

4 OTHER NEPA-, CEQA-, AND TRPA-MANDATED SECTIONS

4.1 EFFECTS FOUND NOT TO BE SIGNIFICANT

As part of the scoping and environmental analysis carried out for the project and as discussed in Chapter 3, the build alternatives would result in no adverse impacts for the purposes of CEQA, TRPA, and NEPA related to the following environmental issue areas and, therefore, they do not warrant further evaluation.

- ▲ **Agricultural resources.** According to the California Department of Conservation (DOC), there are no lands considered to be important farmland on the project site (DOC 2014) or lands subject to Williamson Act contracts (DOC 2016). There are also no agricultural land easements in the project site designated by the United States Department of Agriculture (USDA) Natural Resource Conservation Service (NCRS) under the Agricultural Conservation Easement Program. Thus, the project alternatives would not convert important farmland, conflict with Williamson Act contracts, or otherwise affect agricultural land. There would be no impacts related to agricultural resources.
- ▲ **New parks and recreation facilities.** The project alternatives would not construct new recreation facilities and, thus, would not result in an impact related to creating additional recreation capacity, conflicts between recreation uses, or creating an adverse physical effect on the environment associated with construction of recreation facilities.
- ▲ **Interfere with waterborne, rail traffic, or air traffic.** No alternative would result in increasing, creating, or interfering with waterborne, rail traffic, or air traffic.
- ▲ **Hazards due to roadway design.** None of the build alternatives would install sharp curves or dangerous intersections, or result in incompatible uses of roadways, such as by slow-moving farm equipment.
- ▲ **Paleontological resources.** A review of the Geologic Map of the Lake Tahoe Basin (Saucedo 2005) indicates that the Area of Potential Effect (APE) is located within an area of cretaceous age (145 to 66 million years old) granodiorite and Pleistocene age (2.6 million to 11,700 years old) lake terrace deposits. Small pockets Holocene (11,700 years ago to present) alluvium and floodplain deposits can be found near streams.

The value or importance of different fossil groups varies depending on the age and depositional environment of the rock unit that contains the fossils, their rarity, the extent to which they have already been identified and documented, and the ability to recover similar materials under more controlled conditions (such as for a research project). Marine invertebrates are generally common; the fossil record is well developed and well documented, and generally they would not be considered a unique paleontological resource. Identified vertebrate marine and terrestrial fossils are generally considered scientifically important because they are relatively rare. Some invertebrate fossils have been found on the south shore of Lake Tahoe; however, there are no documented occurrences of vertebrate fossils within the Lake Tahoe Basin (U.C. Berkeley Museum of Paleontology [UCMP] 2017).

A review of the UCMP database indicates there are no recorded fossil sites in the vicinity of the study area (UCMP 2017). The majority of the study area has been heavily influenced by the Pleistocene era glaciations, which scoured the mountain slopes; mixing, and transported granitic and volcanic debris, and further minimizing the potential for fossils to be present in these locations. Isolated remnants of ancient, metamorphosed sedimentary seafloor deposits exist within the Lake Tahoe Basin but do not occur within the study area (Saucedo 2005). The metamorphosed remnant located closest to the study area is found approximately 2.5 miles to the north east at Castle Rock, near Daggett Pass. For these reasons, none of the alternatives would result in an adverse effect on unique paleontological resources.

- ▲ **Geology, soils, land capability and coverage.** The study area does not contain expansive soils or slopes that could become unstable or generate landslides or avalanche. Additionally, TRPA regulations prohibit the construction of septic tanks or wastewater disposal systems within the Lake Tahoe Basin.
- ▲ **Avalanche hazards.** The project site does not contain areas with a high risk of avalanche.
- ▲ **Mineral resources.** Impacts on mineral resources (loss of a known mineral resource or a locally-important mineral resource recovery site) were dismissed from further evaluation, because there are no known mineral resources within the project site (USGS 2015) and because mining is not an identified allowable use in the study area by the Tourist Core Area Plan or Douglas County Code Section 20.703.090 and 20.703.130 (City of South Lake Tahoe 2013:C-2 – C-12).
- ▲ **Vector-borne disease.** The US 50/South Shore Community Revitalization Project does not include treatment wetlands or detention basins of sufficient capacity that could influence vector-borne disease risks. Therefore, there would not be hazards associated with increased potential for vector-borne disease as a result of the project.
- ▲ **Airports.** The build alternatives are not located close enough to a public airport or a private airstrip to create a conflict or safety hazard. The Lake Tahoe Airport is located approximately 4 miles southwest of the project site. The Minden-Tahoe Airport is located over 9 miles east of the project site. The nearest private airstrip (Bailey Ranch) is located north of Carson City and over 9 miles east of the project site. The project site is not within the designated approach or departure routes of any airports or airstrips. Because the location of the project site is distant from the nearest public or private airstrip or heliport, it would not result in an airport safety hazard for people residing or working at the project site.
- ▲ **Hazardous materials near schools.** The build alternatives are not located within 0.25 mile of an existing or proposed school. Bijou Community School is located over 1 mile southwest of the project site. Zephyr Cove Elementary School and Whittell High School are located over 1 mile northeast of the project site. Therefore, implementation of the build alternatives would not emit or handle hazardous materials, substances, or wastes within 0.25 mile of an existing or proposed school.
- ▲ **Naturally-occurring asbestos.** Asbestos is the common name for a group of naturally-occurring fibrous silicate minerals that can separate into thin but strong and durable fibers. Naturally-Occurring Asbestos (NOA) is located in many parts of California and is commonly associated with serpentine soils and rocks. The asbestos map of western El Dorado County (*Asbestos Review Areas, Western Slope, County of El Dorado, State of California*; El Dorado County 2005) shows the location of individual parcels and areas considered to be subject to elevated risk of containing NOA. The project site is not located within any of the areas known to contain NOA.
- ▲ **Odors.** Minor odors from the routine use of heavy duty diesel equipment and the laying of asphalt during construction activities would be intermittent and temporary, and would dissipate rapidly from the source with an increase in distance. Construction-related odors would be considered temporary and minor. Land uses that are major sources of odor typically include wastewater treatment and pumping facilities, sanitary landfills, transfer stations, recycling and composting facilities, and various industrial uses such as chemical manufacturing and food processing. There are no major odor sources adjacent to or in the immediate vicinity of the project site. Further, El Dorado County Air Quality Management District Rule 205-Nuisance is in place to protect citizens from harmful odors should they occur. Therefore, project implementation would not create objectionable.
- ▲ **New stationary sources of greenhouse gas (GHG) emissions due to transportation improvements.** No new stationary sources of GHG emissions would be constructed as part of the build alternatives.
- ▲ **Conflicts with a habitat conservation plan.** None of the build alternatives would be constructed within an area covered under an adopted habitat conservation Plan, natural community conservation plan, or

other approved local, regional, or state conservation plan. Therefore, project implementation would not conflict with the provisions of an adopted conservation plan.

- ▲ **Special-status species.** Section 3.16.2, “Affected Environment,” discusses the special-status plant and animal species evaluated in this EIR/EIS/EIS, and Tables M-1 and M-2 (Appendix M) summarize the potential for each of these species to occur in the study area. Generally, those plant and animal species not expected to occur, or with a low probability to occur (because of a lack of suitable habitat, existing disturbance levels, or lack of occurrence records) are not addressed in detail, because implementation of the build alternatives would not be expected to affect those species.
- ▲ **Wildlife movement or migratory corridors.** The study area is not positioned within any known important wildlife movement or migratory corridors. Because the study area is subject to high levels of human disturbance and isolation of habitat patches because of commercial and residential development, presence of major road corridors, and recreational uses, it is not likely to function as an important corridor.

4.2 SIGNIFICANT ENVIRONMENTAL EFFECTS THAT CANNOT BE AVOIDED

Code of Federal Regulations (CFR) Title 40 Section 1502.16 and Section 5.8.B (2) of the TRPA Code of Ordinances requires an EIS to include any significant adverse environmental effects which cannot be avoided should any of the alternatives be implemented. CEQA Section 21100(b)(2)(A) states that an EIR shall include a detailed statement setting forth “[i]n a separate section...[a]ny significant effect on the environment that cannot be avoided if the project is implemented.” State CEQA Guidelines Section 15126.2(b) requires that an EIR describe any significant impacts, including those that can be mitigated but not reduced to a less-than-significant level.

Chapter 3, “Affected Environment and Environmental Consequences,” of this EIR/EIS/EIS addresses the potential environmental effects of the project alternatives and recommends mitigation measures, as necessary, to mitigate project effects to the extent feasible. For the purposes of CEQA and TRPA, the analysis concludes that all of the alternatives, including the alternative that involves taking no action (Alternative A) would result in significant and unavoidable impacts, or adverse effects, as described below.

