

Through the Transportation Division of its Department of Public Works, Placer County spends sales tax dollars to support operations of the Tahoe Area Regional Transit (TART) system. These dollars are collected by the State of California and allocated back to local governments consistent with provisions of the Transportation Development Act (TDA). The TART fiscal year 2003/04 budget for transit operations and capital expenditures is provided as Attachment A to this Working Paper.

Revenues Generated by Highway Tolls (Toll Roads)

During the development of the *North Lake Tahoe Tourism and Community Investment Master Plan*, some members of the Advisory Committee and public suggested the collection of highway tolls as a source of revenue. Aside from major bridges, tunnels, and roads designated as toll roads, federal law generally prohibits the imposition of tolls on roads constructed by public tax dollars. In addition, Article IX (Transportation District), Section d(6) of the Tahoe Regional Planning Compact (Public Law 96-551) states, in part, "The district is prohibited from imposing an *ad valorem* tax, a tax measure by gross or net receipts on business, a tax or charge that is assessed against people or vehicles as they enter or leave the region, and any tax, direct or indirect, on gaming tables and devices."

To change long-standing federal law and amend the Tahoe Regional Planning Compact to allow the use of highway user tolls would be a significant legislative challenge, one considered by the authors of the Master Plan to be beyond the scope of both the Master Plan and the North Lake Tahoe Resort Association.

Active NLTRA Partners in Funding Infrastructure Projects





FINANCE AND FUNDING

The list of partners includes: The California Tahoe Conservancy, Placer County, Placer County Redevelopment Agency, Tahoe City Public Utility District, North Tahoe Public Utility District, CalTrans, United States Forest Service, Federal Transit Administration, Tahoe Regional Planning Agency Mitigation Fees, and various private sector sources.

ATTACHMENT A

Tahoe Area Regional Transit FY 2003/2004 Budget

Operating Budget

Operating Revenue	.....	.....	\$	641,000	35%
Local Transportation Fund - TRPA Apportionment	.....	.....	\$	30,000	2%
State Transit Assistance -TRPA Apportionment	.....	.....	\$	189,300	10%
Local Transportation Fund - West Slope	.....	.....	\$	15,000	1%
Federal Transit 5311 - TRPA POP	.....	.....	\$	350,100	19%
Farebox Revenue	.....	.....	\$	209,000	11%
Washoe County RTC	.....	.....	\$	233,600	13%
Contributions from other agencies - California	.....	.....	\$	51,500	3%
Lease Revenue from P.C. Fleet Services Division	.....	.....	\$	119,100	6%
Placer County Transit Reserves	.....	.....	\$	8,200	0.4%
Interest Revenue	.....	.....	\$	1,846,800	
Total					
Operating Expenses	.....	.....	\$	893,500	48%
Operating Personnel	.....	.....	\$	246,000	13%
Operating Supervision and Support Personnel	.....	.....	\$	18,900	1%
Transit Manager	.....	.....	\$	15,000	1%
DPW Transportation Division Charges	.....	.....	\$	31,000	2%
DPW Admin. Charges	.....	.....	\$	43,700	2%
Placer County Cost Allocation (A87)	.....	.....	\$	200,000	11%
Vehicle Maintenance	.....	.....	\$	146,000	8%
Fuel	.....	.....	\$	61,500	3%
General Liability & Vehicle Insurance	.....	.....	\$	12,000	1%
Facility Maintenance	.....	.....	\$	17,900	1%
Communications	.....	.....	\$	106,800	6%
Services/Supplies	.....	.....	\$	34,500	2%
ADA Taxi Contract	.....	.....	\$	20,000	1%
Contingency	.....	.....	\$	1,846,800	
Total					

Note: This operating budget includes \$113,200 in revenue and expense to allow for expanded services to be implemented per the TART Systems Plan. Added services are contingent upon revenue being available.





FINANCE AND FUNDING

Capital Budget

CNG Fueling Facility (Carried forward from 02/03)

Federal Transit Administration 5309 Earmark	.....	.....	\$	945,000	63%
Placer County Transit Reserves - Loan	.....	.....	\$	361,000	24%
TRPA Air Quality Mitigation Funds	.....	.....	\$	135,020	9%
Placer County APCD	.....	.....	\$	59,380	4%
Total			\$	1,500,400	

3 CNG Replacement Buses

TRPA Air Quality Mitigation Funds			\$	117,100	11%
Sacramento Clean Air Transportation Funds (SECAT)			\$	153,000	15%
Washoe RTC			\$	173,000	17%
Caltrans Rural Transit Grant			\$	594,000	57%
Total			\$	1,037,100	

Note: Total cost of the CNG Fueling project is \$2.7 million, including costs incurred in the previous fiscal years.



REDEVELOPMENT

Redevelopment is a process created to help city and county government, and area residents and landowners, remove so-called “blight” from a designated area, and to replace it with economic development, and building reconstruction and rehabilitation. “Blight” may mean physical building deterioration, substandard public utility systems, land not used to its greatest potential, and/or general economic decline. A redevelopment project usually includes, but isn’t limited to, efforts designed to improve residential, commercial, industrial, and retail properties with the redevelopment area.

