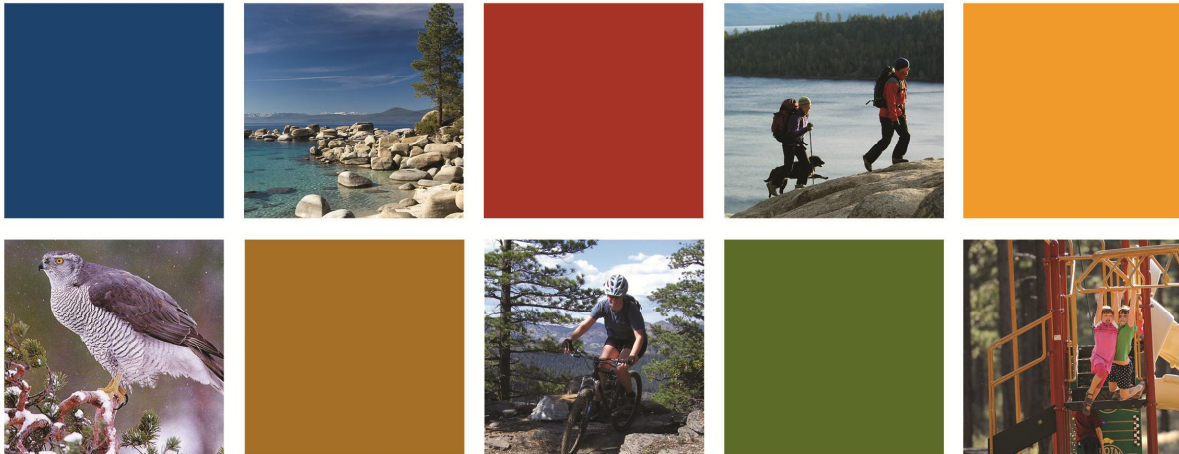


Lake Tahoe Sustainable Communities Program Documents Series #9

Economic Development Strategy

August 2014



Lake Tahoe
Sustainable Communities Program

California Strategic Growth Council

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Acknowledgements

Tahoe Metropolitan Planning Organization Governing Board

The Tahoe Metropolitan Planning Organization (TMPO) Governing Board is comprised of the members of the Tahoe Regional Planning Agency (TRPA) Governing Board and one representative of the US Forest Service. The TRPA staff serves both the TMPO and TRPA. The TRPA Governing Board is responsible for adopting the Lake Tahoe Regional Plan and Code of Ordinances. The TMPO Governing Board is responsible for adopting the Regional Transportation Plan and Sustainable Communities Strategy.

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This citizens group is responsible for sustainability planning recommendations, projects, and programs. More information is available at www.sustainabilitycollaborative.org.

Tahoe Basin Partnership for Sustainable Communities

This group, comprised of representatives from the Tahoe Regional Planning Agency, Tahoe Metropolitan Planning Organization, California Tahoe Conservancy, El Dorado County, Placer County, City of South Lake Tahoe, North Lake Tahoe Resort Association, and Sierra Nevada Alliance, was responsible for preparing the original California Strategic Growth Council (SGC) Round 1 Sustainable Community Planning Grant application and has provided ongoing support for completion of these SGC grant-funded tasks.

Consultants



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Introduction to the Lake Tahoe Sustainable Communities Program

The need to embrace sustainability in all planning and implementation activities in the Lake Tahoe Region and beyond has been recognized in a number of ways and through multiple organizations. At the national level, the Department of Housing and Urban Development has created the Sustainable Communities Regional Planning Grant Program and the Department of Interior Bureau of Reclamation has initiated the Truckee River Basin Study that will include adaptive strategies to respond to climate change and other uncertainties. At the state level, California has adopted the Sustainable Communities and Climate Protection Act of 2008 requiring greenhouse gas emission reduction targets for passenger vehicles for 2020 and 2035 for each region covered by a metropolitan planning organization (MPO) and created the Strategic Growth Council, which has awarded grants for sustainable community planning and natural resource conservation.

At the Lake Tahoe Region level, the Tahoe Regional Planning Agency (TRPA) has updated the Lake Tahoe Regional Plan to include sustainability policies and mitigation measures, and the Tahoe Metropolitan Planning Organization (TMPO) has adopted a Sustainable Communities Strategy as required by the Sustainable Communities and Climate Protection Act of 2008. At the local level, local governments in the Lake Tahoe Region are in the process of integrating sustainability principles into their local plans.

In the summer of 2010, a partnership of agencies, organizations, and jurisdictions came together as “The Tahoe Basin Partnership for Sustainable Communities” (the Partnership) in order to apply for a grant from the Strategic Growth Council. Collectively, the Partnership is supporting execution of the Strategic Growth Council 2011 Sustainable Communities Planning Grant that was officially awarded to the TMPO in August of 2011. The Partnership is comprised of Tahoe Metropolitan Planning Organization, Tahoe Regional Planning Agency, El Dorado County, Placer County, City of South Lake Tahoe, California Tahoe Conservancy, and Sierra Nevada Alliance.

The TRPA, in partnership with other key stakeholders in the Lake Tahoe Region, is a participant in all of these national, state, regional and local efforts. Often they are complementary and of common interest to stakeholders. Hence, the Lake Tahoe Sustainable Communities Program has been created as a Basin-wide program with staff from different agencies and organizations participating in the various efforts. To the extent possible, the products from these efforts will be available through the Lake Tahoe Sustainable Communities Program website and as a series of documents.

Lake Tahoe Sustainable Communities Program Documents Series

This series of documents is organized to generally reflect the tasks associated with the grants received from the California Strategic Growth Council (SGC). The series as currently envisioned includes the following:

1. Sustainability Framework and Vision – This document accompanies the California Tahoe Conservancy *Tahoe Basin Sustainability Planning Guidebook* document and includes an overview of the Sustainable Communities Program, the framework within which all of the regional and local level plans work, and the vision for sustainability based on input from over 5,000 participants in the regional planning process. The *Tahoe Basin Sustainability Planning Guidebook* was prepared in 2011 and describes how this effort was originally envisioned. The Sustainability Framework and Vision has more detailed and updated language related to the newly adopted Regional Plan and the framework

for Area Plans, input from participants in that process, and the interaction of sustainability components. This serves as the “deliverable” for the SGC Round 1 Sustainable Community Planning Grant Task 1: Roadmap & Organizational Structure.

2. Sustainability Action Plan Background – This document includes the initial greenhouse gas emissions inventory and reduction targets, and climate change adaptation and mitigation strategies. It reflects the adopted Regional Plan, Regional Transportation Plan, and Sustainable Communities Strategy policies, and is the basis for the sustainability (a.k.a., climate change) action plan. This document serves as the “deliverable” for the SGC Round 1 Sustainable Community Planning Grant Task 3: Goals, Objectives, & Strategies.
3. Sustainability Action Plan: A Sustainability Action Toolkit for Lake Tahoe – This includes the revised greenhouse gas emissions inventory and reduction targets, and climate change and adaptation strategies vetted through the Lake Tahoe Sustainability Collaborative and the Tahoe Basin Partnership for Sustainable Communities. This document also includes community level outreach and action strategies. This document serves as the “deliverables” for the SGC Round 1 Sustainable Community Planning Grant Tasks 3.D, 4.A, and 4.D: Lake Tahoe Sustainability Action Plan and Outreach Activities.
4. Sustainability Indicators Reporting Plan– This includes: (1) an assessment of existing Lake Tahoe Region measurement and monitoring efforts, (2) identification of a suite of sustainability indicators, and (3) development of a sustainability metrics reporting the plan, and (4) initiation of a sustainability dashboard. This measurement and tracking approach is intended to be consistent with and a key element of the larger Lake Tahoe Basin Monitoring, Evaluation, and Reporting Program required by California State Appropriations Bill #3110-0140 in addition to serving as the “deliverables” for SGC Round 1 Task 4.B: Develop Performance Measures, Indicators and Monitoring Program, including a Tracking and Accounting System and SGC Round 2 Task 4.A: Obtain Regional Indicators Data.
5. Area Plans Framework – This includes the framework for Area Plans and initiation of those Area Plans. The framework (i.e., Regional Plan policies and code, conformance review checklist, and model Area Plan contents) serves as the “deliverable” for SGC Round 1 Sustainable Community Planning Grant Task 4, Subtask C: Lake Tahoe Livable Communities Program.
6. Area Plans Background – This includes an assessment of the sustainability and livability measures needed in each planning area and the barriers to local implementation of those sustainability measures. This document serves as the “deliverable” for the SGC Round 1 Sustainable Community Planning Grant Task 2: Situation Assessments.
7. Development Commodities Transfer Policies Analysis – This document includes identification and analysis of the potential market effectiveness of proposed transfer of development rights and bonus unit policies considered for inclusion in the Regional Plan. This serves as the “deliverable” for the SGC Round 1 Sustainable Community Planning Grant Task 4, Subtask E: Development Rights Incentives Program.
8. Development Commodities Tracking and Exchange System – This includes the concepts, processes, software requirements, and other system specifications, as well as the results of implementing the

development commodities and exchange system. This serves as the “deliverable” for the SGC Round 2 Sustainable Community Planning Grant Task 3: Regional Development Rights Tracking System.