- ▲ Alternative A would result in five significant and unavoidable or adverse traffic and transportation effects, including impacts related to: vehicle, bicycle, and pedestrian safety; intersection level of service (LOS); and roadway LOS and emergency access in future years (2040).
- ▲ Alternative B would result in up to three significant and unavoidable or adverse effects. The Alternative B transportation improvements would result in impacts related to: dividing the Rocky Point neighborhood and the resultant effects on community character and cohesion; substantial noise increases; and visual effects on the Rocky Point neighborhood. Alternative B transportation improvements would also have a disproportionately high and adverse effect on minority and low-income populations in the Rocky Point neighborhood. The Alternative B mixed-use development, including replacement housing, would result in significant and unavoidable or adverse effects related to noise.
- ▲ Alternative C would result in up to seven significant and unavoidable or adverse effects. The Alternative C transportation improvements would result in impacts related to: dividing the Rocky Point neighborhood and the resultant effects on community character and cohesion; substantial noise increases; visual effects on the Rocky Point neighborhood; and transportation effects, including emergency access and roadway LOS. Alternative C transportation improvements would also have a disproportionately high and adverse effect on minority and low-income populations in the Rocky Point neighborhood. The Alternative C mixed-use development, including replacement housing, would result in significant and unavoidable or adverse effects related to noise and traffic.

- ▲ Alternative D would result in up to three significant and unavoidable or adverse effects. The Alternative D transportation improvements would result in impacts related to: dividing the Rocky Point neighborhood and the resultant effects on community character and cohesion; substantial noise increases; and visual effects on the Rocky Point neighborhood. Alternative D transportation improvements would also have a disproportionately high and adverse effect on minority and low-income populations in the Rocky Point neighborhood. The Alternative D mixed-use development, including replacement housing, would result in significant and unavoidable or adverse effects related to noise.
- ▲ Alternative E would result in up to five significant and unavoidable or adverse effects, including impacts related to: construction activities that would generate noise during nighttime noise-sensitive hours; a construction-related vibration impact on adjacent buildings; a decrease in the travel route rating for Roadway Travel Unit #32, and degradation of the scenic quality of the immediate area; and scenic impacts from the elevated structure having the potential to block or disrupt scenic vistas or views of individual scenic resources.

4.3 GROWTH-INDUCING IMPACTS

4.3.1 National Environmental Policy Act

The Council on Environmental Quality (CEQ) regulations, which established the steps necessary to comply with the National Environmental Policy Act (NEPA) of 1969, require evaluation of the potential environmental effects of all proposed federal activities and programs. This provision includes a requirement to examine indirect effects, which may occur in areas beyond the immediate influence of a proposed action and at some time in the future. The CEQ regulations (40 Code of Federal Regulations [CFR] 1508.8) refer to these consequences as indirect impacts. Indirect impacts may include changes in land use, economic vitality, and population density, which are all elements of growth.

4.3.2 Tahoe Regional Planning Agency

Section 3.7.2(H) of the TRPA Code of Ordinances requires that an EIS evaluate the growth-inducing impacts of a project. Growth can be induced by eliminating obstacles to growth or by stimulating economic activity in a way that encourages increases in population and housing in the region.

4.3.3 California Environmental Quality Act

CEQA Section 21000(b)(5) specifies that growth-inducing impacts of a project must be addressed in an EIR. Section 15126(d) of the CEQA Guidelines states that a project is growth-inducing if it could “foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment.” Included in the definition are projects that would remove obstacles to population growth. Examples of growth-inducing actions include developing water, wastewater, fire, or other types of services in previously unserved areas; extending transportation routes into previously undeveloped areas; and establishing major new employment opportunities.

Typically, the growth-inducing potential of a project would be considered significant if it fosters growth or a concentration of population above what is assumed in local and regional land use plans, or in projections made by regional planning authorities. Significant growth impacts could also occur if the project provides infrastructure or service capacity to accommodate growth levels beyond those permitted by local or regional plans and policies.

4.3.4 Growth-Inducing Effects

A project is considered to be growth-inducing if it fosters economic or population growth, directly or indirectly, in the surrounding environment. These impacts could result from projects that include housing construction or the removal of an obstacle to growth, such as expansion of a wastewater treatment plant, extending transportation routes into previously undeveloped areas; and establishing major new employment opportunities.

Development in the Tahoe Region is guided by the Regional Plan, which allows new development and redevelopment through authorization of residential allocations, commercial floor area, tourist accommodation units, and residential bonus units. As a result, development is capped in the Region and implementation of capital improvement projects, such as the US 50/South Shore Community Revitalization Project would not result in an increase in the planned development patterns in the Region.

The roadway features included in Alternatives B, C, D, and E are intended to enhance the current transportation network and mobility opportunities. Because existing roads would be utilized for transportation improvements associated with these alternatives, accessibility within the study area would not change such that they could influence growth. The Tahoe Region is virtually built out; therefore, the project does not propose the expansion of existing transportation or transit routes, which would remove obstacles to growth in the Region and influence growth through additional housing, population, and economic growth beyond that planned for in the Regional Plan. Section 3.4, "Community Impacts," discusses reasonably foreseeable population and employment growth associated with Alternatives B, C, D, and E.

Alternatives B, C, and D transportation improvements and mixed-use development would include construction of replacement housing equal to the number of housing units displaced by the project. Because these replacement housing units would result in no net loss of housing, meaning that the project would neither result in an increase in the number of housing units or a decrease in the number of housing units in the study area, these alternatives would not influence growth.

Alternatives B, C, and D with mixed-use development would result in localized growth of residential and commercial uses that is planned for in the Regional Plan. This development would be subject to the commodities system set forth by the Regional Plan that distributes a limited number of residential and commercial floor area (CFA) allocations. Such growth would generate additional traffic, noise, air pollutant emissions, and the need for additional public services and utilities. The effects of this growth are assessed in the resource sections of this EIR/EIS/EIS.

Alternatives B, C, and D proposes new mixed-use development, which would result in implementing growth planned for by the Regional Plan and TCAP. Construction of the project transportation improvements and potential mixed-use development would generate temporary demand for construction employees, which would be anticipated to be met by existing residents in the South Shore area or nearby areas (e.g., Minden, Gardnerville, Carson City) and would not be anticipated to indirectly cause population growth as described in Impact 3.4-2. Furthermore, there would be a potential incremental increase in permanent road maintenance work and a permanent increase in demand for commercial employees associated with the potential mixed-use development, which would also be anticipated to be met by the local workforce as described in Impact 3.4-3. For these reasons, the incremental increase in employment that could occur with the project would not result in an increase in the population that was not previously planned by the Regional Plan. Construction employment demand during implementation of the project would not influence growth.

In addition, while the transportation improvements associated with Alternatives B, C, D, and E could require relocation of existing utilities, they would not propose any new or substantially expanded public services or utilities. The mixed-use development, including replacement housing, would require the extension of utilities to serve the new development, but would not increase the capacity of the utilities and, thus, would not induce growth beyond that planned for by the project, the TCAP, SSAP, and the Regional Plan. For these reasons, substantial indirect growth-inducement would not occur from implementation of the project.

4.4 ENVIRONMENTALLY SUPERIOR ALTERNATIVE

CEQA calls for the identification of an environmentally superior alternative in an EIR, but gives no definition for the term (State CEQA Guidelines Section 15126.6(e)). However, CEQA does specify that if the environmentally superior alternative is the “no project” alternative, the EIR shall also identify an environmentally superior alternative among the other alternatives.

From the standpoint of minimizing environmental effects related to physical disturbances, Alternative A (No Build Alternative) would be the environmentally preferable/environmentally superior alternative. With Alternative A, no construction would take place and operations and maintenance would continue under existing programs, and there would not be substantial changes to the existing environment. However, Alternative A would not meet any of the basic project objectives described in Section 1.3, “Purpose, Need, and Objectives,” and would not achieve the water quality, bicycle and pedestrian, transit, greenhouse gas emission, and visual benefits of Alternatives B, C, and D. Implementing Alternative A would also preclude gaining the environmental and economic revitalization benefits of the build alternatives.

Table 4-1 identifies the number of significant, potentially significant, and beneficial impacts identified under each action alternative for each environmental issue area evaluated in this EIR/EIS/EIS. The significance of impacts and identification of adverse impacts, for the purposes of NEPA, after mitigation is also identified. As shown in Table 4-1, based solely on impact significance conclusions after implementation of mitigation measures, all of the alternatives evaluated in this EIR/EIS/EIS would result in significant and unavoidable impacts. All of the build alternatives would also provide beneficial effects.