In 1996, the board of supervisors approved the Placer County Redevelopment Agency, the RDA. The RDA identifies communities in the county, usually older areas having economic difficulties, which meet state and federal redevelopment standards. Then the agency assists community members, private individuals and organizations, and public agencies to rebuild. The agency also establishes the physical and economic tools needed to allow the community to remain healthy and to grow. In addition to the economy and the physical infrastructure of a community, the RDA addresses a community’s environmental well-being. Finally, the agency seeks ways to encourage restoration or development of well-designed affordable housing.

The Redevelopment Agency has been created by the Placer County Board of Supervisors to develop and manage community improvement projects relating to economic development and infrastructure improvements in its project areas - in this case, Tahoe City, Kings Beach, and Tahoe Vista. In addition, the agency has countywide responsibilities for the Workforce Housing Program.

In order to maximize benefits to the community, the agency has worked closely with the downtown business community that constitutes its project area to develop projects and programs specifically to improve long-term economic conditions. The resultant strategic plans and expenditures have been approved by the Agency Board of Directors (Board of Supervisors).

California State Law allows redevelopment agencies a way to raise money, called “tax increment financing.” On the date the city council approves a redevelopment plan, the property within the boundaries of the plan has a certain total property tax value, set by the tax assessor. If this total property value increases – common in redevelopment areas - most of the taxes that come from the increase go to the redevelopment agency, to fund approved redevelopment activities. These funds are called “tax increments.” Usually, the amount of tax increment money the agency receives will not be enough on its own to support the full scope of redevelopment activities and development projects. For that reason, agencies can also issue bonds. These bonds would not be





REDEVELOPMENT

a debt of the city or county. Instead, they would be repaid solely from tax increment revenues. Tax increment money can be used only in the same project area where it's raised, except when it's used for residential projects that benefit low- and moderate-income households in the city or county.

The Resort Association is an association of businesses from a much broader geographic and business base. It also encompasses the downtown areas that are the primary focus of the Redevelopment Agency. It has membership income as well as TOT revenue allocated to it by the board of supervisors and local voters. Its charter includes an infrastructure element which although broader than the Redevelopment Agency's area of responsibility, has significant area of correlation.

As a result, the Redevelopment Agency and the Resort Association are natural partners on economic development and infrastructure projects that positively affect the downtown areas of Tahoe City, Kings Beach, and Tahoe Vista. Recent examples of this cooperation included funding partnerships on the:

- Tahoe City Sidewalk and Beautification Project
- Commons Beach /Master Plan Development and Upgrade Implementation Project
- Kings Beach Redevelopment and Commercial Core Improvement Project

Further, several of the higher priority infrastructure goals evolving from the Resort Association's *North Lake Tahoe Tourism and Community Investment Master Plan* are consistent with the goals of the Redevelopment Agency:

- Kings Beach and Tahoe Vista Sidewalks and Streetscape Program
- Public Parking
- Tahoe City and Kings Beach Redevelopment
- Signage System

It can be expected that the Redevelopment Agency will continue as a funding partner in these programs as they relate to the core redevelopment project areas. Furthermore, the agency supports the TCIMP proposal to work in conjunction with the Resort Association, TRPA, and the Placer County Planning Department to update the TRPA Code of Ordinances (Chapter 15) relating to redevelopment. Modifying the code to reflect the amendments already available to South Lake Tahoe could significantly increase future redevelopment opportunities in the North Shore.

In summary, although the Redevelopment Agency and the Resort Association are two independent organizations with district missions, management structure, funding sources, and legal requirements, continued mutual cooperation, where appropriate for both, will continue to maximize the benefits for the local community.



APPENDIX:

Survey Results





WEB SITE SURVEY

Introduction and Methodology

This report summarizes the results of the 2003/04 NLTRA Web Site Survey conducted in support of the NLTRA Tourism and Community Investment Master Plan effort (TCIMP).

The purpose of the Web Site Survey was to gather information and opinions from visitors to the North Lake Tahoe Resort Association (NLTRA) / Lake Tahoe Central Reservations (LTCR) Web Site (www.mytahoevacation.com), a consumer-oriented Web site which primarily attracts persons planning or considering a trip to Lake Tahoe. The survey was advertised with a pop-up window, and later additionally by a link advertised on the homepage. A drawing for one of several North Lake Tahoe backpacks filled with souvenirs was offered as an incentive, with one-in-fifty odds of winning. A total of 1,541 responses were collected between November 10, 2003 and February 17, 2004.

Respondents were randomly rotated between two versions of the survey, which shared a number of common questions in addition to having several unique questions. The surveys probed a variety of topics germane to the TCIMP planning effort, including priorities for improvement, travel planning issues, trip decision factors, characteristics of trips to North Lake Tahoe, perceptions of North Lake Tahoe, visitor demographics, and a variety of other issues.