9. Economic Development Strategy – This document is the Economic Development Strategy. It includes analysis of existing and targeted industry clusters and recommendations on the clusters and incentives that will be most effective in creating and maintaining a sustainable economy for the Lake Tahoe Region. Also included is stakeholder outreach resulting in recommendations for implementation of commodities transfer policies. This serves as the “deliverable” for the SGC Round 1 Sustainable Community Planning Grant Task 4, Subtask F: Economic Incentives Strategy.
10. Lake Tahoe Sustainability Collaborative Strategic Plan – This document includes the LTSC’s mission, charter, and business plan which provides the strategy for the Lake Tahoe Sustainability Collaborative to continue, on an ongoing basis, to act as an independent entity that “champions” sustainability in the Lake Tahoe Region. This serves as the “deliverables” for the SGC Round 1 Sustainable Community Planning Grant Task 1.B: Establish Lake Tahoe Sustainability Collaborative and SGC Round 2, Task 4.E: Lake Tahoe Sustainability Collaborative Support.
11. Annual Report – This is the initial annual report on the Lake Tahoe Sustainable Communities Program and will be included as part of future TRPA annual reports. It will be updated using current sustainability indicators data, and can act as a template for similar sustainability planning reports in other regions. This serves as the “deliverables” for the SGC Round 2 Sustainable Community Planning Grant Tasks 4.B: Implement Regional Data Sharing/Management Program, 4.C: Web-Based Dashboard Implementation and 4.D: Prepare and Publish Final Tahoe Annual Report.
12. Lake Tahoe Sustainable Communities Program Summary - Other documents that are an integral part of the sustainability efforts in the Lake Tahoe Region include the Lake Tahoe Regional Plan, Regional Transportation Plan and Sustainable Communities Strategy, and various local government Area Plans. This document provides a summary of these plans, the products described in previous reports in this series, and how they work together within the Sustainability Framework for the Lake Tahoe Region. This serves as the “deliverable” for the SGC Round 2 Sustainable Community Planning Grant Task 2: SB375 Local Planning and Implementation Tool-Kit.

While providing valuable information about the Lake Tahoe Sustainable Communities Program to Lake Tahoe Region stakeholders, this series is also designed to provide a reference for other regions involved in addressing the critical issue of sustainability.

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Executive Summary

Since 1969, the Tahoe Regional Planning Agency (TRPA) has developed and administered a complex set of regulations that have halted environmental degradation as measured by indicators such as lake clarity. However, there is now recognition that environmental improvement and economic activity are closely linked in the Tahoe Basin (Region). Strengthening the Region's economy both requires and supports continued environmental improvement.

Currently, the regulatory structure developed by the TRPA and its complex relationships to the states, counties and cities located within its jurisdiction have created barriers to economic activity and economic development. To address these barriers, this document sets forth an economic development strategy comprising twelve major strategic recommendations supported by discrete, actionable implementation steps that support economic growth while also ameliorating conditions that challenge economic development (see Figure 1).

Figure 1: Twelve Recommended Economic Development Strategies for the Tahoe Basin

Real Estate and Business Development Strategies	
1)	Reduce Real Estate Development Costs and Uncertainty
2)	Provide Business Support Services
Industry Strategies	
3)	Promote Tourism
4)	Maintain Tourism Buildings
5)	Support the Environmental Innovation Sector
6)	Develop an Entrepreneurial Ecosystem
7)	Access Industry Support Programs
Land Use Commodity Strategies	
8)	Enhance the Commodity Tracking and Exchange System
9)	Assess Opportunities for a Commodities Bank
10)	Amend TRPA Code
11)	Educate and Inform
12)	Convene a Local Government Working Group

These strategies and implementation actions seek to advance sustainable prosperity by spurring economic growth that supports environmental quality. This type of economic growth provides for the removal of outmoded facilities developed before environmental controls for development were established. It leads to the creation of new, high-performing redevelopment and development in areas targeted in the 2012 Regional Plan, while providing an economic foundation upon which the Region's residents can thrive. To achieve this end, strategies with varied timeframes and levels of impact are proposed to address the Region's challenges from more than one angle. Many of the strategies are also long-term endeavors. Ongoing economic development will generate new information to inform future updates of the strategy. As a result, this document should be viewed as a basis for departure into the Region's economic future.

Although the task of economic development is by nature a long-term project, three implementation actions with the greatest capacity to have immediate positive impacts on the Region are identified below:

1. Publicize TRPA application review performance targets and actual results for permitting processes relating to Regional Plan implementation.
2. Create a Regional Economic Development Entity to address the Region's needs and centralize efforts.
3. Evaluate commodity conversion options and other policy avenues that incentivize development and redevelopment through increased land use commodity flexibility while meeting the TRPA Regional Plan goals. If necessary, provide code amendment recommendations.

Because these actions address challenges specific to the Region that result from the unique role of the TRPA and the bi-state, multi-jurisdictional composition of the Region, actions that bring the Region into line with other comparable regions can have a major impact on its ability to foster development and redevelopment.

Figure 2 on the following page provides an overview of the action plan required to implement each strategic recommendation, including specific actions that support the strategy, the lead agent responsible for implementing the action as well as the supporting parties, and the potential timeframe, cost and funding required for implementation.

Figure 2: Economic Development Action Plan

REDUCE REAL ESTATE DEVELOPMENT COSTS AND UNCERTAINTY								
STRATEGY 1		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	1.1	Publicize TRPA Application Review Process Performance Targets	Performance against TRPA standards for application processing times should be publicized as they are reported quarterly by TRPA. Encourage local jurisdictions to adopt performance standards using the TRPA model.	TRPA	Local jurisdictions	6 months	Implementer staff time	Implementer operational budget
	1.2	Publicize Expedited Permitting Program	Publicize the expedited permitting program. Encourage local jurisdictions to adopt expedited permitting consistent with TRPA program.	TRPA	Local jurisdictions	12 months	Implementer staff time	Application fees
	1.3	Consider Construction Cost Reduction Strategies	Consideration of actions that reduce construction costs to offset some of the costs associated with land use commodity requirements and make the Region more cost-competitive while complying with all existing environmental requirements.	TRPA and Tahoe Prosperity Center (TPC)	Local jurisdictions, Task Force participants	12-24 months	Implementer staff time	Implementer operational budgets
PROVIDE BUSINESS SUPPORT SERVICES								
STRATEGY 2		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	2.1	Establish a Regional Economic Development Entity	Expand the purview of Tahoe Prosperity Center to act as a regional economic development entity to meet regional needs, ensure cross-jurisdictional coordination, and reduce duplication of effort.	TPC	TRPA, local jurisdictions	24 months	Dependent on size, \$300k +	Federal and/or state grants, event fees
	2.2	Develop and Provide Business Assistance and Relocation Services	Through an inventory of existing services, develop and provide services for businesses that provide access to programs and activities that support job creation and tax revenue generation in the Region and assist in complying with regulatory requirements.	TPC (as Regional Economic Development Entity)	TRPA, local jurisdictions	24 months	Included in 2.1 budget	Federal and/or state grants, event fees

	Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
2.3	Identify Pre-approved Sites for Target Industry Activities	With the Regional Economic Development Entity acting as portal to multiple sources of information, an inventory of sites where offices, light industrial and commercial activities are desirable should be developed as well as associated contact and pricing information.	TPC (as Regional Economic Development Entity)	TRPA, local jurisdictions, commercial realtors	24 months	Included in 2.1 budget	Federal and/or state grants, event fees
2.4	Tahoe Region Business Information Snapshot	Information on area labor force, employment statistics, labor force training programs, utility characteristics including telecommunications capacity for businesses making decisions about expansion and relocation.	TPC (as Regional Economic Development Entity)	TRPA, local jurisdictions, commercial realtors	24 months	Included in 2.1 budget	Federal and/or state grants, event fees

PROMOTE TOURISM							
STRATEGY 3	Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
3.1	Continue Tourism Marketing Collaboration	Continue and expand circulation of tourism information into target national and international markets using regional, state, and national partnerships.	North Lake Tahoe Resort Association and Lake Tahoe Visitors Authority	Regional Chambers of Commerce, South Lake Tahoe Tourism Marketing District	Ongoing	Variable per scale of partnerships	Existing tourism marketing budgets
3.2	Tourism-Supporting Transportation Improvements	Support for the development of regional, integrated transportation/ transit system alternatives to private vehicles through advocacy, and fundraising, and other methods as available.	North Lake Tahoe Resort Association and Lake Tahoe Visitors Authority	Transit Vision Coalition, Transportation Agencies in the Region, Chambers of Commerce	Ongoing	Advocacy: Implementer staff time; Otherwise, variable	Advocacy: operational budgets for implementers; Otherwise, federal grants
3.3	Tourism Niche Development	Development of tourism niches that leverage the Region's natural amenities and attract tourism during shoulder seasons such as major sports-related events, professional meetings, and human-powered sports activities.	North Lake Tahoe Resort Association and Lake Tahoe Visitors Authority	Regional Chambers of Commerce	Ongoing	Variable per scale of partnerships	Existing tourism marketing budgets

MAINTAIN TOURISM BUILDINGS								
STRATEGY 4		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	4.1	Tourism-focused Building Enhancement Program	To keep tourism-focused buildings in good repair and promote consistent branding at either regional or local levels, implement a building enhancement program for tourist-facing businesses where not already in existence.	Local jurisdictions or business/ tourism improvement districts where they exist	North Lake Tahoe Resort Association and Lake Tahoe Visitors Authority	12 months	Variable per scale of program	BID dues, TOT revenue, State of California funds, and local jurisdictions' operational budgets.