The US 50/South Shore Community Revitalization Project is proposed to include a community revitalization component. It is included in the Lake Tahoe Regional Transportation Plan (RTP, also known as *Mobility 2035*) and Sustainable Communities Strategy (SCS, for the California portion of the Lake Tahoe Region) adopted in 2012 and TRPA’s Environmental Improvement Program (EIP). Consistent with the Regional Plan Goals and Policies, the EIP is designed to attain, maintain, or surpass multiple environmental thresholds through an integrated approach. Each build alternative was designed with these considerations in mind, and would contribute to various environmental improvements as described throughout this EIR/EIS/EIS.

The 2017 Regional Transportation Plan (2017 RTP), which is an update to the 2012 RTP, and its joint CEQA/TRPA environmental document have been circulated for public review. The vision and goals of the 2017 RTP were based on the 2012 RTP. The projects listed in the 2017 RTP are substantially similar to those in the 2012 RTP, and the US 50/South Shore Community Revitalization Project is included in both documents.

As shown in Table 4-1, there are significant and unavoidable impacts related to implementation of all build alternatives. Alternatives B and D have 11 beneficial impacts from the transportation improvements and six beneficial impacts from the mixed-use development, including replacement housing, chiefly related to traffic conditions along road segments and at intersections that would result from project implementation. Alternative C would similarly result in a high number of beneficial impacts (10 beneficial impacts from the transportation improvements and five beneficial impacts from the mixed-use development, including replacement housing); however, there are seven significant and unavoidable impacts from the transportation improvements and two significant and unavoidable impacts from the mixed-use development, including replacement housing, again chiefly related to traffic conditions that could not be mitigated with the current proposed mitigation measures. Alternatives B, C, and D transportation improvements would also have a disproportionately high and adverse effect on minority and low-income populations in the Rocky Point neighborhood. Alternative A, the no build alternative, would result in five significant impacts (all of which relate to traffic conditions), none of which would be resolved.

Table 4-1 Summary of Adverse Impacts (for the Purposes of NEPA) or Significant Impacts (for the Purposes of CEQA and TRPA) Before and After Mitigation

Environmental Topic	Alternative A		Alternative B				Alternative C				Alternative D				Alternative E	
			Transportation Improvements		Mixed Use Dev, Incl Replacement Housing		Transportation Improvements		Mixed Use Dev, Incl Replacement Housing		Transportation Improvements		Mixed Use Dev, Incl Replacement Housing			
	Before	After	Before	After	Before	After	Before	After	Before	After	Before	After	Before	After	Before	After
Land Use	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parks and Recreational Facilities	0	0	1B 1S	1B	1S	0	1B 1S	1B	1S	0	1B 1S	1B	0	0	1S	0
Community Impacts	0	0	1S	1Adv 1SU	0	0	1S	1Adv 1SU	0	0	1S	1Adv 1SU	0	0	0	0
Public Services and Utilities	0	0	1PS	0	2PS	0	1PS	0	2PS	0	1PS	0	2PS	0	1PS	0
Traffic and Transportation	5S	5Adv 5SU	9B	9B	5B 2S 1PS	5B	8B 6S	8B 4Adv 4SU	4B 3S 1PS	4B 1Adv 1SU	9B	9B	5B 2S 1PS	5B	9B 1S	9B 1Adv 1SU
Visual Resources/Aesthetics	0	0	1S 1PS	1Adv 1SU	0	0	1S 1PS	1Adv 1SU	0	0	1S 1PS	1Adv 1SU	0	0	2S	2Adv 2SU
Cultural Resources	0	0	1Adv 3PS	0	1Adv 3PS	0	1Adv 3PS	0	1Adv 3PS	0	1Adv 3PS	0	1Adv 3PS	0	1Adv 3PS	0
Floodplains	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Water Quality and Stormwater Runoff	0	0	1B 1S	1B	1B 1S	1B	1B 1S	1B	1B 1S	1B	1B 1S	1B	1B 1S	1B	0	0
Geology, Soils, Land Capability and Coverage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hazards, Hazardous Materials, and Risk of Upset	0	0	1PS	0	1PS	0	1PS	0	1PS	0	1PS	0	1PS	0	1PS	0
Air Quality	0	0	1S	0	1S	0	1S	0	1S	0	1S	0	1S	0	1S	0
Greenhouse Gas Emissions and Climate Change	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Noise and Vibration	0	0	2S	1Adv 1SU	1PS 1S	1Adv 1SU	2S	1Adv 1SU	1PS 1S	1Adv 1SU	2S	1Adv 1SU	1S 1PS	1Adv 1SU	3S	2Adv 2SU
Biological Environment	0	0	3PS	0	3PS	0	3PS	0	3PS	0	3PS	0	3PS	0	0	0
Total	5Adv 5S	5Adv 5SU	11B 1Adv 7S 9PS	11B 3Adv 3SU	6B 1Adv 6S 11PS	6B 1Adv 1SU	10B 1Adv 13S 9PS	10B 7Adv 7SU	5B 1Adv 6S 11PS	5B 2Adv 2SU	11B 1Adv 7S 9PS	11B 3Adv 3SU	6B 1Adv 5S 11PS	6B 1Adv 1SU	9B 1Adv 8S 5PS	9B 5Adv 5SU

Note: Adv = Adverse Impact; PS = Potentially Significant Impact, S = Significant Impact, B = Beneficial Impact, 0 = No Adverse Effects (NEPA)/Significant Impacts (CEQA/TRPA); SU = Significant and Unavoidable Impact
Source: Compiled by Ascent Environmental, Inc. in 2016

Alternatives B, C, and D would meet all of the project objectives and would all cause long-term significant and unavoidable impacts. Alternatives A and E would eliminate many significant impacts associated with the transportation improvements proposed under Alternatives B, C, and D, in particular the long-term effects of a realigned roadway through residential neighborhoods. However, the benefits related to realigning US 50 would not be realized with Alternatives A and E, including those involving improved emergency access and traffic conditions. Additionally, Alternative E would result in significant scenic and visual degradation of the roadway and roadway viewpoints. Thus, for the purposes of this analysis, the discussion of environmentally superior alternatives focuses on Alternatives B, C, and D.

The environmental differences between Alternatives B, C, and D are related to project design. All of these alternatives include replacement housing and a mixed-use development option intended to replace the lost residential, retail, and commercial space from acquired parcels. Each of these alternatives would provide benefits to the study area associated with traffic operations, mobility, emergency services, visual resources (as they relate to the current scenic resources identified by TRPA), and water quality impacts. The environmental effects of Alternatives B and D are similar, with variations in land acquisition and the particular resultant land use geography, but not to the extent that significance conclusions are substantially different.

In conclusion, the environmentally superior alternative would be either Alternative B or D transportation improvements, including replacement housing and the mixed-use development option, depending on decisions about the priority of types of environmental benefits and adverse effects by the lead agencies. Both of these alternatives would result in fewer long-term, significant and unavoidable environmental impacts and would provide substantial benefits to the study area. The environmental impact differences between these alternatives are not substantial enough that one is clearly superior over the other.

4.5 DEPARTMENT OF TRANSPORTATION ACT (SECTION 4[f] AND PROPOSED *DE MINIMIS* DETERMINATION)

Section 4(f) of the Department of Transportation Act of 1966 states that a transportation program or project requiring the use of publicly owned land of a public park, recreation area, or wildlife and waterfowl refuge of national, state, or local significance can be approved only if there is no prudent and feasible alternative to using that land and if the program or project includes all possible planning to minimize harm resulting from the use to the park, recreation area, wildlife and waterfowl refuge, or historic site.

A Proposed *De Minimis* Finding is included as Appendix D of this Draft EIR/EIS/EIS, which includes preliminary findings regarding the use of Section 4(f) resources located within the study area that include:

- ▲ Public Parks and Recreation Areas
 - Van Sickle Bi-State Park, managed by the California Tahoe Conservancy (Conservancy) and Nevada Division of State Parks (NSP)
- ▲ Wildlife/Waterfowl Refuges
 - Public access to the TRPA-designated waterfowl management area located at Edgewood Tahoe Golf Course
- ▲ Historic Properties Listed or Eligible for the National Register of Historic Places
 - Friday's Station (National Register Inventory #86003259)
 - Pony Express Rider Statue
 - Lincoln Highway/Lake Tahoe Wagon Road/26 Do 451/KBG-4

4.5.1 Section 4(f) *De Minimis* Findings

PARKS, RECREATION AREAS, AND REFUGES

A description of existing park and recreation facilities and resources in the study area, including Van Sickle Bi-State Park, is included in Section 3.3, “Parks and Recreation Facilities.”

A determination of *de minimis* impact on parks, recreation areas, and wildlife and waterfowl refuges, may be made when all three of the following criteria are satisfied:

1. The transportation use of the Section 4(f) resource, together with any impact avoidance, minimization, and mitigation or enhancement measures incorporated into the project, does not adversely affect the activities, features, and attributes that qualify the resource for protection under Section 4(f).