As a result of the large sample size, consistency of implementation, and the level of detail on the questionnaires, the results of the survey are quite rich. Many of the results from the 2003/04 survey are generally consistent with results of the 2000/01 survey (e.g. trip characteristics), an indicator of the reliability of the survey methodology.

However, it is important to understand some of the limitations of the methodology in interpreting the results. First, it should be noted that the www.tahoe.fun.org Web site serves partially as the Web site for LTCR, which provides bookings for the entire Lake Tahoe area (not just the North Shore). As such, the Web site can be expected to attract many visitors interested in Lake Tahoe in general, not just the North Shore in particular. To control this issue, in the many instances where North Shore-specific data was





WEB SITE SURVEY

desired (e.g., priorities for improvements on the North Shore), the questions were given a North Shore focus. Also, the results also indicate that most respondents had a North Shore orientation (e.g., of those considering a trip to Lake Tahoe, 65 percent were considering staying on the North Shore, and 33 percent were considering the South Shore).

Additionally, it should be recognized that the survey was run during the winter months, and thus could be expected to reflect the opinions and attitudes of winter-oriented visitors. To understand possible seasonality biases, key results have been examined by whether respondents had previously visited North Lake Tahoe in the past five years in winter, summer, both, or neither. Indeed, many respondents had previously visited North Lake Tahoe in both seasons, and thus had a perspective on pertinent issues in the area across the year.

Finally, it should be noted that the sample frame consisted of visitors to the NLTRA/LTCR Web Site, rather than all visitors to North Lake Tahoe. Visitors to North Lake Tahoe who lack Internet access, or who are less likely to use the Internet for planning and booking their trip to the area, are likely to be underrepresented in the sample. While these are important considerations, it should be noted that Internet access is quite high (particularly among persons with the means to travel), and the Internet is the leading information source used at many mountain resorts. As such, the cross-section of persons who visit the NLTRA/LTCR Web Site could be expected to be reasonably representative of a significant share of the North Shore's visitors.

Related to the above point, it should also be recognized that the growing popularity of the Internet as a trip-planning tool means that the reach of the NLTRA/LTCR Web Site has likely broadened since the last visitor Web site survey was conducted in 2000/01. As a result, the respondent base to the survey in 2003/04 was likely somewhat broader than the respondent base in 2000/01 – for example, older persons (an historically underrepresented online population) are more heavily represented in the 2003/04 survey than in 2000/01. This is a positive trend, insofar as it implies that the NLTRA's online visitor surveys have probably become an increasingly representative research tool. However, it also means that some caution is required in comparing the 2003/04 and 2000/01 results. Shifts in the results over time could potentially be indicative of underlying changes in visitation, but they could also reflect the shifts in the population which is online as well. In interpreting the results, it can be difficult, if not impossible, to disentangle these two possibilities.

In this report, primary emphasis is placed on analyzing the 2003/04 results. Additionally, where available, the 2003/04 and 2000/01 results (for identical time periods) are compared. (Specifically, although the 2000/01 survey ran from March 31, 2000, through March 12, 2001, only those surveys completed between November 10, 2000 and February 17, 2001 are included in this analysis, to prevent seasonality biases in the comparisons.)

Where of interest, the results are also analyzed by geographic origin (e.g., Northern California, Southern California, out-of-state, and foreign), as well as by previous visitation to North Lake Tahoe.

Included under separate cover are additional research materials, including a copy of the survey forms, detailed cross-tabulation tables, and a listing of the verbatim comment responses to the open-ended questions on the survey.

Key Findings

The visitor survey research was undertaken to inform various elements of the TCIMP effort, including infrastructure planning and the review of sales/marketing support services. The survey also gathered data that can be used by the NLTRA for other operational purposes, such as visitation tracking and market development.

The visitor survey data contained here should be considered along with other sources of input to the TCIMP planning effort, including the 2004 Eastern Placer County Community Survey, input from the TCIMP Advisory Committee, consultant studies, NLTRA staff, financial analysis, and other considerations as may be identified. While the prioritization of TCIMP improvements is a complex process, the best opportunities for success might lie in identifying actions that are likely to serve the interests of residents *and* visitors.

Following are some of the key findings from the visitor survey research. It should be reiterated that the Web site research does not fully mirror the full cross-section of visitors to North Lake Tahoe, but it is likely to be highly indicative of the opinions and characteristics of many visitors.

- **Geographic origin:** As identified through the Web site research, North Lake Tahoe continues to attract a mix of regional visitors (Northern California) and destination visitors (Southern California and out of state/foreign). Since the 2000/01 survey, the proportion of visitors from the





Bay Area has dropped, while the proportion from out of state has risen. This may be due to real, underlying changes in visitation patterns, potentially linked to the “tech bust” which hit the Bay Area particularly hard, and North Lake Tahoe’s efforts to broaden its appeal to the destination market. However, the trends may also be indicative of the broadening popularity of the Internet as a trip-planning tool, and may reflect other regions of the country “catching up to” the tech-savvy Bay Area.