STRATEGY 5	SUPPORT THE ENVIRONMENTAL INNOVATION SECTOR							
		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	5.1	Promote Existing Programs	Programs already in existence in California and/or Nevada, such as self-generation incentive program, to be promoted to businesses or start-ups through the regional economic development entity's activities.	TPC (as Regional Economic Development Entity)	Multiple	Within 12 months of 2.1	Implementer staff time	State funds
	5.2	Assess Potential Programs	Consideration of programs not already in existence in California and/or Nevada, such as rural renewable energy zones, that could support the activities of entities and businesses in these industries.	TPC (as Regional Economic Development Entity)	Varies by potential program	12 months for assessment, decision to pursue 9 months after assessment	Implementer staff time	Implementer operational budgets

STRATEGY 6	DEVELOP AN ENTREPRENEURIAL ECOSYSTEM							
		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	6.1	Business Networking	Networking activities to foster communication among companies and across industries to deal with shared challenges and encourage opportunities to partner with or supply one another.	TPC (as Regional Economic Development Entity)	Chambers of Commerce, local business organizations	Within 6 months of 2.1	Implementer staff time	Event fees
	6.2	Exposure to Capital	Ensure that local companies have access to capital through actions and events that expose local companies to traditional and venture capital sources.	TPC (as Regional Economic Development Entity)	Chambers of Commerce, NIREC, others w/ connections to capital	Within 6 months of 2.1	Implementer staff time	Event fees

	Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
6.3	Geographically-Specific Investment Funds	Connect local companies' geographically-specific investment funds that focus on the Tahoe Region, alpine regions, or non-urbanized areas in the West.	TPC (as Regional Economic Development Entity)	Chambers of commerce, regional investors	Within 6 months of 2.1	Implementer staff time	Event fees, new regional funds

ACCESS INDUSTRY SUPPORT PROGRAMS							
STRATEGY 7	Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
7.1	Promote Existing Programs	Programs already in existence in California and/or Nevada to be promoted to all industries	TPC (as Regional Economic Development Entity)	Chambers of commerce, industry organizations	Within 12 months of 2.1	Implementer staff time	Implementer operational budgets
7.2	Assess Potential Programs	Consideration of programs not already in existence in California and/or Nevada, but that could support the activities of entities and businesses in all industries.	TPC (as Regional Economic Development Entity)	Local Jurisdictions	12 months for assessment, decision to pursue 9 months after assessment	Implementer staff time	Implementer operational budgets

ENHANCE THE COMMODITY TRACKING AND EXCHANGE SYSTEM								
STRATEGY 8		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	8.1	Identify and Implement Improvements to the Commodity Tracking and Exchange Web Site Functions	Identify specific areas of improvement to make the web site more user-friendly and informative.	TRPA	Commodity Tracking Working Group	3 months after funding	Implementer staff time	To be determined
	8.2	Web Site Promotion and Optimization	Web site’s existence and role to be continually promoted and survey of users.	TRPA	Website consultant	3 months after funding	Implementer staff time and \$25,000 per year for consultant.	Site maintenance funds
	8.3	Commodity Listing Enhancements	Web site to allow for commodity listings to indicate whether the commodity has been certified or verified.	TRPA	Website consultant	6 months after 8.2	Included in 8.2	Certification fee
	8.4	Commodity Reservation Reporting Enhancements	TDR Marketplace to distinguish between reserved land use commodities and other commodities, and provide information on expiration of reserved commodities.	TRPA	Local jurisdictions, consultant(s)	9 months after 8.2	Included in 8.2	Fees from expiration alert registration
	8.5	Commodity Pool Enhancements	TDR Marketplace to provide detail on commodity availability at the sub-jurisdictional/neighborhood level.	TRPA	Local jurisdictions	12 months after 8.2	Included in 8.2	TDR Marketplace development/ maintenance funds

ASSESS OPPORTUNITIES FOR A COMMODITIES BANK								
STRATEGY 9		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	9.1	Examine feasibility of a regional commodities bank	Convene a meeting or task force to examine how a commodities bank may work with existing land banks to improve or serve as a provider of liquidity in the commodities market.	TPC	TRPA, California Tahoe Conservancy, Nevada Division of State Lands	12 months	Implementer staff time	Implementer operational budgets

STRATEGY 10	AMEND TRPA CODE							
		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	10 .1	Assessment of, and Update to, Commodity Incentives Ability Support Regional Plan Goals	Gauge how well commodity incentives are meeting/will meet Regional Plan goals, and identify TRPA Code amendments that enable support Regional Plan goal achievement.	TRPA	Stakeholders	12 months	Implementer staff time	Implementer operational budget
	10 .2	Development Code Amendments	Evaluate commodity conversion options and other policy avenues for meeting the TRPA Regional Plan goals. If necessary, provide code amendment recommendations.	TRPA	Stakeholders, Development code consultant	12 months for initial changes, then ongoing as needed	Implementer staff time and consulting fees	Implementer operational budget
	10 .3	Documentation of Costs and Adjustment to Timing of Costs	Identify when costs must be incurred by permit applicants and adjust to latest feasible point in process.	TRPA	N/A	12 months	Implementer staff time	Implementer operational budget

STRATEGY 11	EDUCATE AND INFORM							
		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	11 .1	Assess Land Use Commodities Information Needs	Assess the information needs of current users, potential users, and Tahoe residents.	TRPA	Land Use Commodities Working Group	6 months	Implementer staff time	To be determined
	11 .2	Develop and Distribute Land Use Commodities Information	Develop and distribute policy briefs, fact sheets, and news releases to local governments, industry organizations/ associations, community groups, environmental groups, and others that are able to reach the current users, potential users, and residents.	TRPA	Land Use Commodities Working Group	6 months	Implementer staff time	To be determined
	11 .3	Assess Permitting Process Information Needs	Perform an assessment of permitting process information needs to understand what information is needed by system users, and how to provide it.	TRPA	Land Use Commodities Working Group and Local Governments	6 months	Implementer staff time	To be determined
	11 .4	Develop and Distribute Permitting Process Information	Develop a permitting flowchart and associated explanatory documentation for the TRPA permitting process.	TRPA	Land Use Commodities Working Group and Local Governments	12 months	Implementer staff time	Implementer operational budget

STRATEGY 12	CONVENE LOCAL GOVERNMENT WORKING GROUP							
		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	12 .1	Jurisdiction-Level Commodities Target Setting	Identify non-regulatory, jurisdiction-level targets on CFA, TAU, and other commodities as well as targets for sending and receiving land use commodities (Note: Placer County has funded this effort for that portion of the Region)	TRPA	California Tahoe Conservancy, Nevada Division of State Lands, Local Jurisdictions	6 months after Placer County Report, and when funded	Implementer staff time, and consultant funding	Implementer operational budgets, source to be determined
	12 .2	Education on TDR Marketplace to Local Government Working Group	Develop educational information that supports decision making for the local government working group.	TRPA	Land Use Commodities Working Group	6 months after funding	Implementer staff time	Funding to be determined
	12 .3	Develop Strategy to Achieve Targets and Monitor Progress	Creation of a progress monitoring framework for the strategy and its component actions.	Local Governments Working Group	TRPA, California Tahoe Conservancy, Nevada Division of State Lands, local jurisdictions	6 months after 12.1	Implementer staff time	Implementer operational budgets

* Timeframe for implementation is based on submission of this document to SGC unless otherwise stated.

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Introduction to the Economic Development Strategy

POSITIONING THE REGION FOR SUSTAINABLE PROSPERITY

The Region is known for its unique environmental endowments, and has long been a destination for people seeking to reside and relax in its pristine environment. To safeguard these resources, local and regional authorities have taken steps to protect the environment that are based on environmental thresholds defining the capacity of the lake and surrounding lands to accommodate additional development. Such plans and policies have been successful in improving some environmental indicators.

Economic activity in the Region provides resources for ongoing investment that furthers environmental goals and provides employment opportunities for local residents. To develop an economic development strategy that contributes to a sustainable prosperity, existing conditions in the Region were examined, along with case studies of economic development in comparable locations, to understand where opportunities exist for combined economic and environmental benefit.

The importance of the economy to further environmental improvement is widely accepted in the Region, and the industry clusters that are major components of the Region's economy have a critical role to play in support of this goal. Tourism is the largest cluster, providing over ninety percent of regional employment via the hospitality, gaming and recreation industries.¹ The Environmental Innovation cluster provides the second largest number of jobs in the Region, predominately through construction, green building, and recycling and waste industries. The Health and Wellness cluster is the third-largest employment cluster in the Region, with the majority of jobs in the health services industry. Another potential cluster around Environmental Research and Education activities was identified over the course of this study; it has the potential to bolster the Environmental Innovation cluster by commercializing research findings. The ongoing success and expansion of these clusters would provide economic benefits to the environment and the residents of the Region, as would the development of new businesses in other industries that can leverage the resources of the Region.

Although the Region has unique characteristics which should be leveraged for economic development, the Region can also learn from economic development strategies in other communities with similar characteristics. Similar communities include those in the Western United States that have significant outdoor tourism and recreational amenities in reasonably close proximity to metropolitan areas, much like the Region is near the cities of Reno and Sacramento. Areas studied included Denver and the Front Range, Salt Lake City and the Wasatch Range, and Portland and the Colombia River Gorge/Deschutes River Valley.²

In addition to research on regional economic development strategies, information on existing economic development incentives in use in these communities was also gathered to provide insight into how economic development strategies and incentives shape economic outcomes in comparable areas, and which of these strategies may be applicable in the Region.