Preliminary Finding: As described herein, the small amount of parkland to be permanently incorporated into the project right-of-way would be less than 0.1 percent of the acreage of the Van Sickle Bi-State Park. Additionally, potential impacts of the project related to visual resources and noise would not adversely affect the activities, features, and attributes that qualify the resource for protection under Section 4(f).

The project would result in beneficial effects related to public access and connectivity between the tourist/casino core and the park, which would be enhanced through:

- ▲ Improved signage, paths and trails for bicycles and pedestrians,
- ▲ Intersection improvements at Heavenly Village Way,
- ▲ A signalized crosswalk at Heavenly Village Way, and
- ▲ The construction of a connecting path and pedestrian bridge over the new US 50.

2. The public has been afforded an opportunity to review and comment on the effects of the project on the protected activities, features, and attributes of the Section 4(f) resource.

Preliminary Finding: This preliminary finding will be released and made available for public comment for a period of 60 days, concurrent with the public comment period for the Draft EIR/EIS/EIS. FHWA will consider all comments on the proposed *de minimis* impact finding prior to issuing a final finding.

3. The official(s) with jurisdiction over the property are informed of FHWA’s intent to make the *de minimis* impact determination based on their written concurrence that the project will not adversely affect the activities, features, and attributes that qualify the property for protection under Section 4(f).

Preliminary Finding: TTD and FHWA consulted with and informed the Conservancy and NSP of the proposed *de minimis* impact finding proposed to be made by FHWA. After the public comment period ends and if Alternatives B, C, or D is selected as the preferred alternative, FHWA would seek written concurrence from the Conservancy and NSP that the project would not adversely affect the activities, features, and attributes that qualify the resource for protection under Section 4(f).

Based on the preliminary findings to date, Alternatives B, C, and D would result in a proposed *de minimis* impact on Van Sickle Bi-State Park.

OTHER RESOURCES EVALUATED RELATIVE TO THE REQUIREMENTS OF SECTION 4(F)

Appendix D includes analysis of wildlife/waterfowl refuges, which includes Edgewood Tahoe Golf Course, and historic properties listed or eligible for the National Register of Historic Places, which includes Friday’s Station (National Register Inventory #86003259), Pony Express Rider Statue, and Lincoln Highway/Lake

Tahoe Wagon Road/26 Do 451/KBG-4. These resources are evaluated relative to the requirements of Section 4(f). Edgewood Tahoe Golf Course does not have a permanent public property interest as a wildlife or waterfowl refuge; therefore, the Edgewood Golf Course property does not qualify as this category of Section 4(f) resource. With respect to the historic properties, the project would not result in an adverse physical change to these resources and, thus, there would be no use of these resources for the purposes of Section 4(f).

4.6 ECONOMIC EFFECTS

Section 1508.14 of the CEQ regulations states that economic or social effects are not intended by themselves to require preparation of an EIS but that when an EIS is prepared and economic or social and natural or physical environmental effects are interrelated, then the document should discuss all of these effects on the human environment. Economic impacts of transportation projects include the effects of the project on factors such as personal and business income, employment, property values, and tax revenues. Transportation projects can have both positive and negative effects on local and regional economies. Section 3.4, “Community Impacts,” of this EIR/EIS/EIS addresses displacement of businesses and effects on employment as a result of the project.

The primary sources of information used in preparing this section are the *Economic Analysis of the US 50/South Shore Community Revitalization Project* (TTD 2013) and US 50 Realignment Municipal Tax Revenue Analysis Draft Memorandum (Walker, pers. comm., 2016). This section provides background information about economic conditions in the vicinity of the project site.

4.6.1 Affected Environment

ECONOMY AND EMPLOYMENT

Please see discussion of the South Shore economy, types of employment, and employment rate in Section 3.4.1. The types of businesses described below for the study area are representative of the majority of employment in the South Shore area that relies heavily on tourism and visitor services.

Study Area Sub-Districts

The study area contains of the following sub-districts that would most likely realize direct effects from the project.

Commercial triangle west of the existing US 50/Pioneer Trail intersection. The commercial triangle at this location consists of three parcels containing the following businesses:

- ▲ Subway
- ▲ Taco Taqueria
- ▲ 7 Eleven
- ▲ Powder House
- ▲ Vinny’s Pizza
- ▲ Tahoe Bottle Shop
- ▲ the Alpaca Store

Heavenly Village Center (formerly the “Crescent V”). The Heavenly Village Center is a community shopping center consisting of approximately 150,000 square feet of commercial space anchored by a Raley’s Supermarket. Currently, the rear portion of the property accommodates public parking for a fee. The Heavenly Village Center underwent redevelopment in the late 1990s and early 2000s, which led to construction of new commercial space and revitalization of existing buildings.

Heavenly Village. The 17-acre Heavenly Village was created through a comprehensive redevelopment effort undertaken by the city and a variety of other stakeholders. Heavenly Village is characterized as a lively, outdoor, walkable shopping district anchored by the Heavenly gondola and two Marriott fractional/timeshare

properties known as the Timber Lodge and Grand Residence Club. Other types of businesses in the Heavenly Village include restaurants, apparel stores, tourist-oriented retailers, and a movie theater. A parking garage is also located in Heavenly Village. Construction of Heavenly Village was completed in 2006.

Chateau at the Village. The first phase of the Chateau was completed in 2014 and includes an anchor restaurant and retail stores. The second phase of the Chateau is in progress and will include tourist accommodations and mixed retail uses referred to as the Zalanta development.

Resort-casinos. The resort-casino portion of the tourist core consists of four major casino properties (Harrah's Lake Tahoe; Harvey's Lake Tahoe; Montbleu Resort, Casino, and Spa; and Hard Rock Hotel and Casino), which provide gaming and entertainment facilities, more than 2,000 hotel rooms, and 45,000 square feet of retail/commercial space.

Other US 50 commercial. Aside from the two major shopping centers, the US 50 corridor near the state line accommodates a modest amount of commercial uses, including a gas station, convenience store, equipment rental, tourist-related retail shops, a lodging facility, and restaurants.

Tourism and Recreation

Despite the Region's heavy reliance on tourism and recreation, performance statistics for these sectors have shown relatively poor results in the South Shore over the past decade.

Lodging trends. The lodging industry in South Shore has experienced substantial difficulties in the past 10 years or so. The number of annual rooms rented has declined from 1.1 million in 2001/2002 to 720,000 in 2009/2010. The number of rooms rented showed slight improvements in 2010/2011 and 2011/2012. Additionally, occupancy and average daily rates in South Shore lodgings are significantly lower than those observed in other tourism areas in California and similar mountain resort towns in Utah and Colorado. While other resort towns in California, and California overall, saw an increase in transit occupancy tax (TOT) revenues from 2001 to 2011, TOT revenues declined by over 50 percent (TTD 2013:13 – 15).

Gaming revenues. Gaming has historically been a major driver of visitation to the South Shore. Since the proliferation of legalized gaming in California and the national recession that began in 2007, gaming revenues saw a decrease of more than 40 percent between 2007 and 2011 (TTD 2013:17).

Skier visits. In spite of challenging economic periods during the last decade, the number of annual skier visits remained steady at Lake Tahoe ski resorts. Skier visitation in Lake Tahoe is known to be closely linked with weather patterns, including both ski conditions and roadway conditions, which likely explain the high degree of variability in the number of annual skier visits. Despite this variability in skier visitation around the Basin, Lake Tahoe's ski resorts remain a popular attraction and are known for their high-quality and diverse skiable terrain as well as their relatively easy access for a population base of several million people within a 3- to 4-hour drive. In addition, local ski resorts have continued to upgrade the quality and variety of their offerings in recent years, including the gondola and Tamarack Lodge at Heavenly Mountain Resort. Heavenly Mountain Resort is also expanding summer on-mountain activities, which is intended to boost year-round visitation and associated employment opportunities (TTD 2013:17 – 18).

Retail Trends

Retail sales are an important component of economic activity and employment in the South Shore. The retail sector of the South Shore economy has also been challenged in the past few years with annual retail sales just in the City of South Lake Tahoe declining by 19 percent between 2005 and 2012 (TTD 2013:18).

National trends in retail development in recent years have tended to be less auto-oriented and have moved towards outdoor, walkable districts that offer a variety of shopping and dining options that appeal to all demographic and socioeconomic groups as well as small venues for public performances. In the South Shore, much of the retail building supply (especially in areas outside of the study area) is old and of marginal quality, and new retail development activity has been minimal for many years. While some of the South

Shore's neighborhood shopping centers have been redeveloped or repositioned, the Heavenly Village has been the only large-scale new retail product built in the South Shore area over the past 30 years. This area has been extremely successful, commands very high lease rates (as compared to other areas of the South Shore), and attracts many visitors and local residents. The grocery-anchored Heavenly Village Center located next to (and benefitting from synergy with) the Heavenly Village also is a successful retail center that commands strong lease rates, occupancy levels above 95 percent, and caters to a healthy mix of local residents and visitors. Newly constructed or rehabilitated retail product in these primary shopping locations are performing much better on the South Shore than the aging retail stock in other areas of the city and unincorporated areas (TTD 2013:18 - 19).