As documented in various places in the report, the major geographic segments exhibit important and predictable differences in Tahoe travel patterns, such as previous visitation, length of stay, mode of travel, and booking lead time.

- **Demographics:** Respondent demographics have shifted somewhat since the 2000/01 survey. In particular, respondents have become older, with the proportion aged 45+ rising from 25 percent to 35 percent. Accordingly, the proportion of empty nesters and couples without kids has risen, while the proportion of singles has dropped. Household incomes have increased modestly (essentially holding flat after adjusting for inflation). The aging of the respondent set may reflect changes in the underlying visitor base, perhaps driven by the aging of the baby boomers, as well as more (typically older) out-of-state visitors. However, the diffusion of the Internet to older users could also be a cause. Given the uncertainty, caution should be used in interpreting the results.

Comparing the Northern California and out-of-state segments (the two largest respondent groups), Northern Californians are comparatively more concentrated in the 25 – 44 age range, are more likely to be families with kids, and have somewhat higher household incomes than out-of-state visitors. Out-of-state respondents tend to be somewhat older than Northern Californians (particularly at age 55+), and are, accordingly, more likely to be empty nesters.

- **Previous visitation of Tahoe:** Most respondents had visited North Lake Tahoe in the five years preceding (59 percent, including 37 percent who had visited in both summer and winter). Consequently, most respondents were qualified to offer an opinion about improvements needed in the area, although a winter bias is apparent in the overall response (this can be “controlled” to some extent through segmentation). Northern Californians were significantly more likely to have visited North Lake Tahoe in the previous five years (91 percent) than Southern Californians (54 percent) and out-of-state respondents (36 percent).

This year's survey shed new light on the reasons why prospective visitors had not already visited Lake Tahoe. Reasons such as "haven't had a chance to go/not enough time," "never thought about it," and "don't know enough about it" predominate, suggesting marketing opportunities to increase awareness and interest in the area.

- **Trip-planning issues:** Respondents generally expressed low levels of knowledge about the area, even (in many cases) if they had visited previously, underscoring the scale and complexity of the area, and the need to fulfill extensive information needs for such items as lodging, packages, and recreational activities. The survey also provided documentation on the most common methods of booking lodging reservations, the timing of the trip-planning and booking process, and other types of trips which compete for respondents' interest in winter (most commonly other ski areas, casinos, city trips, and the coast/beach).
- **Trip characteristics:** Many trip characteristics, such as length of stay, type of accommodations, mode of transportation, travel party composition, etc., remained generally consistent with the 2000/01 results. The dominant trip purpose in winter continues to be skiing, while a greater variety of motivations drive summer trips, led by recreational activities, rest and relaxation, and mountain getaway.

Northern Californians and out-of-state visitors generally have similar motivations for visiting North Lake Tahoe, with skiing the dominant driver in winter, and a wider range of motivations emerging in summer. However, Northern Californians are somewhat more likely than out-of-staters to cite "rest and relaxation" and "mountain getaway" as reasons for visiting in both seasons. Out-of-staters are somewhat more likely than Northern Californians to be motivated by the opportunity to visit friends and family, gaming/gambling, and "haven't been before/want to see it."

- **Interest in last-minute travel packages:** Interest in last-minute travel packages was explored for marketing planning purposes. Interest is generally highest for Northern Californians, who have greater flexibility to travel on short notice (since Tahoe is within driving distance). Interest also increases as lead time increases. Interestingly, all geographic segments (even out-of-state respondents) express a high level of interest in travel packages when 8 – 14 days of lead time is available. Moderately priced accommodations are of greatest interest, and the preferred length of stay varies by geographic segment (shorter for Northern Californians, longer for out-of-staters). Northern and Southern Californians express a high likelihood of increasing their visitation to





North Lake Tahoe if packages were offered which meet their needs, while out-of-staters tend to indicate a low to moderate likelihood of increased trips.

Trip decision factors and perceptions of North Lake Tahoe: Respondents identified a wide variety of factors as “important” in their decision where to take an overnight trip generally. Leading factors include scenery (88 percent “important” – rating 4 or 5 on a five-point scale), overall value for the money (85 percent), ability to rest and relax there (78 percent), variety/quality of lodging choices (78 percent), fun and excitement (76 percent), friendly people (74 percent), level of service (74 percent), ease of getting there (74 percent), level of crowding at attractions (70 percent), availability of good travel packages (68 percent), and a variety of other items.

A majority of respondents also have largely favorable impressions of North Lake Tahoe on many of the same items, led by scenery (88 percent “favorable” – rating 4 or 5 on a five-point scale), ability to rest and relax there (78 percent), fun and excitement (77 percent), variety/quality of lodging choices (75 percent), quality of downhill skiing/snowboarding (75 percent), friendly people (67 people), and various other factors.