During the course of this study, the Tahoe Prosperity Center, with assistance from TRPA and AECOM, convened a group of public and private stakeholders in the Region to address real and perceived issues

¹ AECOM Task 1 Memorandum, April 2014. See Appendix 5.

² AECOM Task 2 Memorandum, July 2014. See Appendix 6.

associated with land development commodities and transfers of commodities. The resulting action plan forms the basis for several strategies outlined in this report.³

Economic development strategies for the Region were identified and prioritized based on their ability to effectively create and maintain a sustainable economy that prioritizes the creation of environmental benefits, jobs, and investment opportunities. Many of the strategies presented below are long term and are likely to require additional fine-tuning over time to account for new information, including the outcomes from actions implemented through this plan. In addition, many of the strategies recommended in this plan are also mutually-supporting and address the same core challenge—that of spurring economic development that also supports environmental goals while navigating a complex regulatory structure—from different angles.

A total of twelve strategic recommendations are presented in the areas of real estate and business development, industry development, and land use commodities. Each strategy has a plan of action that identifies the party responsible for action, estimated costs, implementation timeframes, and potential funding sources.

Strategic recommendations reduce real estate development costs and uncertainty through application review performance targets, an expedited permitting program, and programs to reduce construction costs; and providing business development and expansion services through the creation of a regional economic development entity.

Industry development strategies address tourism promotion, support for the tourism industry, support for the environmental innovation industry, entrepreneurial ecosystem development, and the development of programs to support a broad range of industries. Actions under these strategies include tourism marketing collaboration, tourism-focused building enhancement, business networking, exposure to capital, promotion of existing programs to cluster and non-cluster industries, and consideration of new programs to support cluster and non-cluster industry.

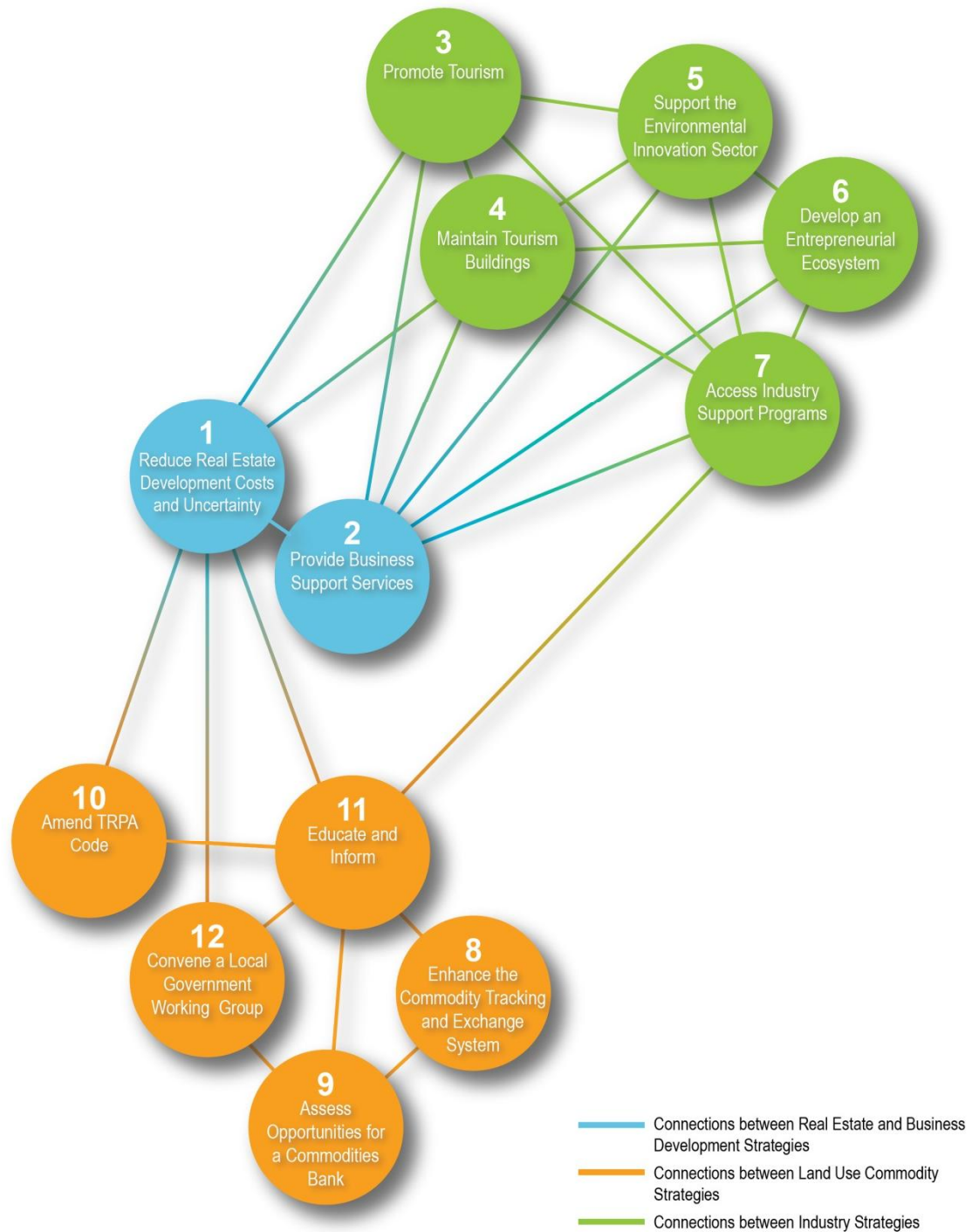
Strategic recommendations to improve the land use commodities system address: the commodity tracking and exchange system, need for a commodities bank, TRPA code amendments, an education and information program, and a local government working group. Recommended actions would improve the commodity tracking and exchange system website, consider the need for a commodities bank, documentation of permitting costs and adjustment to timing of costs, assess and meet the educational needs regarding the commodities system of key groups in the Region, and create a forum for local government to set commodities targets at the jurisdiction level.

Figure 2 provides an overview of the recommended strategies and associated action plans.

Many of the recommendations are mutually supporting and individual strategies are related across strategy areas since they offer a multi-pronged approach to accomplishing the same goal. Figure 3: Strategy Interconnections illustrates this concept. Higher connectivity between strategic recommendations shows those that are mutually supporting. Lower rates of connectivity do not imply that strategies are less important, rather, strategies with a lower number of connections are more likely to represent the use of unique tools, such as regulatory powers, or involve activities that are at an early stage, such as a consideration of a commodities bank. Other information, such as the potential impact over time and the timeframe itself, are not depicted, but are important elements in the implementation and long-term success of the Region's pursuit of sustainable prosperity.

³ Regional Land Development Commodities Action Plan, May 27, 2014. See Appendix 4.

Figure 3: Strategy Interconnections



CHALLENGES FACING THE LAKE TAHOE REGION

Many places across the country are orienting their development priorities toward achieving economic and environmental goals. Three challenges are unique in the Region.

The first is the existence of the TRPA, which has created an additional level of land use requirements based on, and administered through, complex systems. The complexity of the system impacts the ability of residents and businesses to acquire TRPA authorization for land use activities as well as the ability of TRPA to expediently administer its code. Both of these conditions inhibit redevelopment and development.

Second, although a regional approach for environmental planning is articulated through the TRPA, there is no coincident agency tasked with regional economic development. That such an agency does not exist means that there is no coordinated strategy for a region whose economic fate is linked across city, county, and state lines.

Third, the economic development needs of communities in the Region are often different from the needs of the bulk of the counties in which they are located, making it difficult for communities in the Region to access resources or take advantage of county-based strategies.

Although these three challenges are immediate, longer-term challenges remain critical to address. These long-term challenges are no less concerning as they also influence the Region's ability to generate sustainable prosperity and will require sustained effort over multiple years to address. Long term challenges include development-related issues that are related to land use, such as ensuring that land use commodities can be accessed throughout the Region and that the TRPA code's incentive structure for commodity transfer can achieve redevelopment goals. Another long-term challenge includes more traditional economic development challenges, such as the creation of an entrepreneurial ecosystem that supports business creation, investment, and employment in the Region.

HIGHEST-PRIORITY ACTIONS FOR THE LAKE TAHOE REGION

The highest-priority actions were selected based on their capacity to make an immediate impact on the Region's ability to cultivate economic activity that supports environmental goals. The top three priority actions can be implemented in 6 to 24 months, and can improve the foundation for development and redevelopment activities in the Region. These strategies and their implementation detail are presented below:

- Action 2.1 – Create a Regional Economic Development Entity.

Areas encompassing multiple counties and states, such as the Tahoe Region, require an economic development entity that spans the region without respect to jurisdictional boundaries to promote regional economic development goals. The establishment of a regional economic development entity would require the participation of county and local governments in the Region to carry out activities such as articulation of the organization's mission and strategic plan for carrying out the mission, determination of organizational structure for the entity, establishment of membership guidelines, establishment of entity with associated bylaws, and identification of funding sources and strategies for fund acquisition. The Tahoe Prosperity Center is interested in and well-positioned to carry out the role of the Regional Economic Development Entity.