Best Practices

The economic study identified a number of best practices that have contributed to the successful redevelopment of tourism-oriented mountain/resort communities that could be implemented in the South Shore (TTD 2013:19 - 22). Some of these best practices include:

- ▲ Providing a complete range of dining, shopping, recreational, and entertainment options.
- ▲ Creating town centers that develop a center of activity and energy that can serve surrounding residential neighborhoods as well as the visitor population.
- ▲ Redevelopment of older resorts. Planners, policy makers, and business leaders in aging resort areas such as the South Shore must work especially hard to upgrade facilities and attractions, create new and exciting events, and implement marketing strategies to raise the profile of the area in hopes of remaining competitive. Without an updated and enhanced product to market, South Shore will continue to be classified and perceived as an "older resort."
- ▲ Offering a variety of upscale accommodations, fine dining, shopping, and other attractions to entice visitors.
- ▲ Maintaining community identity and sense of place. Planners, policy makers, business owners, and community advocates must work to maintain the unique charm that brings visitors to a resort community.
- ▲ Public transit options. A free or enhanced transit service to connect residents and visitors to destinations within town to help improve the tourism experience and appeal to visitors that are not familiar with navigating the area and appeal to visitors' expectations for level of transit service.
- ▲ Affordable housing. Ensure sufficient housing options are available to families and households of all income levels to ensure a viable class of middle income residents as well as clean and safe housing (and reliable transit connections) for lower income service-sector employees.

4.6.2 Economic Effects of the Project

METHODS AND ASSUMPTIONS

The primary economic impact of a transportation project on businesses is a change in the level of business activity. The following are some of the factors that can influence business activity. These factors are each discussed below:

- ▲ Changes in
 - access to the business
 - traffic patterns, both locally and regionally
 - the environment near the business (e.g., noise level, air quality, or aesthetics)
 - property values

- ▲ Loss of
 - available parking
 - tax revenue

Tax Revenues

The analysis of property tax revenues and sales tax revenues below are based on the *US 50 Realignment Municipal Tax Revenue Analysis* prepared by Jesse Walker of New Economics (2016).

Business Activity

The analysis of changes in business activity below are based on key trends in retail and tourism development that may be influenced by the US 50/South Shore Community Revitalization Project. It should be noted that while it is not practical to quantify the exact economic and financial impact of a roadway realignment project because of the numerous variables and unforeseen circumstances involved, the economic study conducted a thorough evaluation of the South Shore in an effort to understand the variables that would affect the economic influence of the project, under defined conditions, to frame the likely short- and long-term implications of the project. The economic study looked at the current and historical conditions prevalent in the South Shore to identify the community's economic drivers and performance trends and its competitive position as a regional, national, and international tourism destination. The analysis included outreach to national and local experts, including local business representatives (TTD 2013:1).

The effects of the US 50/South Shore Community Revitalization Project on displacement of businesses are assessed in Impact 3.4-5 in Section 3.4, "Community Impacts." The changes in employment that would result from implementation of the project is discussed in Impact 3.4-3. For these reasons, these issues are not discussed further here.

CHANGE IN PROPERTY TAX, SALES TAX, AND TRANSIENT OCCUPANCY TAX REVENUES

Because Alternatives A and E would not acquire any property and would not result in any direct losses of tax revenues, Alternatives A and E would have no impact on property tax, sales tax, and transient occupancy tax revenues and are not discussed further for these alternatives.

None of the build alternatives would displace commercial businesses or hotel/motels in Nevada, there would be no loss of sales tax or transient occupancy tax (TOT) revenues in Douglas County, Nevada.

Alternatives B, C, and D Transportation Improvements

As discussed in Impacts 3.4-4 and 3.4-5 in Section 3.4, "Community Impacts," implementation of Alternatives B transportation improvements would result in the removal of a number of residences and several businesses and hotel/motels within the California portion of the project site. In addition to full acquisition of parcels, the transportation improvements would require partial acquisition of parcels in California and Nevada. These partial and full parcel acquisitions required for the project would result in changes to property tax, sales tax, and TOT revenues.

Property Tax Revenues

Alternatives B, C and D transportation improvements would have an effect on the assessed value (AV) of properties within and around the realigned highway and repurposed "main street" district. In California, a general tax rate of 1 percent (plus any applicable voter-approved overrides) is levied annually upon the AV of taxable properties. This revenue is then distributed to the various local agencies that provide public services, such as the City of South Lake Tahoe and the fire department. During the period in which properties are held under the same ownership, a limit of 2 percent per year is placed on the appreciation of assessed (taxable) value. However, when the property changes hands through a sale or other similar transaction, the property is reassessed to the value at which the property is sold, or at a fair market value.

In order to determine the project's impact on property taxes to local agencies, the *US 50 Realignment Municipal Tax Revenue Analysis* memo analyzed the net effect upon the AV of properties directly associated with the project (Walker, pers. comm., 2016:2). Note that this estimate does not quantify the actual amount of property tax revenues that would be generated, but instead simply measures the taxable basis upon which property taxes would be levied to determine whether the taxable basis would go up or down and by what order of magnitude.

The amount of land that would be removed from property tax rolls from full and partial acquisitions in California and Nevada are shown in Table 4-2 for each of the build alternatives. The build alternatives would result in the loss of between approximately 9 and 10.5 acres of land in California and approximately 2 to 4 acres of land in Nevada. The assessed value (AV) of property removed from tax rolls by the build alternatives would range between approximately \$11 million and \$14.4 million in California and approximately \$1.6 million and \$1.9 million in Nevada (see Table 4-3). In Fiscal-Year 2014-15, the City of South Lake Tahoe received approximately \$6.2 million in property taxes, based on a total assessed value of \$4.1 billion (Walker, pers. comm., 2016:3). The assessed value of the land removed from the tax roll from the build alternatives would represent 0.3 to 0.4 percent of the assessed value of property in the city's tax roll. Because the amount of land removed from the tax roll in Nevada would be less than the amount removed in California, the loss of property taxes in Douglas County would be estimated to be an even smaller proportion of the county's property taxes compared to the loss in the City of South Lake Tahoe. For these reasons, Alternatives B, C, and D transportation improvements would result in a very small (less than 1 percent) reduction in the amount of land in the city's and county's tax rolls.

Table 4-2 Acres of Land Acquired for the Transportation Improvements

Land Use	Full Acquisition ¹	Partial Acquisition - California	Partial Acquisition - Nevada	Total Acres
Alternative B: Triangle (Locally Preferred Action)				
Commercial	0.00	0.75	0.58	1.33
Lodging	2.20	0.14	0.00	2.34
Residential	3.53	0.15	0.09	3.77
Vacant	2.43	1.15	2.93	6.51
Total Acres	8.16	2.19	3.60	13.95
Alternative C: Triangle One-Way				
Commercial	0.00	0.18	0.68	0.86
Lodging	2.20	0.03	0.00	2.23
Residential	3.42	0.05	0.11	3.58
Vacant	2.37	0.77	1.41	4.55
Total Acres	7.99	1.03	2.20	11.22
Alternative D: Project Study Report Alternative 2				
Commercial	0.63	0.88	0.61	2.12
Lodging	0.55	0.13	0.00	0.68
Residential	3.03	0.00	0.20	3.23
Vacant	1.82	2.64	2.94	7.40
Total Acres	6.03	3.65	3.75	13.43

Note: No land would be acquired for Alternatives A and E and, therefore, are not included in this table.

¹ The project would not result in full acquisition of any parcels in Nevada.

Source: Compiled by Ascent Environmental in 2016

Table 4-3 Estimated Assessed Value of Property Removed from Tax Rolls for Transportation Improvements

Land Use	Value (dollars per acre)	Full Acquisition ¹ (dollars)	Partial Acquisition - California (dollars)	Partial Acquisition - Nevada (dollars)	Total Assessed Value (dollars)
Alternative B: Triangle (Locally Preferred Action)					
Commercial	1,900,000	0	1,425,000	1,102,000	2,527,000
Lodging	2,000,000	4,400,000	280,000	0	4,680,000
Residential	2,150,000	7,589,500	322,500	193,500	8,105,500
Vacant	100,000	243,000	115,000	293,000	651,000
Total Assessed Value	NA	12,232,500	2,142,500	1,588,500	15,963,500
Alternative C: Triangle One-Way					
Commercial	1,900,000	0	342,000	1,292,000	1,634,000
Lodging	2,000,000	4,400,000	60,000	0	4,460,000
Residential	2,150,000	7,353,000	107,500	236,500	7,697,000
Vacant	100,000	237,000	77,000	141,000	455,000
Total Assessed Value	NA	11,990,000	586,500	1,669,500	14,246,000
Alternative D: Project Study Report Alternative 2					
Commercial	1,900,000	1,197,000	1,672,000	1,159,000	4,028,000
Lodging	2,000,000	1,100,000	260,000	0	1,360,000
Residential	2,150,000	6,514,500	0	430,000	6,944,500
Vacant	100,000	182,000	264,000	294,000	740,000
Total Assessed Value	NA	8,993,500	2,196,000	1,883,000	13,072,500

NA = not applicable

¹ The project would not result in full acquisition of any parcels in Nevada.