Comparing the “importance” and “favorability” ratings helps to identify areas that are potentially priorities for improvement. The largest gaps between “importance” and “performance” exist for overall value for the money (85 percent “important” vs. 61 percent “favorable” = 24 point gap), level of crowding at attractions (also a 24 point gap), traffic congestion (23 point gap), ease of getting there (16 point gap), availability of good travel packages (16 point gap), and level of service (9 point gap). These “gaps” represent areas that should probably receive some consideration and attention. High prices and traffic congestion, and, to a lesser extent, crowding and access issues, also emerge as concerns for respondents in various other questions on the survey.

- **Priorities for Improvement:** The most popular improvements include reducing traffic congestion (65 percent responding “important” – rating 4 or 5 on five-point scale), increasing parking availability (63 percent), and making developed areas more “walkable”/enjoyable for walking (60 percent). Other improvements that are viewed as important by approximately half of respondents include renovating lodging accommodations (54 percent), adding new lodging close to ski facilities (51 percent), improving beaches/public access to Lake Tahoe (50 percent), constructing a tram/gondola to link Tahoe City to one of the ski areas (49 percent), and adding a

greater selection of restaurants (49 percent). Several other items are also identified as important by in excess of 40 percent of respondents.

The improvements least likely to be viewed as important include constructing a performing arts center (27 percent “important”), renovating storefronts and commercial buildings (30 percent), constructing a public recreation center (32 percent), and adding a greater diversity of shopping (33 percent).

Northern Californians and out-of-state respondents generally have similar priorities for improvement, with some notable exceptions. As might be expected, out-of-state respondents place significantly greater weight than Northern Californians on improving/expanding flight service into Reno and improving public transportation between Reno and North Lake Tahoe. Northern Californians place greater emphasis than out-of-staters on reducing traffic congestion.

When asked to identify the improvement that would most entice them to extend their stay or visit most frequently, respondents were widely split, indicating a broad diversity of opinions. The most popular choice was adding new lodging close to ski facilities (16 percent), followed by reducing traffic congestion (13 percent), making developed areas more enjoyable for walking (8 percent), adding new lodging near Lake Tahoe (6 percent), adding more festivals/special events (6 percent), improving nightlife/nighttime activities (6 percent), and renovating accommodations (5 percent). There is some seasonality bias in these results, particularly with respect to lodging close to ski facilities (favored by winter visitors) and traffic congestion (favored by summer and year-round visitors). Extrapolating from these patterns, if the survey were conducted on a year-round basis, traffic congestion would likely emerge as the single top priority overall.

Additionally, the results provide insight on the seasonal benefits of different improvements. Improvements that are likely to be of comparatively greater interest to summer visitors include improved beaches/public access to The Lake, making developed areas more enjoyable for walking, constructing new/improved bike paths, reducing traffic congestion, and significantly redeveloping parts of Tahoe City and Kings Beach. Items that have greater significance for winter visitors include adding new lodging close to ski areas and constructing a tram/gondola to link Tahoe City to a ski area.





Additional evaluation of North Lake Tahoe:

- **Change over the past few years:** On a positive note, most respondents feel that North Lake Tahoe has improved (41 percent) or stayed the same (54 percent) over the past few years, while only 5 percent feel it has declined (persons who “don’t know” excluded). Those who feel the area has improved cite such factors as more choices in places to stay; more restaurants; good availability of packages; upgrades to lodging properties and ski resorts; improvements to streets and public places (e.g. Kings Beach, Tahoe City, Squaw Valley); improved access to the area; more activities/things to do; the area continues to have “small town charm;” and growth in the area generally (“bigger and better”).
- **Strengths and weaknesses in summer:** In summer, visitors are particularly taken with the beautiful scenery, The Lake, the variety of outdoor activities (hiking, biking, boating, camping, golf, water activities, etc.), the mountains, climate/good weather, close to home/easy access, and the relaxed atmosphere/serenity. Among the items most commonly identified as “deficient” are traffic congestion (the most common issue), high prices, lack of affordable lodging, crowds, access to The lake, nightlife, lack of family activities, parking, restaurants, and public transportation.
- **Strengths and weaknesses in winter:** North Lake Tahoe’s winter strengths include skiing/snowboarding generally, including the variety of ski resorts/amount of choice, good snow, and beautiful scenery; the mountains; The Lake; clean air; the variety of activities; and other winter activities (e.g., cross-country skiing, snowmobiling, snowshoeing). Weaknesses include traffic congestion, high prices, lack of affordable accommodations, public transportation, nightlife and dining, family activities, parking, and crowds.
- **Improvements to specific geographic areas:** Respondents were asked to identify improvements needed in specific North Shore locations. In the lakeside locations (Tahoe City, Kings Beach, and West Shore), some of the more common suggestions included reduced traffic congestion, better parking, improved pedestrian areas/walkways, more bikepaths, renovations/general “sprucing up,” improved beach access, more affordable lodging, more nightlife and dining options, more public transportation, and various other improvements, varying somewhat depending on the location. In Northstar and Squaw Valley, affordable lodging and pricing, traffic congestion, parking, public transportation, bike paths, trails, and more nightlife were common issues.