- The Tahoe Prosperity Center is the lead implementer of this action with assistance from the TRPA, and the city and counties in the Tahoe Region. The timeframe for completion

is within 24 months of submission of this document to the Strategic Growth Council, and the potential cost could range from \$300,000 to \$1 million based on the size of the organization, staffing, and mission. It could be funded by federal and/or state grants, member dues, and/or event fees.

- Action 1.1 – Publicize Application Review Performance Targets.

Standards related to completed applications and maximum review periods were established by TRPA in 2012. Performance against these standards is recorded and reported to the TRPA Governing Board on a quarterly basis. Administrative standards should be regularly reviewed for compliance, with opportunities for ongoing improvement identified and implemented. Benchmarks could be established by examining the time required in other nearby and competitor jurisdictions for similar processes, receiving input from the development community and other interested groups, and through examination of current TRPA performance against existing standards.

Additional targets, such as decreasing administrative complexity through code amendments (see Strategy 10 and associated actions), providing additional tools and resources to staff such as online permitting software and tracking tools (Accela is already in use at TRPA), assigning senior staff to complex projects, ensuring that permit processing fee structures support process efficiency by using fixed fees rather than time and materials charges, and increasing the number staff available to process requests are methods which could be used to meet or expand performance targets. In addition, performance targets for local jurisdictions could also be modeled on the TRPA program.

Performance standards for administrative processes should continue to be tracked and reported on a quarterly or more-frequent monthly basis, in a public forum (such as the TRPA website), and then publicized in media and staff communication with stakeholders in order to cultivate investor confidence in TRPA's application review processes.

- TRPA is the lead implementer of this action with assistance from the counties in the Tahoe Region and the City of South Lake Tahoe. The timeframe for completion is within six months of submission of this document to the Strategic Growth Council, and the potential cost is TRPA staff time, potentially funded from the TRPA operational budget.

ORGANIZATION OF THE REPORT

The following sections of this plan describe a set of twelve strategic recommendations for the Tahoe Region, divided among three topic areas: Real Estate and Business Development, Industry Strategies, and Land Use Commodities Strategies. Each strategy outlines a set of:

- Recommended actions
- Relevance to the Tahoe Region
- Audience for the strategy
- Related policies within this document
- Implementation actions including responsible parties
- Timeframe for implementation
- Potential cost and funding sources for implementation; and
- Where relevant, examples of jurisdictions in which similar practices and policies have been undertaken.

Real Estate and Business Development

OVERVIEW

Development and redevelopment in the Region are influenced by a complex set of regulations at both local and regional levels. Although these policies have been designed to support environmental goals, and not as barriers to economic activity, some policies and practices at the TRPA and at local levels in the Region increase costs and/or risk and therefore inhibit building expansion, development, and redevelopment.

Strategies in this section seek to enable development and redevelopment in ways that support both environmental improvement and the economy in the context of the Region's vision. Two strategies and their associated actions are discussed, and these strategies are:

- Reduce Real Estate Development Costs and Uncertainty, and
- Provide Business Development and Expansion Support Services.

The first strategy, *Reduce Real Estate Development Costs and Uncertainty*, has three associated actions.

1. Publicize application review process performance targets and performance monitoring to increase certainty and reduce financing cost/risk in the permitting process.
2. Publicize expedited permitting program and encourage local jurisdictions to adopt programs consistent with TRPA program to allow for rapid review of projects that can be catalysts for economic and environmental revitalization in the Region.
3. Consider strategies that reduce construction costs such as changes to when commodities are required in the permitting process, tax exemptions, and construction material efficiency programs that would offset some of the additional costs of development in the Tahoe Region resulting from geographic and regulatory conditions, while complying with all existing environmental standards.

The second strategy, *Provide Business Development and Expansion Support Services*, includes four actions focused on: increasing business activity that supports the development of new businesses; the expansion of existing businesses; and providing information on doing business in the Tahoe Region to generate demand for development and redevelopment in the Region. Implementation actions under this strategy include:



















1. Establish of a regional economic development entity to promote regional economic development while ensuring cross-jurisdictional coordination, reduce duplication of effort, and facilitate better access to state and federal economic development programs. The Tahoe Prosperity Center is well-positioned to serve as the regional economic development entity and is interested in filling this critical role for the Region.
2. Develop and provide business assistance and relocation services designed to support startup and existing businesses as well as business from outside the Region that are interested in locating in the Tahoe Basin, defined through an inventory of existing services as well as services in existence in peer geographies.
3. Designate pre-approved sites for target industry activities that can be marketed to businesses in targeted industries, such as environmental innovation, to allow for the growth of existing companies as well as to increase the concentration of targeted industry clusters. The Regional

Economic Development Entity, which the Tahoe Prosperity Center will develop into, would serve as a portal to multiple sources of information.

4. Provide Tahoe Region business information that is important for businesses when making decisions about expansion and relocation.

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact. A “short” timeframe implies that implementation actions can likely occur in approximately one year, “medium” timeframe applies to implementation actions that will likely take one to three years, while a “long” timeframe of effort will likely require more than three years for implementation. The estimate of impact is based on the expected level of change from the “business as usual” scenario in the issue area being addressed, with less than 10% change being equal to a low impact, from 10%-50% a medium impact, and 50% or more equal to a high impact. Implementation will also be impacted by the availability of funding.

REAL ESTATE AND BUSINESS DEVELOPMENT STRATEGIES			
Actions		Timeframe	Impact
Strategy 1: Reduce Real Estate Development Costs and Uncertainty			
1.1	Publicize Application Review Performance Targets		
1.2	Publicize Expedited Permitting for Strategic Projects		
1.3	Consider Construction Cost Reduction Strategies		
Strategy 2: Provide Business Support Services			
2.1	Establish a Regional Economic Development Entity		
2.2	Develop and Provide Business Assistance and Relocation Services		
2.3	Designate Pre-approved Sites for Target Industry Activities		
2.4	Provide Tahoe Region Business Information Snapshot		
Timeframe		 >1 year  1-3 years  3+ years	
Impact		 >10% change  10%-50% change  50%+ change	

STRATEGY 1: REDUCE REAL ESTATE DEVELOPMENT COSTS AND UNCERTAINTY

RECOMMENDATIONS

- 1.1 Publicize TRPA Application Review Process Performance Targets
- 1.2 Publicize Expedited Permitting Program
- 1.3 Consider Construction Cost Reduction Strategies

RELEVANCE

Due to the complexity of interpretation of and compliance with regulatory requirements, regulatory processes can be lengthy for projects in the Region. The TRPA application review processes have targets for various types of actions to ensure that applications are reviewed in a timely fashion. Application review process performance targets are important since timeframes for completing land capability and site assessments for redevelopment projects in the Region, which are considered desirable, had been estimated at 24 months as of 2011.⁴

A lengthy time period between permitting and completion results in increased development costs as capital must be financed for a longer period compared to other similar projects outside of the Region. This combined with the opportunity cost of capital has been estimated to increase project costs by up to three percent.⁵

By publicizing application review performance and the expedited permitting program, residents and developers would gain more knowledge about TRPA performance and timelines, which would increase certainty about how long a project could take to be reviewed based on TRPA historic performance. As more recognition of TRPA capacity for timely review occurs, more applications may be submitted as uncertainty regarding application review periods would decrease. Timely application processes and increased certainty may also reduce development costs as financing periods may be shortened.

AUDIENCE

Developers, Tahoe Region residents and businesses engaging with the TRPA would benefit from better knowledge about TRPA application review goals and performance when seeking permits and engaging in regulatory processes in the Region.

RELATED STRATEGIES

- Strategy 2: Provide Business Support Services
- Strategy 3: Promote Tourism
- Strategy 4: Maintain Tourism Buildings
- Strategy 10: Amend TRPA Code
- Strategy 11: Educate and Inform













⁴ Tahoe Basin Impervious Surface Coverage Study, Environmental Incentives, June 2012.

⁵ Tahoe Basin Impervious Surface Coverage Study, Environmental Incentives, June 2012.

- Strategy 12: Convene a Local Government Working Group

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact.

Strategy 1: Reduce Real Estate Development Costs and Uncertainty		
Actions		Impact
1.1	Publicize Application Review Performance Targets	 
1.2	Publicize Expedited Permitting for Strategic Projects	 
1.3	Consider Construction Cost Reduction Strategies	 
Timeframe		 >1 year  1-3 years  3+ years
Impact		 >10% change  10%-50% change  50%+ change

IMPLEMENTATION ACTIONS

1.1 Publicize TRPA Application Review Process Performance Targets

TRPA application review processes have targets for various actions to ensure that these actions are completed in a timely fashion (see Table 1), with the current target for review of completed applications being a maximum of one hundred and twenty days. Performance is currently reported quarterly in TRPA documents. In addition to current reporting, TRPA should also publicize its targets and performance to stakeholders outside of TRPA, such as stakeholders in the development community, so that these communities understand TRPA's current performance and future targets for application review.

Actions such as decreasing administrative complexity through code amendments (see Strategy 10), providing additional tools and resources to staff such as the use of electronic permitting software and tracking tools (such as Accela, which is currently in use at TRPA), assigning senior staff to complex projects, ensuring that permit processing fee structures support process efficiency by using fixed fees rather than time and materials charges, and increasing the number staff available to process requests are methods which could be used to contribute to meeting existing and future performance standards.

The TRPA could also periodically review and shorten review-time targets for continual improvement. In addition, the TRPA's application review performance targets can serve as a model for similar programs in local jurisdictions and TRPA could act as a resource for these jurisdictions.