Source: Adapted from Walker, pers. comm., 2016

Sales Tax Revenues

The right-of-way required for Alternatives B and C would not displace any commercial buildings (see Table 4-4); therefore, transportation improvements for these alternatives would not result in a direct loss of retail sales and sales tax revenues for the City of South Lake Tahoe. The right-of-way required for Alternative D would displace 7,620 square feet of commercial buildings (see Table 4-6); therefore, the Alternative D transportation improvements would result in a direct loss of retail sales and sales tax revenues for the City of South Lake Tahoe.

Table 4-4 Changes to Commercial Building Space

	Alternatives B and C (square feet)	Alternative D (square feet)
Transportation Improvements		
Commercial Space to be Removed ¹	0	7,620
New Commercial Development	0	0
Total Change in Commercial Development (+ = increase/- = decrease)	0	-7,620

Table 4-4 Changes to Commercial Building Space

	Alternatives B and C (square feet)	Alternative D (square feet)
Mixed-Use Development		
Commercial Space to be Removed ²	11,700	4,080
New Commercial Development		
Site 1	28,250	18,000
Site 2	8,000	20,000
Site 3	10,000	10,000
Total New Commercial Development	46,250	48,000
Total Change in Commercial Development (+ = increase/- = decrease)	34,550	36,300
¹ Commercial businesses displaced by Alternative D transportation improvements include Powder House, Vinny's Pizza, the Naked Fish, Tahoe Bottle Shop, and the Alpaca store (APNs 029-170-04 and 029-170-05).		
² Commercial businesses displaced by Alternatives B and mixed-use development include Subway, Taco Taqueria, 7 Eleven, Powder House, Vinny's Pizza, the Naked Fish, Tahoe Bottle Shop, and the Alpaca store (APNs 029-170-03, 029-170-04, and 029-170-05). Additional businesses displaced by Alternative D mixed-use development include Subway, Taco Taqueria, 7 Eleven (APN 029-170-03).		
Source: Adapted from Walker, pers. comm., 2016; County of El Dorado 2016		

Transient Occupancy Tax Revenues

Implementation of transportation improvements for Alternatives B, C, and D would displace several hotel/motels, including between 41 tourist accommodation units (TAUs; Alternative D) and 114 TAUs (Alternatives B and C). As discussed in Impact 3.4-4 in Section 3.4, "Community Impacts," some of the hotel/motel units in the National 9 Inn, South Shore Inn, Traveler's Inn, and Elizabeth Lodge include some SRO units that are not required to pay TOT. There are 7,026 TAUs in the city (City of South Lake Tahoe and TRPA 2015:39). Although the build alternatives would result in loss of TOT revenues for the city, the number of TAUs displaced by the project represent less than 2 percent of the available TAUs that operate in the city; therefore, the loss of TOT revenues from hotel/motels displaced by the project would not be substantial.

Conclusion

Only the transportation improvements for Alternative D would result in the loss of sales tax revenues. The three build alternatives would result in the loss of a very small proportion of TOT revenues from displacing between 41 and 114 TAUs, some of which are used as SRO units and do not pay TOT. Because there are over 7,000 TAUs in the city, the loss of TOT revenues from up to 114 TAUs would not be considered substantial. This alternative would result in the loss of property tax revenue from acquisition of land for the build alternatives. However, as described above, the proportion of property tax revenue received from these properties of the overall city and county property tax revenue would be very small. This loss of property tax revenue would not be anticipated to interfere with the city's or county's ability to provide public services. For these reasons, Alternatives B, C, and D transportation improvements would not have an adverse effect on property tax, sales tax, and transient occupancy tax revenues.

Alternatives B, C, and D Mixed-Use Development, Including Replacement Housing**Property Tax Revenues**

The amount of land that would be removed from property tax rolls from full acquisition of parcels for Alternatives B, C, and D mixed-use development, including replacement housing, is shown in Table 4-5. In addition to the removal of land from tax rolls for transportation improvements, implementation of the mixed-use development, including replacement housing, would result in the removal of approximately 2 to 3 acres of land in California from property tax rolls. The assessed value (AV) of property removed from tax rolls by Alternatives B, C, and D mixed-use development, including replacement housing, would range between approximately \$3.1 million and \$3.7 million in California. Depending on the alternative, this would result in

an estimated loss of between approximately \$30,600 and \$74,600 in property tax revenues to local public agencies in California.

Alternatives B, C, and D mixed-use development, including replacement housing, could result in additional taxable value created from the commercial development opportunities facilitated by the project. Upon development, the new AV of the buildings and land comprising the potential development sites would be levied property taxes. The estimate of additional (new) AV from the mixed-use development is approximately \$40 million for these alternatives (see Table 4-6). The net increase in AV with implementation of Alternatives B, C, and D mixed-use development, including replacement housing, would range between \$22 million and \$26 million in California.

This analysis demonstrates that any potential declines in assessed value from displaced properties would be offset by potential gains from the new development. In total, the potential effects would be relatively modest when placed in the context of total citywide property tax collections. In Fiscal-Year 2014-15, the City received approximately \$6.2 million in property taxes, based on a total assessed value of \$4.1 billion (Walker, pers. comm., 2016:3). The estimated net new AV from the project represents an increase of approximately 0.5 percent over the assessed value of property in the city.

Table 4-5 Estimated Assessed Value of Property Removed from Tax Rolls for Mixed-Use Development

Land Use	Full Acquisition (acres)	Assessed Value (dollars)
Alternative B: Triangle (Locally Preferred Action)		
Commercial	0.99	1,881,000
Lodging	0.55	1,100,000
Residential	0.34	731,000
Vacant	0	0
Total Acres	1.88	3,712,000
Alternative C: Triangle One-Way		
Commercial	1.00	1,900,000
Lodging	0.55	1,100,000
Residential	0.34	731,000
Vacant	0	0
Total Acres	1.89	3,731,000
Alternative D: Project Study Report Alternative 2		
Commercial	0.38	722,000
Lodging	0	0
Residential	1.03	2,214,500
Vacant	1.21	121,000
Total Acres	2.62	3,057,500

Source: Adapted from Walker, pers. comm., 2016

Table 4-6 Assessed Value of Potential Mixed-Use Development

Development Type	Value	Alternatives B and C ¹	Alternative D ²
Commercial	\$300/square foot	\$13,875,000	\$14,400,000
Residential ³ (Affordable)	\$115,000/unit	\$26,335,000	\$25,760,000
Total	NA	\$40,210,000	\$40,160,000

NA = not applicable

¹ Mixed-use development for Alternatives B and C would include up to 46,250 square feet of commercial building space and 229 housing units.

² Mixed-use development for Alternative D would include up to 48,000 square feet of commercial building space and 224 housing units.

³ Assuming all of the housing units would be affordable is a conservative, low estimate of the potential AV for the new residential development because the residential development could be a mix of affordable and market-rate housing.

Source: Adapted from Walker, pers. comm., 2016

Sales Tax Revenues

Implementation of Alternatives B and C mixed-use development would result in a loss of 11,700 square feet of commercial building space (see Table 4-4). However, the mixed-use development would construct 46,250 square feet of new commercial building space and result in a net increase in commercial building space of 34,550 square feet. Alternative D mixed-use development and the transportation improvements would result in the loss of 11,700 square feet of commercial building space. With Alternative D, the mixed-use development would construct 48,000 square feet of new commercial building space and result in a net increase in commercial building space of 36,300 square feet. The net increase in commercial building space created by these alternatives would reasonably be expected to increase sales tax revenues for the City of South Lake Tahoe over existing conditions.

Transient Occupancy Tax Revenues

The effect of implementing Alternatives B, C, and D mixed-use development would result in similar losses of TOT revenues as described above for Alternatives B, C, and D transportation improvements.