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Introduction and Methodology

This report summarizes the results of the 2004 Eastern Placer County Community Mailback Survey, conducted by RRC Associates on behalf of the North Lake Tahoe Resort Association (NLTRA) in February/March 2004. The purpose of the survey was to gauge public opinion on a variety of community issues to help guide the *North Lake Tahoe Tourism and Community Investment Master Plan (TCIMP)* update currently under way.

The mailback survey was mailed to a sample of residents and absentee residential property owners in Eastern Placer County, specifically all portions of Placer County on the eastern slope of the Sierras. The resident survey mailing list was derived from two sources: the “Totalsource” list product sold by national list broker Equifax, Inc., and Placer County voter registration records. The Equifax database, which aims to be comprehensive (but can exclude some names, i.e., people who have removed themselves from direct marketing mailing lists), was used as the list source for zip codes lying entirely in Eastern Placer County. The Placer County voter registration database was used for zip codes which straddled Placer County and Nevada or Eldorado counties (in order to identify Placer County residents), including areas near Truckee, Soda Springs, and Tahoma. Altogether, 6,202 surveys were mailed out and 1,005 were returned, for a gross response rate of 16.2 percent. This is identical to the response rate for the December 2001 North Lake Tahoe Community Mailback Survey (16.2 percent response rate to a mailback survey of 6,419 North Lake Tahoe registered voters).

The absentee owner mailing list was drawn randomly from Placer County Assessor residential property records. A total of 1,000 absentee owner surveys were mailed out and 190 were returned, for a response rate of 19.0 percent.

A cover letter describing the purpose of the survey and background information about the NLTRA was also sent out in the mailing. The cover letter included a notice in Spanish that a Spanish language version of the survey could be obtained through the Centro de Recursos para la Familia in Kings Beach. As a





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token of appreciation for completing the survey, the cover letter noted that all respondents would be entered into a random drawing for one of several prizes for dining at local restaurants, ski lift tickets, and recreational activities. To ensure randomization, the survey instructions asked that the survey be completed by the person in the household whose birthday most recently passed.

The survey was both broad and detailed in scope, probing community attitudes and perceptions about numerous issues in the region, including general quality of life, economic vitality, transportation, housing, the environment, parks and recreation, arts and culture, and community design / development, as well as satisfaction with local public services, the performance of local government and community organizations, support for funding improvements, and various other issues. The primary goal of the survey was gather public input to help prioritize public investments and planning efforts, particularly related to the TCIMP plan.

In this report, primary emphasis is placed on analyzing the 2004 resident and absentee owner results. The resident and absentee owner results are profiled separately, since the two groups often have different characteristics and represent different communities of interest. Additionally, where possible, the 2004 resident mailback results and 2001 resident mailback results are compared, to understand similarities and changes in public opinion over time. As noted above, in 2001, the North Lake Tahoe Chamber of Commerce conducted a mailback and telephone survey of local registered voters. The 2001 mailback results are most comparable to the 2004 resident mailback survey, since both used a mailback technique. The primary difference is that the 2001 survey only contacted registered voters, while the 2004 resident survey also reached persons not registered to vote.

Included under separate cover are a copy of the survey form, detailed statistical tables, and a verbatim listing of the comment responses to the survey's open-ended questions.

Executive Summary

The results of the survey provide detailed feedback on a variety of community issues in Eastern Placer County. Following is a summary of the key findings; additional detailed results of interest are contained in the body of the report.

- *Respondent demographics:* The demographic profile of resident respondents was highly similar in the 2004 and 2001 community surveys, illustrating the reliability of the mailback survey technique (similar results yielded by repeated surveys), and providing assurance that comparisons of the 2004 and 2001 mailback results are meaningful. Measures such as family/household status, age, income, place of residence, length of residence in the area, housing tenure, etc., were quite comparable across the two surveys. The 2004 respondent profile does tend to reflect a somewhat more affluent, older, and politically engaged (high voter registration) cross-section of the community, although respondents of all socioeconomic levels are represented.

Absentee owner respondents, by contrast, have a very different profile from residents. Absentee owner respondents are predominantly second homeowners/seasonal residents, and primarily live in the Bay Area and Sacramento. They tend to be significantly older and more affluent than local residents, and have a somewhat different geographic distribution (e.g., a greater concentration in Squaw Valley and Northstar), but (like residents) have generally been connected to the region for a long time.

- *Quality of life:* Most local residents rate the quality of life in Eastern Placer County as either “excellent” (39 percent) or “good” (50 percent), slightly improved from the 2001 survey results. However, more locals feel that quality of life in the past five years has declined (37 percent) than improved (16 percent), while the largest share (42 percent) feel things have remained about the same. Absentee owners’ views on these issues tend to be similar to those of locals.