Table 1: Current Planning Division Year-to-Date Performance through December 30, 2013

Measure	2012/2013 Actuals	2013/2014 Target	YTD
Number of applications	592	800	283
Percent of applications deemed complete/not complete within 30 days	100%	720 (90%)	99%
Number (percent) of applications requiring Hearing Officer review completed within 45 days of application being deemed complete.	20 (71%)	30 (90%)	8 (72%)
Number (percent) of applications requiring Governing Board review (excluding those requiring an environmental impact statement) completed within 60 days of application being deemed complete.	45 (90%)	5 (90%)	3 (100%)
Number (percent) of applications requiring Governing Board review with an environmental impact statement completed within 120 days of application being deemed complete.	2 (100%)	0 (0%)	0 (0%)
Percent of all applications reviewed within 120 days of application being deemed complete.	100%	100%	100%
Percent of customers rating their overall experience with the Customer Service Counter as good or exceptional (i.e., 4 or 5 on a scale of 1 to 5)	86%	80%	100%

Lead Implementer: TRPA

Supporting Implementer: Local jurisdictions

Timeframe for Completion: Six months from submission to Strategic Growth Council

Potential Cost: TRPA staff time

Potential Source of Funding: TRPA Operational Budget

1.2 Publicize Expedited Permitting Program

The TRPA expedited permitting process increases certainty by shortening the timeline for administrative decisions, and can also reduce the costs of development and/or redevelopment (see the *Relevance* section above for additional discussion on the impact of application review duration on project costs). Ten types of applications are eligible for expedited review, which include the following: Single Family Dwelling (new and additions), Multi-Family (new and additions), Commercial (new and additions), Public Service Facility (new and additions), Linear Public Service Facility (new and additions), Grading, Verification and Transfer, Boundary Line Adjustment, Scenic Assessment, and Shoreland Scenic Assessment. Total filing fees for this type of review are usually in the range of 150-200 percent of the

normal application fee, though fees are determined on a case-by-case basis. Expedited reviews usually result in the issuance of permits within thirty days, although this is not a guaranteed timeline.

This service should be publicized to stakeholders across the Region, such as the development community, via the TRPA web site and other avenues used to communicate with the public, such as newsletters and employee communications. The TRPA's expedited permitting program could also serve as a model for local jurisdictions interested in adopting expedited permitting, or aligning existing expedited permitting processes with those of the TRPA.

In some regions, some projects that are in specially-designated zones or that propose development considered of strategic importance to the Region, for example those that would act as catalysts for other economic activity and redevelopment in targeted sectors, are automatically considered under expedited review timelines. This is an option that the TRPA could consider in the future if this process would further the implementation of the Regional Plan.

Lead Implementer:	TRPA
Supporting Implementer:	Local jurisdictions
Timeframe for Completion:	Twelve months from submission to Strategic Growth Council
Potential Cost:	TRPA staff time
Potential Source of Funding:	TRPA operational budget, application fees, and/or general plan maintenance fees

1.3 Consider Construction Cost Reduction Programs

Given the additional costs associated with the purchase and/or transfer of land use commodities as well as the costs of construction in the Region, actions that reduce construction costs could serve to offset some of the costs associated with land use commodity requirements and make the Region more cost-competitive with projects in other regions. Strategies should still require compliance with all existing environmental requirements, but could include actions such as changing the timing of administrative requirements that have significant cost components, such as commodity requirements, TRPA-coordinated construction material efficiency programs, review of impact fees to ensure that they are comparable with those in competitive locations, and other actions defined in partnership with the real estate development community in the Region. For actions defined in partnership with the development community that are outside of the purview of TRPA, which could include actions like full or partial tax abatement on construction in progress, TRPA could serve as a clearinghouse for local jurisdiction coordination until the Regional Economic Development Entity (see Action 2.1) is able to actively engage on multi-jurisdictional projects.

Finally, TRPA could also coordinate analysis of potential actions to determine feasibility using standards such as ability to implement across multiple jurisdictions, whether a program would pay for itself by generating future tax revenue, and the length of a payback term.

Lead Implementer:	Local jurisdictions
Supporting Implementer:	TRPA and Tahoe Prosperity Center

Timeframe for Completion:	Twelve to twenty-four months from submission to Strategic Growth Council
Potential Cost:	Local government and TRPA staff time
Potential Source of Funding:	Local government and TRPA operational budgets

EXAMPLES

Expedited Permitting in Oregon

In an effort to promote economic development in a complex regulatory regime designed to advance environmental, social, and other goals, Oregon has created an accelerated permitting program that guarantees a timeline for review for projects of “state significance.” This process is based on the principles and practices below.

Industrial Projects of State Significance in Oregon

Up to ten industrial projects per biennium may be invited to apply for an expedited permitting process by the Economic Recovery Review Council, which is made up of the directors from Business Oregon, Oregon Environmental Quality, Oregon Land Conservation and Development, Oregon State Lands and Oregon Transportation agencies. Upon application the Economic Recovery Review Council works to make state and local permit decisions in 120 days, and each application requires an additional expedited review fee based on the complexity of the project. Links to the policies are found below.

[Business Oregon: Projects of Significance Overview](#)

[Industrial Projects of State Significance Approval Process Flowchart and FAQs](#)

State of Oregon Governor’s Regulatory Streamlining and Simplification Project

“Oregon embraces continuous improvement in process and results. Oregon achieves these results and maintains its reputation by embracing proven methods for continuous improvement through the creation of a culture that seeks operational improvement and quality management systems. Hallmarks of this efficient, integrated regulatory model include a common, fully integrated IT system affording “one-stop” permitting and licensing across various agencies and governments, performance metrics calibrated to assure accountability, and outcomes that work to preserve and enhance the ideals of public safety and a sustainable environment in which Oregon’s native ecosystems are healthy and resilient. This regulatory model and the culture that supports it promote joint engagement between state, federal and local agencies, facilitate access and responsiveness, and assure full transparency and regulatory certainty.”

A link to the policy is found below.

[Creating a Roadmap to Improve Regulatory Effectiveness: Enhancing Timeliness, Certainty and Outcomes without Sacrificing the Values of Oregon](#)

Web-based Permit Application Software

Web-based permit application software can support collaboration between departments and organizations, allow for easier internal and external project tracking that supports application performance targets, make permit applications paperless, send out automatic notices, incorporate

“calculators” for requirements, and reduce the frequency of lost documents. More information on three web-based permit application software suites is provided at the links below.

[CRW Land Management Software](#)

[Posse Land Management System](#)

[Avolve ProjectDox](#)

STRATEGY 2: PROVIDE BUSINESS SUPPORT SERVICES

RECOMMENDATIONS

- 2.1 Establish a Regional Economic Development Entity
- 2.2 Develop and Provide Business Assistance and Relocation Services
- 2.3 Identify Pre-approved Sites for Target Industry Activities
- 2.4 Provide Tahoe Region Business Information Snapshot

RELEVANCE

The economy in the Lake Tahoe Region is in transition, with its major economic activity, tourism, undergoing a period of change and reorientation. At the same time, other industries, such as those in the areas of health, environmental innovation, and environmental research, are also developing in the Region. To ensure that these and other industries continue to mature, support should be coordinated at the regional level for the economic activities in the industries mentioned above as well as other industries that can thrive in the Region.

AUDIENCE















Existing businesses and entrepreneurs in the Tahoe Region and those outside the Region would benefit from business support services similar to those provided by economic development entities in competing locations.

RELATED STRATEGIES

- Strategy 1: Reducing Real Estate Development Costs and Uncertainty
- Strategy 3: Promote Tourism
- Strategy 4: Maintain Tourism Buildings
- Strategy 5: Support the Environmental Innovation Sector
- Strategy 6: Develop an Entrepreneurial Ecosystem
- Strategy 7: Access Industry Support Programs

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact.

Strategy 2: Provide Business Support			
Actions		Timeframe	Impact
2.1	Establish a Regional Economic Development Entity		
2.2	Develop and Provide Business Assistance and Relocation Services		
2.3	Identify Pre-approved Sites for Target Industry Activities		
2.4	Tahoe Region Business Information Snapshot		
Timeframe		 >1 year  1-3 years  3+ years	
Impact		 >10% change  10%-50% change  50%+ change	

IMPLEMENTATION ACTIONS

2.1 Establish a Regional Economic Development Entity

In areas spanning multiple counties and states, such as the Tahoe Region, an economic development entity that spans the Region without respect to jurisdictional boundaries would be useful in promoting regional economic development to ensure cross-jurisdictional coordination and reduce duplication of effort. The portions of TRPA's constituent counties inside the Region often face challenges that are more similar to one another than to the balance of the counties outside of the Region, where their county-based economic development efforts are usually centered.

Since they face similar challenges, an economic development entity specific to the Tahoe Region could serve as a vehicle for the implementation of a comprehensive, coordinated strategy for the Region. In addition, such an agency may also facilitate better access to state and federal economic development programs, as well as loans and grants, than would be possible for its members alone. Furthermore, the entity may be better attuned to the types of programs and resources that would be applicable in the Tahoe Region. This type of economic development entity could ensure coordination between jurisdictions and pool economic development resources for greater impact in the Tahoe Region.

The establishment of a regional economic development entity would require the participation of local governments in the Region to carry out the following activities:

- Articulation of the organization's mission and strategic plan for carrying out the mission
- Determination of organizational structure for the entity. Possible structures include:
 - Public/Joint Powers Authority, which would include public financing authority.
 - Private Membership Organization, which would provide the most flexibility and also allow for lobbying activities.