Conclusion

Alternative B, C, and D mixed-use development, including replacement housing, would result in the loss of sales tax revenue from eight commercial businesses and TOT revenues from TAUs not operating as SRO units. Because there is a large number of hotel/motels and commercial businesses throughout the city, the loss of sales tax and TOT revenues from the mixed-use development would not be considered substantial. Additionally, the loss of sales tax revenue from existing businesses would be offset by the increase in commercial area proposed by these alternatives. Furthermore, as described herein, the mixed-use development would result in a net increase in assessed value of properties in the city's tax roll. For these reasons, Alternatives B, C, and D mixed-use development, including replacement housing, would not result in an adverse impact on property tax, sales tax, and transient occupancy tax revenues.

CHANGE IN LEVEL OF BUSINESS ACTIVITY

Because Alternative A would maintain the existing US 50 alignment and would not make any other improvements that would result in effects on businesses within the study area, this alternative would not result in changes in the level of business activity.

Alternatives B, C, and D Transportation Improvements

As described above, the South Shore's tourism-based economy has suffered substantial declines in many key categories, including visitation levels, retail sales, hotel occupancy and room rates, gaming revenues, and others. These indicators reflect a structural weakness in the South Shore tourism economy, which is not likely to be corrected unless substantial steps are undertaken to improve the tourism product (i.e., visitor amenities and environment in the South Shore). As stated in Chapter 1, "Introduction," one purpose of the project is to create opportunities for redevelopment and revitalization in the study area. Improvements to

existing US 50 through the tourist core to create a safer environment for pedestrian and bicycle travel would make the study area more inviting for local residents and visitors to patronize existing businesses. Additionally, as identified in Chapter 1, one of the project objectives is to facilitate the creation of a safe and walkable district that enhances pedestrian activities and safety and improves the City of South Lake Tahoe's and Douglas County's competitiveness with other regional and national tourist destinations.

Visibility of Businesses in the Tourist Core

Transportation improvements included in Alternatives B, C, and D would realign US 50 around the tourist core and existing US 50 would become a local street. Although a large proportion of the vehicle traffic would be routed around the tourist core, access to and visibility of businesses in the tourist core would not be eliminated. Within the tourist core, the existing US 50 would be reduced to one lane in each direction with left-turn pockets. Although there would be a reduction in vehicle numbers that pass by the businesses along existing US 50 through the tourist core, the roadway changes in this area would result in slower travel speeds improving visibility of businesses for vehicles. The traffic numbers through the tourist core would decrease; however, the capture rate of the occupants of the vehicles would likely increase because the vehicle speeds are reduced and occupants are drawn toward the compelling environment and appeal that would result from the streetscape changes (e.g., sidewalk improvements and landscaping) the project would implement (TTD 2013:53). As described in the economic study, high traffic volumes and lack of adequate pedestrian facilities can be a strong deterrent to an enjoyable experience at outdoor shopping destinations and "al fresco" dining. Tourist-oriented retail is among the least vulnerable categories of retail to a reduction in visibility and, often, these types of retailers often become more successful when traffic is slowed and pedestrian activity is increased (TTD 2013:3, 39).

The types of businesses that cater most to pass-by traffic and could be most affected by the reduction in vehicle traffic include gas stations and quick service or fast food restaurants (TTD 2013:38). Within the study area, this type of business would include 7 Eleven, Subway, the Tahoe Bottle Shop, and Tahoe Tom's Gas Station and Convenience Store.

While the project would reroute US 50 around the tourist core, changing visibility to businesses along existing US 50, a more dramatic change to how vehicles pass by businesses within the commercial triangle west of the existing US 50/Pioneer Trail intersection would occur with removal of the portion of existing US 50 adjacent to these parcels. Access to these businesses would remain; however, visibility of these businesses would, in general, be reduced with the majority of traffic traveling through the new US 50/Pioneer Trail intersection located south of the 7 Eleven building. Visibility from vehicle traffic on the new US 50 would be most reduced for the Tahoe Bottle Shop and Alpaca store due to their distance from the new intersection. Although the Powder House building and the building containing the Naked Fish restaurant and Vinny's Pizza would lose visibility from traffic to the west, these businesses would not entirely lose visibility to traffic on the realigned US 50 due to their proximity to the realignment and new intersection. Because the realigned US 50 would be located behind the 7 Eleven, Subway, and Taco Taqueria building and the new intersection would be located directly adjacent, the amount of visibility of these businesses to traffic would not change.

The economic study also states that implementation of a marketing program that could be supported by transient-occupancy taxes (TOTs), increment tax, or a business improvement district would contribute to the success of the project in creating a compelling main street and drawing visitors to the study area (TTD 2013:58). Furthermore, to address local business concerns at the Heavenly Village Center about their visibility to vehicles using the realigned US 50, the economic study suggests that property owners in the project site may wish to make adaptations to the shopping center, such as new signage facilities and a more attractive entrance from the back of the center (TTD 2013:52). As described above, while traffic would be rerouted around the tourist core resulting in changes in visibility of businesses, vehicles traveling on the realigned US 50 would continue to be able to use existing driveways and other access points that would be signalized under the project to access Heavenly Village Way, and thus Heavenly Village Center and parking garage for Heavenly Village, and the Harrah's entrance driveway. Additionally, the project would also develop and implement a signage plan for parking, visitor information centers, and recreation opportunities at

appropriate locations throughout the project site (see Chapter 2, “Proposed Project and Alternatives”). Other informational and interpretive/educational/way finding signs may also be installed along the tourist core area and near the pedestrian overcrossing into Van Sickle Bi-State Park.

With Alternative C, a portion of the existing traffic would be rerouted around the tourist core. It is reasonable to assume that travel speeds through the tourist core would be higher under Alternative C than Alternatives B and D because Alternative C would include two-lane, one-way traffic with one bicycle lane and would not add medians. For these reasons, the capture rate of vehicle occupants for businesses in the tourist core would be estimated to be lower than that which could occur under Alternatives B and D. Therefore, the beneficial effects on business visibility that are described for Alternatives B and D would be less likely or would be reduced under Alternative C.

Proposed Complete Street Improvements

The realignment of US 50 would serve to reduce conflicts between pedestrians or non-motorized transportation and fast-moving, high volumes of traffic and would not increase the capacity of the roadway. As demonstrated in Impacts 3.6-1 through 3.6-3 and 3.6-11 through 3.6-13 in Section 3.6, “Traffic and Transportation,” the study area would experience an increase in vehicle traffic similar to that which would occur under the no project scenario (Alternative A). Additionally, the number of lanes in the existing US 50 through the tourist core would be reduced, bicycle lanes (or an optional cycle track) would be created, enhanced and new sidewalks, and center median would be constructed. These changes would help facilitate creation of a safer environment for pedestrians (including those with disabilities) and cyclists within the tourist core and help establish the tourist core as a complete street or main street, a vibrant, walkable, and attractive business district. (Complete streets are defined as streets designed and operated to enable safe access for all users, including pedestrians, bicyclists, motorists, and transit riders of all ages and abilities.) The types of transportation improvements proposed under Alternatives B, C, and D would help enhance the tourism product through the establishment of a complete street, which would complement other recent and planned redevelopment efforts (e.g., Chateau at the Village and Zalanta) as well as existing amenities for visitors and residents, including Heavenly Mountain Resort, Van Sickle Bi-State Park, and the lake (TTD 2013:47, 49, 55-56).

Physical Changes in the Tourist Core

The physical effects on the environment from implementation of the project are assessed in Sections 3.2 through 3.19 in this EIR/EIS/EIS and are briefly summarized here:

- ▲ Visual effects from the project are assessed in Section 3.7, “Visual Resources/Aesthetics.” As described in Impact 3.7-1, Alternatives B, C, and D would result in less-than-significant impacts on the scenic quality and visual character of the portion of the project site through the tourist core either because no changes in visual conditions would occur, changes that would occur would be visually beneficial, or changes would be compatible with existing conditions.
- ▲ As assessed in Impacts 3.6-1 through 3.6-4 and 3.6-12 through 3.6-14 in Section 3.6, “Traffic and Transportation,” Alternatives B and D would not result in significant impacts on vehicle miles of travel (VMT) or result in significant impacts on intersection and road segment level of service (LOS) in the study area. Impacts from Alternative C would be similar, except this alternative would result in significant impacts on intersection and road segment LOS in the study area.
- ▲ As described in Impact 3.6-7 in Section 3.6, “Traffic and Transportation,” the construction phase of the project would implement a Transportation Management Plan (TMP). Implementation of the TMP would minimize traffic flow disruption to the extent possible through the construction work zones and enhance the safety of the work zones for the traveling public and workers. Alternatives B, C, and D would not result in significant impacts on transportation disruptions associated with construction activity.
- ▲ Potentially significant impacts from construction emissions associated with Alternatives B, C, and D would be reduced to less than significant with implementation of Mitigation Measures 3.13-1a and 3.13-1b (see Impact 3.13-1 in Section 3.13, “Air Quality”). Alternative B would not have any other significant

impacts on air quality within the study area. Implementation of these alternatives would not result in a substantial adverse change to the physical environment such that businesses in the study area would be adversely affected.