Respondents who feel that the area has improved commonly cite infrastructure improvements, especially beautification/renovation efforts in Tahoe City and Kings Beach, as well as improvements to beaches, parks, sidewalks, and bike trails, and various other factors. Respondents who feel the area has declined commonly cite traffic congestion, too much development, too crowded/too many people, high cost of housing/living vs. low wages, overburdened infrastructure and resources, loss of small-town feel, and various other factors. Respondents who feel that the quality of life has remained about the same frequently state that there have been offsetting improvements and declines, or that changes have been modest.

- *Most important issues facing Eastern Placer County:* For residents, four issues clearly stand out ahead of the others: traffic/transportation/roads; growth/development/overbuilding/need for better planning; affordable housing/cost of living; and the environment/pollution/open space.





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Each of these issues (except for affordable housing) are also the top concerns of absentee owners.

For residents, the issues of traffic/transportation/roads, and growth/development/overbuilding/planning, appear to have grown somewhat in relative importance since 2001, while affordable housing/cost of living has declined somewhat (albeit while still remaining a key issue).

- *Satisfaction with local services, facilities and amenities:* Residents are generally satisfied with such items in Eastern Placer County as the air quality, bike paths, health and medical facilities, water quality, sidewalks, and the preservation of open space. By contrast, most residents are dissatisfied with the variety of housing choices, and many are also dissatisfied about the lack of employment opportunities, parking availability, and the public transit system. These satisfaction ratings (and several others) have held quite steady since 2001. Interestingly, absentee owners are almost uniformly more satisfied about many local facilities and services than residents.

Respondents also tend to be quite satisfied with numerous aspects of their neighborhoods, such as safety, maintenance of property values, access to parks, quietness, ease of travel by walking, attractiveness/cleanliness, access to bike paths, and numerous other characteristics. However, one area that is commonly viewed as deficient is street maintenance. Additionally, specific individual neighborhoods sometimes have unique needs, such as volume of traffic, availability of parking, access to shopping, access to bike paths, and other issues (varying by neighborhood).

- *Knowledge and opinion of local organizations:* A majority of residents say they are “well informed” or “somewhat informed” about numerous local governmental and non-profit organizations, led by the TRPA and the North Tahoe Fire Protection District. Awareness levels are generally similar to those recorded in the 2001 survey. Absentee owners are much less familiar with the respective organizations than locals.

Additionally, most residents have a generally favorable opinion about most of the respective organizations, led by the North Tahoe Fire Protection District. The TRPA and the Placer County Board of Supervisors tend to be viewed most critically. Favorability ratings are also largely stable relative to the 2001 results.

- *Economic vitality:* Most residents feel that it is important to sustain the economic viability of businesses, have high quality job opportunities, and have a diversity of retail stores and

restaurants in Eastern Placer County. Additionally, most respondents believe that tourism is very important to the local economy, and most know that tourism accounts for well over half of the jobs in the area.

Regarding efforts to improve the tourism economy, most residents support increasing the overall quality of the tourist experience, increasing the number and attractiveness of special events, increasing tourist visitation in the “shoulder seasons,” increasing visitation during midweek periods, and developing lake-wide cooperative marketing programs. However, residents tend to oppose increasing tourist visitation during weekend and holiday periods, increasing summer visitation, and attracting more day visitors.

Most locals feel that the availability of retail stores and commercial development in Eastern Placer County is about right, although a significant minority feels that retail development does not serve the shopping needs for residents, particularly for basic household needs at affordable prices.

- *Transportation:* A wide variety of transportation improvements are viewed to be a relatively high priority. A majority of locals (and in most cases a majority of absentee owners as well) view the following improvements to be a priority:
 - Expand employee shuttle services (73 percent of locals rated this as a priority, i.e., “4” or “5” on five-point scale)
 - Add bus/shuttle from Eastern Placer County to Reno Airport (70 percent)
 - Expand the use of traffic control officers at peak times (68 percent)
 - Expand skier shuttle service (67 percent)
 - Provide evening service on existing bus routes (64 percent)
 - Encourage compact development to reduce reliance on automobiles (59 percent)
 - Improve and expand bike trails (58 percent)
 - Increase frequency of bus service between Tahoe City and Truckee (58 percent)
 - Increase parking in Tahoe City (55 percent)
 - Add new bus service between Kings Beach and Truckee (55 percent)
 - Increase frequency of bus service between Tahoma and Incline Village (52 percent)
 - Increase train service from San Francisco to Truckee and Reno (52 percent)

- *Housing:* Housing is widely believed to be an important community issue, and especially so by renters. Most residents believe there is too little housing for the local workforce, and too little housing





diversity to suit different needs and tastes. To address the issue, a little over half of respondents believe the public and private sectors should work together on the problem, while others feel the private sector or public sector should alone be responsible, or the issue should be left to market forces. In terms of specific policy techniques, most residents indicate support for commercial linkage and accessory units, and also tend to lean in favor of residential employee linkage and inclusionary zoning. Most respondents oppose density incentives for new development, and the creation of a housing authority.