- Public/Private Partnership, which would have more limited authority and limited funding than either a public/joint powers authority organization or a private membership organization.
- Establishment membership guidelines
- Establishment of entity with associated bylaws
- Identification of funding sources and strategies for fund acquisition

However, if an existing entity, such as the Tahoe Prosperity Center (TPC), expanded its activities to include economic development activities to the extent that it would qualify for the U.S. Department of Commerce’s Economic Development Administration (EDA) Economic Development District designation and EDA programs and funding, this approach could take advantage of existing resources and regional expertise though some of the steps above would likely still be required. Since the TPC is already well-positioned to develop into the Regional Economic Development Entity and is interested in filling this critical role for the Region, the development of a Regional Economic Development Entity from the TPC should be straightforward and efficient. Although the TPC does not plan to use member dues as a source of funding, many economic development organizations do have member dues as they can provide a reliable stream of funding.

Lead Implementer: Tahoe Prosperity Center

Supporting Implementers: TRPA, local jurisdictions

Timeframe for Completion: Twenty-four months from publication of this plan

Potential Cost: Dependent on the size of the organization and types of programs desired; a 5-county regional economic development agency serving counties in Oregon and Washington had an annual budget approximately \$1 million for a staff of eight and over twenty programs, including a revolving loan fund capitalized through federal programs, such as the USDA’s Rural Development Intermediary Relending Program Revolving Loan Funds program, and local county matching funds. However, staff costs represent approximately sixty-five percent of expenses or approximately \$59,000 per person, so expenses in early years may be less when the organization is still relatively small.

Potential Source of Funding: Federal grants and/or state grants, and event fees

2.2 Develop and Provide Business Assistance and Relocation Services

Economic development business assistance and relocation services are provided to existing and startup businesses in the Region as well as to those interested in moving to the Region. These services are designed to help businesses connect to local, state, federal and non-profit programs and activities that support job creation and tax revenue generation, to assist businesses in compliance with regulatory requirements which may be seen as a barrier to growth by businesses, and to assist businesses in accessing advice on how to achieve and maintain a successful company.

Business assistance and relocation activities and services often include elements such as:

- Publications on how to comply with local business licensing requirements,

- Access to business counseling services, such as SCORE business counseling,
- Introductions to local banks,
- Information on federal and state business loan and grant programs,
- Site selection assistance,
- Information on business incentives in the local area, and
- Industry-specific programs that may pertain to industries concentrated in the Region.

Access to these services should assist local business creation and growth, as well as inform non-local businesses of the reasons for locating in or re-locating to the Region. Although some of the activities and services listed above are or have been provided at the county or inter-state level, such as by the Placer County Office of Economic Development and the Northern Nevada Development Authority, many of these are focused on the more densely-populated areas of the counties and the industries for which those areas are attractive. However, where existing entities have provided information relevant to businesses in the Region, this information should be leveraged. To understand where information or programs that support business assistance and relocation have already been implemented, the Regional Economic Development Entity should perform an inventory of information and programs already in existence in the Region and seek to build its portfolio of services based on these findings.

Lead Implementer:	TPC as Regional Economic Development Entity
Supporting Implementer:	TRPA, local jurisdictions, commercial realtors
Timeframe for Completion:	Twenty-four months
Potential Cost:	Included in Action 2.1 cost as part of operational budget
Potential Source of Funding:	See Action 2.1.

2.3 *Identify Pre-Approved Sites for Targeted Industry Activities*

Identifying sites that are suitable for certain types of land uses and which have existing infrastructure for business supports economic development by providing information to firms on where particular kinds of business activities can be located. These sites could then be marketed to businesses in targeted industries, such as environmental innovation, or marketed as an eco-industrial park where firms cooperate to minimize resource use during production and may also use one another's waste as inputs.

An inventory of sites where offices, commercial, and other activities are desirable should be developed as well as contact information for lease and/or purchase, proximity to amenities, utility capacity including telecommunications capacity, and permitting status. This information could be maintained by commercial realtors with TPC as the Regional Economic Development Entity hosting the information on a web site and issuing notice to all participating commercial realtors when a business makes an inquiry.

Lead Implementer:	TPC as Regional Economic Development Entity
Supporting Implementer:	TRPA, local jurisdictions, commercial realtors
Timeframe for Completion:	See Action 2.1, with updates on an at least quarterly basis

Potential Cost: Should be included in the operational budget of Action 2.1

Potential Source of Funding: See Action 2.1

2.4 *Provide Tahoe Region Business Information*

Information on area labor force, employment statistics, labor force training programs, and utility characteristics including telecommunications capacity is important for businesses when making decisions about expansion and relocation. Although this information is likely to be publicly available, aggregating the information in one location can decrease the difficulty of locating the information, and may also dispel incorrect or outdated ideas about doing business in the area.

Information can be gathered from public sources, such as other economic development entities, including the Placer County Office of Economic Development and the Northern Nevada Economic Development Authority, and tailored to the Region, or gathered from sources such as the U.S. Census Bureau, California Employment Development Department, and local educational institutions. In addition, TRPA will share information from its transportation modeling database with the Regional Economic Development Entity. Some economic development entities also include information on the quality of life in the Region, facilities including schools and hospitals, and cost of living to provide additional context for people from outside of the Region interested in starting a business or moving an existing business into the Region.

Lead Implementer: TPC as Regional Economic Development Entity

Supporting Implementer: TRPA, local jurisdictions, commercial realtors

Timeframe for Completion: See Action 2.1, with biannual updates

Potential Cost: Should be included in the operational budget of Action 2.1

Potential Source of Funding: See Action 2.1

EXAMPLES

Mid-Columbia Economic Development District

The Mid-Columbia Economic Development District is charged with economic development for three counties in Oregon and two in Washington bordering the Columbia River Valley. These counties face similar challenges in economic development, and the Mid-Columbia Economic Development District provides a vehicle for a comprehensive strategy for the region as well as better access to economic development loans and grants than would be possible for its members alone. This type of economic development corporation could ensure coordination between jurisdictions and pool economic development resources for greater impact in the Tahoe Region. Links to supporting documents are found below.

[Mid-Columbia Economic Development District Mission](#)

[Mid-Columbia Economic Development District Coordination Activities](#)

[Mid-Columbia Economic Development District Comprehensive Economic Development Strategy](#)

City of Ogden, Utah Economic Development Resources

The City of Ogden, Utah maintains a web site that includes information on the city's demographic profile, local costs such as utilities and housing, an inventory of commercial spaces available for lease and/or purchase, and also provides a map of development opportunities in the city. Links to supporting documents are found below.

[Demographic Information](#)

[Inventory of Commercial Space Available](#)

[Economic Project Area Map](#)

[Ogden Relocation Guides⁶](#)

City of Bend, Oregon Business Relocation Information and Services

The City of Bend, Oregon provides information on the city's amenities at a business location, and also provides contact information for local economic development professionals who can answer questions for businesses interested in starting up, expanding in, and relocating to Bend. The relocation information also appears on the "Visit Bend" tourism web site in order to attract companies interested in making the area's natural amenities a part of their business. Links to supporting documents are found below.

[Why Bend?](#)

[Move My Business to Bend, Oregon](#)

[Bend Labor Force and Employment Statistics](#)

Construction in Progress Property Tax Exemption

Exemptions may be allowed for the full or partial tax liability over a period of two consecutive years both within and outside of designated "enterprise zones" in Oregon. In some instances, industry restrictions apply and machinery and/or equipment associated with the construction may also be eligible for exemption. Links to supporting documents are found below.

[Oregon Construction-in-Process Exemption from Property Taxes: Regular Statewide Use versus in Enterprise Zone by Authorized Business Firm](#)

[Oregon Department of Revenue Application for Cancellation of Assessment on Commercial Facilities Under Construction](#)

Eco-Industrial Parks

Eco-industrial parks were first developed in the 1990s in the United States and Europe, and were developed to promote sustainable development by improving the environmental performance and resource efficiency of industry while also integrating industry into the community. Links to supporting documents are found below.

[Eco-Industrial Development Workbook](#)

[Eco-Industrial Parks: A Case Study and Analysis of Economic, Environmental, Technical, and Regulatory Issues](#)

⁶ If browser is not supported, the full address is: <http://www.ogdenbusiness.com/about-us/ogden-relocation-guide.html>

Industry

OVERVIEW

Industry strategies were targeted based on the economic clusters in the Tahoe Region, and strategies developed based on the incentives in use in other comparable areas.⁷ The Region's economic clusters were most extensively investigated in the 2010 *Lake Tahoe Basin Prosperity Plan*, and include Visitor Services and Tourism, Environmental Innovation, and Health and Wellness. In addition to these clusters, AECOM identified and researched an additional potential cluster, Environmental Research and Education.

In total, cluster employment accounted for seventy percent of the Region's employment, with the Visitor Services and Tourism Cluster making up the largest share of cluster employment. Although the Environmental Innovation, Health and Wellness, and Environmental Research and Education Clusters are smaller in size, they represent additional opportunities for economic diversification in the Region. The *Lake Tahoe Basin Prosperity Plan* established the importance of clusters in the regional economy.

Since cluster-based strategies have been shown to result in the improved economic performance of businesses, improved job quality, and improved regional economic vitality,⁸ three strategies were identified to support the activities in the two major clusters, with two additional strategies that support businesses and entrepreneurs across industries. These five strategies are described below.