- ▲ As described in Impacts 3.6-5, 3.6-6, 3.6-15, 3.6-16, and 3.6-18 in Section 3.6, “Traffic and Transportation,” Alternatives B, C, and D would result in beneficial impacts on bicycle and pedestrian facilities, bicycle and pedestrian safety, and transit.
- ▲ As assessed in Impacts 3.15-3, the impact of Alternatives B, C, and D on future traffic noise levels through the tourist core would be less than significant.

For these reasons, implementation of Alternatives B, C, and D would not result in a substantial adverse change to the environment near businesses in the tourist core. Implementation of these alternatives would not be anticipated to cause a long-term adverse change in activity at the businesses in the study area from changes in the environment. However, relative to Alternatives B and D, Alternative C would result in one-way travel within the tourist core and on the realigned highway around the tourist core, which would result in adverse effects on intersection and road segment LOS greater in magnitude.

Parking

Within the study area, large parking areas are provided at Montbleu, Harrah’s, Harvey’s, Hard Rock Hotel and Casino, Heavenly Village parking garage, and the Heavenly Village Center. Effects of Alternatives B, C, and D transportation improvements on parking are assessed in Impacts 3.6-9 and 3.6-10 in Section 3.6, “Transportation and Traffic.” As part of the project, Alternatives B, C, and D would construct replacement parking for businesses that would be affected by partial acquisitions near the existing US 50/Pioneer Trail intersection. As described above, the project would enhance signage in the project site, which would include signage for existing parking areas. This would attempt to enhance visitors’ and residents’ perceptions of parking opportunities in the project site. Changes in parking resulting from these alternatives would not affect parking in the project site that could cause an adverse change in business activity in the project site associated with parking.

Other Opportunities for Enhancement of the Tourist Core

The Economic Analysis identified a number of factors that would contribute to the success of the project in increasing the number of visitors and residents that are attracted to the study area (TTD 2016:58 – 60). Many of these factors are not proposed as part of the project, such as creation of a business district and reorientation of retail, are the types of activities that businesses within the study area would implement themselves. However, the project would help facilitate future implementation of other recommendations in the Economic Analysis, including completion of streetscape improvements, providing expanded opportunities for events, and enhancing public transit.

As described in Chapter 2, “Proposed Project and Project Alternatives,” existing US 50 is well served by BlueGo, the South Shore area’s fixed-route bus service and commuter bus service connecting the area with Carson City and the Carson Valley. BlueGo’s Stateline Transit Center is located in the center of the tourist core on Transit Way. With Alternatives B, C, and D, the transportation improvements would reduce the number of travel lanes through the tourist core, making transit access more user-friendly with widened shoulders. These build alternatives would also include the construction of new bus shelters at existing bus stop locations where features are limited to signs and in some cases benches. These changes that would occur as part of the project help enhance transit opportunities in the tourist core that would contribute to encouraging visitors and residents to increase non-automobile use.

One way in which the study area could bolster visitation and more effectively compete with other tourist areas would be to provide a gathering place for special events and for locals and visitors to interact. Feedback from local businesses demonstrated interest in the possibility of additional events, concerts, festivals, and similar programs to draw visitors and give residents a reason to come to the tourist core (TTD 2013:26, 46). In the past, the resort-casino portion of the tourist core has closed down for special events; however, this led to traffic circulation problems. Compared to existing conditions, the realignment of US 50

and narrowing of the existing US 50 proposed by Alternatives B and D would be better suited to closing a portion of the tourist core for special events while continuing to meet the needs of vehicle traffic in the study area.

Effects on Retail Sales

The Economic Analysis identifies research that shows that while realignments can often have short-term, adverse impacts on the local economy, sales often improve in the longer term (TTD 2013:39, 51). During the short-term, construction and transitional period, potential retail sales losses are estimated to range between \$900,000 to \$5.5 million per year, accounting for just 1.6 percent of total citywide retail sales (TTD 2013:53). Outreach with businesses in the study area conducted for the Economic Analysis shows that many of these businesses (73 percent of survey respondents) have been operating for more than a decade, 20 percent have been operating between 6 and 10 years, and a small proportion (7 percent) have been operating for less than 2 years (TTD 2013:40). The longevity of businesses in the study area demonstrates they have endured challenging economic times.

The Economic Analysis estimated existing annual retail sales, short-term changes in retail sales, and long-term changes in retail sales for Heavenly Village and the Heavenly Village Center (see Table 4-7). As described above, Alternatives B, C, and D would develop and implement a TMP during construction that would include all reasonable and feasible measures to minimize traffic disruption and maintain access to businesses during construction. However, the construction activities could still be perceived as a deterrent to business activity in the study area and would be estimated to result in a loss of between 1 and 6 percent of existing retail sales in the short-term. While there would be short-term losses of existing retail sales, businesses in the study area would benefit in the long-term, by approximately 16 to 25 percent, from the improvements within the tourist core.

Table 4-7 Short-Term and Long-Term Effects of the Project on Retail Sales in Heavenly Village and the Heavenly Village Center

	Estimated Existing Annual Retail Sales (dollars)	Change in Retail Sales ¹	
		Low End of Range (dollars) (percent change)	High End of Range (dollars) (percent change)
Potential Short-Term Transitional Impacts	100,040,000	-920,000 (-1%)	-5,510,000 (-6%)
Potential Long-Term Retail Impacts		+16,390,000 (+16%)	+25,220,000 (+25%)

1 "+" = increase and "-" = decrease
Source: TTD 2013:54

The Economic Analysis did not estimate existing annual retail sales or short-term and long-term changes in retail sales for other retail located along existing US 50 through the tourist core outside of the Heavenly Village Center and Heavenly Village. However, the short-term and long-term effects on retail sales shown in Table 4-7 demonstrate the scale of the effect the project could have on these other retailers. For these reasons, it can be reasonably assumed that long-term economic effects on these retail businesses would be anticipated to exceed the short-term losses that could occur during construction of the project.

Because the resort-casinos are highly visible from various portions of the South Shore, they are not dependent on visibility from existing US 50 specifically (TTD 2013:56). For these reasons, the resort-casinos would not be anticipated to be adversely affected by the project.

Conclusion

As described above, the project would implement a Transportation Management Plan (TMP) that would use all reasonable and feasible measures to minimize traffic disruption and maintain access to businesses during construction; however, reduced business activity from temporary discouragement of access to businesses within the tourist core could not be eliminated.

The project would result in a permanent change in visibility of businesses within the project site. However, the types of transportation improvements proposed as part of the project, including complete streets improvements through the tourist core, streetscape improvements, providing expanded opportunities for events, and enhancing public transit could make the project site more attractive to visitors and local residents. These types of changes are estimated to result in a long-term increase in business activity that would exceed the short-term losses in retail sales associated with construction activities. Therefore, Alternatives B, C, and D transportation improvements would not have an adverse impact on long-term business activity within the study area.

Alternatives B, C, and D Mixed-Use Development, Including Replacement Housing

Because construction of the potential mixed-use development would be limited to within their respective sites, Alternatives B, C, and D mixed-use development, including replacement housing, would not interfere with short-term business activity in the study area.

The direct effects of these alternatives are discussed in Impact 3.4-8 in Section 3.4, “Community Impacts,” which indicates an increase in the level of business activity in the study area. Additionally, the mixed-use development, including replacement housing, would likely enhance the walkability and tourism product in the tourist core by providing residences close to shopping and jobs and by providing additional commercial businesses. For these reasons, Alternatives B, C, and D mixed-use development, including replacement housing, would not have an adverse effect on long-term business activity within the study area.

Alternative E: Skywalk

Construction of Alternative E would require lane closures and temporary full closure of US 50, which would be a significant and unavoidable traffic-related impact (see Impact 3.6-6 in Section 3.6, “Traffic and Transportation”). Alternative E would develop and implement a TMP to minimize construction effects on access to businesses, the closure of US 50 and continued construction in the tourist core would likely contribute to a loss in short-term retail sales in the tourist core.

Implementation of Alternative E would result in development of a raised concrete deck over the entire width and length of existing US 50 between Stateline Avenue and the northern end of the Montbleu Resort and Casino that would be used by pedestrians along the tourist core near the resort-casinos. Alternative E does not involve realignment of US 50 that could change long-term visibility of businesses in the tourist core; however, unlike Alternatives B, C, and D, Alternative E does not develop any complete street improvements or provide new opportunities for enhancing the tourism product. For these reasons and because Alternative E would not result in many changes in the tourist core beyond the raised pedestrian walkway, this alternative would not have an adverse effect on long-term business activity within the study area.

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