- *Environment:* Both residents and absentee owners place a high value on environmental protection. There is a broad consensus that it is very important to protect such environmental values as the water quality of Lake Tahoe and other streams and lakes, the quality of the public water supply, air quality, open space, scenic/visual quality, wildlife habitat, and wetlands.
- *Parks and recreation:* Residents are generally satisfied with numerous recreational amenities and services in the area, including parks and trail maintenance, the number and quality of winter and summer outdoor recreation facilities, the number and quality of trails, and the number and quality of parks, playing fields and playgrounds. However, most residents are dissatisfied with the number and quality of indoor recreation facilities. Accordingly, increasing indoor recreation facilities is the top recreational priority for the largest share of locals, closely followed by open space preservation. Absentee owners share this interest in open space preservation, but tend to be relatively uninterested in indoor recreation facilities; parks and trails maintenance is their other main recreational priority.
- *Arts and culture:* About half of residents feel that the level of cultural events (e.g., arts and humanities, special events, festivals) in Eastern Placer County is “about right,” while about 40 percent believe there are too few events. Roughly half of locals feel that no additional facilities are needed to support festivals and cultural activities, while 25 percent feel more are needed (most commonly, an outdoor amphitheatre or an indoor venue of some type), and 28 percent are uncertain. When asked to how they would prioritize public funds for cultural facilities and events, the top priority was generally to make more efficient use of existing space, followed by expanded support for festivals and events, and expanded support for arts and humanities programs and groups.
- *Improvements to community facilities, amenities and services:* In order to understand the relative priority of the diverse array of potential community improvements that could be made in

Eastern Placer County, respondents were asked to rate and rank the importance of 30 varied potential improvements. The results help to provide an understanding of the breadth and intensity of support for potential improvements in the area.

In a measure of breadth of support, the following improvements were identified as “important” by a majority of residents:

- Reducing traffic congestion (86 percent responding “important” (“4” or “5” on five-point scale)
- Water quality improvements (75 percent)
- Open space acquisitions and preservation (72 percent).
- Add shuttle service to the Reno/Tahoe International Airport (62 percent)
- Expand/complete network of bike-trails (60 percent)
- Construct workforce housing (59 percent)
- Add evening public bus service (59 percent)
- Construct indoor recreation facility with pool, gym, etc. (58 percent)
- Increase frequency of daytime public bus service (54 percent).

Additionally, in a measure of intensity of support, the following improvements were most commonly identified as one of the top three improvements by locals:

- Reducing traffic congestion (51 percent identified it as among the top three priorities)
- Open space acquisitions and preservation (32 percent)
- Construct an indoor recreation facility (30 percent)
- Water quality improvements (25 percent)
- Construct workforce housing (21 percent)
- Expand/complete network of bikepaths (14 percent)
- Add shuttle service to the Reno/Tahoe International Airport (12 percent)
- Add evening public bus service (11 percent)

The preferences of residents can be compared to the priorities of past and prospective visitors to the region, as measured by the 2003/04 NLTRA Web site Survey. Among the priorities that are common to visitors and residents are:

- Reducing traffic congestion
- Adding shuttle service to the Reno Airport





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- Expanding/completing the network of bicycle trails
- Improving public transportation
- Making developed areas more enjoyable for walking
- Improving public access to beach areas
- Adding parking
- (This list is not exhaustive of all issues, and other areas of consensus exist, such as the importance of environmental protection.)

Absentee owners tend to share many of the same priorities as residents, with some exceptions. For example, absentee owners agree on the high importance of reducing traffic congestion, open space acquisitions and preservation, water quality improvements, and constructing workforce housing. However, unlike local residents, absentee owners generally do not rank the construction of an indoor recreation center as a priority.

- *Funding of community facilities, amenities and services:* Of the list of 30 potential improvements mentioned above, only a handful of improvements would be supported of a majority of residents through increased taxes: water quality improvements (53 percent support through increased taxes), open space acquisitions and preservation (51 percent), reducing traffic congestion (50 percent), and constructing an indoor recreation facility (50 percent). Expanding/completing the network of bike trails follows at 42 percent, but no other improvement exceeds 30 percent support. (It should be cautioned that these results are not necessarily predictive of how an actual tax election would turn out, since those results might be influenced by the type and amount of tax, the specific improvements funded, etc.)

In a separate question, a strong majority of residents (66 percent) and absentee owners (64 percent) support increasing the TOT to fund tourism marketing and local infrastructure improvements. Additionally, most residents (60 percent) support the creation of a tax on recreational services (such as ski resorts and marinas) to fund tourism marketing and infrastructure improvements (absentee owners are more lukewarm, at 46 percent support). By contrast, local residents tend to lean against a sales tax for transportation improvements (33 percent support vs. 46 percent oppose), and most residents oppose creating a tax on the sale of real estate to fund workforce housing (57 percent oppose).