- *Strategy 3: Promote Tourism* sets out marketing collaboration, tourism-related transportation, and tourism niche development actions.
- *Strategy 4: Maintain Tourism Buildings* provides for a building enhancement program that enhances the Tahoe brand and improves the quality of tourist-serving retail and commercial businesses.
- *Strategy 5: Support the Environmental Innovation Sector* contains actions designed to support the growth of the nascent sector, which also support the foundation of the Environmental Research and Education cluster.
- *Strategy 6: Develop an Entrepreneurial Ecosystem* creates linkages within the entrepreneurial community in the Region, between the entrepreneurial community and other industry in the Region, and between the Region and entrepreneurial development resources outside the Region.
- *Strategy 7: Access Industry Support Programs* contains actions related to the assessment of programs that may support economic activity across sectors and business stages.

⁷ see Appendix 6: AECOM Task 2 Memorandum for further information

⁸ Lake Tahoe Basin Prosperity Plan. Applied Development Economics. November 2010.

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact.

INDUSTRY STRATEGIES			
Actions		Timeframe	Impact
Strategy 3: Promote Tourism			
3.1	Continue Tourism Marketing Collaboration		
3.2	Tourism-Supporting Transportation Improvements		
3.3	Tourism Niche Development		
Strategy 4: Maintain Tourism Buildings			
4.1	Tourism-focused Building Enhancement Program		
Strategy 5: Support the Environmental Innovation Sector			
5.1	Promotion of Existing Programs		
5.2	Assessment of Potential Programs		
Strategy 6: Develop an Entrepreneurial Ecosystem			
6.1	Business Networking		
6.2	Exposure to Capital		
6.3	Geographically-Specific Investment Funds		
Strategy 7: Access Industry Support Programs			
7.1	Promotion of Existing Programs		
7.2	Assessment of Potential Programs		
Timeframe		 >1 year  1-3 years  3+ years	
Impact		 >10% change  10%-50% change  50%+ change	

STRATEGY 3: PROMOTE TOURISM

RECOMMENDATIONS

Continue to promote the tourism industry, which is the largest industry in the Tahoe Region and has the potential to expand and increase the quality of the tourism that takes place at Lake Tahoe. The actions recommended to support the tourism industry are:

- 3.1 Continue Tourism Marketing Collaboration
- 3.2 Tourism-Supporting Transportation Improvements
- 3.3 Tourism Niche Development

RELEVANCE

Along with future economic diversification in Lake Tahoe, tourism will continue to play a major part in the economy of the Region. Despite the natural amenities provided by the Lake and its surroundings, the ability to draw higher-spending tourists to the entire Region is challenging because of the need to 1) refocus tourism from gaming into a destination with broader appeal, 2) redevelop outdated infrastructure and develop new infrastructure, and 3) expand into tourism niches that are complementary to the development of the Region as a destination where gaming is but one activity among many options.

AUDIENCE













Existing and future businesses in the tourism sector will benefit from continuing to refocus the tourism message of the Region on its natural amenities and improve tourism-related transportation infrastructure.

RELATED STRATEGIES

- Strategy 1: Reduce Real Estate Development Costs and Uncertainty
- Strategy 2: Provide Business Support Services
- Strategy 4: Maintain Tourism Buildings
- Strategy 5: Support the Environmental Innovation Sector
- Strategy 7: Access Industry Support Programs

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact.

Strategy 3: Promote Tourism		
Actions		Impact
3.1	Continue Tourism Marketing Collaboration	 
3.2	Tourism-Supporting Transportation Improvements	 
3.3	Tourism Niche Development	 
Timeframe		 >1 year  1-3 years  3+ years
Impact		 >10% change  10%-50% change  50%+ change

IMPLEMENTATION ACTIONS

3.1 Continue Tourism Marketing Collaboration

Tourism marketing for the Region is critical for its development as a destination for tourists from beyond the regional market, which is characterized by visitors from within a 2-3 hour drive time. Tourists from outside the Region are attractive because they tend to have a longer length of stay, higher total spending, and are also a less variable target market in that they plan trips in advance and visit regardless of weather, whereas regional tourists will choose not to visit if weather conditions are marginal.

To attract visitors, information about the tourism opportunities afforded by Lake Tahoe should continue to be circulated into target national and international markets through tourism marketing campaigns that take advantage of regional, state, and national partnerships. By leveraging partnerships and coordinating marketing efforts both within and outside of the Region, tourism marketing dollars and efforts can be used efficiently to raise the profile of Lake Tahoe as a destination for national and international tourists.

Existing tourism partnerships include Brand USA, Visit CA, the Reno-Sparks Convention and Visitors Authority, the Sierra Ski Marketing Council, High Sierra Visitors Council, Ski Lake Tahoe, and these organizations and others should be used to reach target tourist markets. Marketing activities through existing and new strategic partnerships should include activities such as advertising campaigns and trade show attendance. An analysis of regional tourism marketing organizations partnerships should be undertaken to assess how well partners can reach target markets, and whether new partners should be added. After the analysis, additional partners should be added as necessary and at least four collaborative marketing actions should be undertaken per year.

Lead Implementer: North Lake Tahoe Resort Association and Lake Tahoe Visitors Authority

Supporting Implementer: Regional Chambers of Commerce, South Lake Tahoe Tourism Marketing District

Timeframe for Completion: Coordination efforts should be ongoing

Potential Cost: Variable depending on the scale of the partnerships

Potential Source of Funding: Existing tourism marketing budgets

3.2 *Tourism-Supporting Transportation Improvements*

Transportation options to get to the Region from the airports serving Lake Tahoe, as well as within the Lake Tahoe area, do not currently support visitation without a private vehicle. To support transportation alternatives for getting around the Lake Tahoe Region, alternatives including the Lake Tahoe passenger ferry, the Lake Tahoe Bikeway for cyclists and pedestrians, and other actions that support the development of a regionally-integrated transportation and transit system should be promoted through advocacy, fundraising, and federal grants as available. Transit occupancy tax (TOT) proceeds, impact fees and special tax districts may also be possible sources for funding in the future, and could be considered at various jurisdictional levels to meet regional needs.

Another transportation option to the Lake Tahoe Region that should be supported includes the establishment of direct flights to airports serving the Region from target markets. Additionally, shuttles and shared transportation could be provided from these airports to local hotels. A final opportunity is the reestablishment of commercial air service to the South Lake Tahoe Airport (the feasibility of reestablishment is currently being analyzed in a master planning process in the City of South Lake Tahoe). Support that should be considered for air-travel related efforts includes marketing partnerships with airlines, advocacy for commercial air service, and financial support or minimum revenue guarantees to airlines and shuttle/shared transportation operators where existing demand does not yet support private provision of these services.

Lead Implementer: North Lake Tahoe Resort Association and Lake Tahoe Visitors Authority

Supporting Implementer: Transit Vision Coalition, Transportation Agencies in the Region, Chambers of Commerce

Timeframe for Completion: Ongoing with annual reporting of efforts and achievements for tourism-supporting infrastructure

Potential Cost: Implementing organizations staff time

Potential Source of Funding: Existing operational budgets for advocacy by implementing organizations; otherwise, federal grants

3.3 *Tourism Niche Development*

To refocus and diversify the Region's image as a tourism destination, as well as increase high-quality tourism, development of tourism niches that leverage the area's natural amenities and attract tourism during shoulder seasons, such as major sports-related events including triathlons and other outdoor race or skill events, professional meetings, and human-powered sports events, should continue. Additional niches for consideration include self-driving tours between Lake Tahoe and Yosemite National Park and expansion of ski lift ticket partnerships in targeted markets. Development of these niches should include sponsorship for major events to be held in the Region, and sponsorship of/or advertising during televised events in the human-powered sports field.

Lead Implementer: North Lake Tahoe Resort Association and Lake Tahoe Visitors Authority

Supporting Implementer:	Regional Chambers of Commerce
Timeframe for Completion:	Coordination efforts should be ongoing
Potential Cost:	Variable depending on the scale of the partnerships
Potential Source of Funding:	Existing tourism marketing budgets

EXAMPLES

Park City, Utah Tourism Niche Development

In Park City, Brazilian tourists were targeted because the country's economy is growing rapidly, generating a larger middle class interested in travel, and because Brazilian tourists tend to make large shopping expenditures in the United States where prices for consumer goods are often lower than in Brazil. To market to these tourists, Park City highlights its natural beauty and luxury accommodations as well as its recreational and shopping opportunities, ranging from historic main street shops to outlet malls, through partnerships with American Airlines ski club in Rio de Janeiro as well as tour operators and travel agencies in Brazil.⁹ Results of this strategy include double-digit increases in international visitation since 2008 and a two percent increase in international pass sales in 2013 from 2012.¹⁰

First-time luxury tourists are also being targeted through print advertisements in Condé Nast Traveler Magazine as well as television advertisements in Los Angeles, New York, and Chicago. These advertisements are creating an identity for Park City as a luxury destination, which is a new concept that requires marketing to highlight luxury accommodations while overcoming the perception of limited dining and drinking options in Utah.¹¹

Palm Springs, California Tourism Niche Development

The City of Palm Springs fell into disrepair by the mid-1970s as the city restricted new building and architectural tastes changed, which resulted in Palm Springs' loss of stature as a tourism destination in the first half of the 20th Century despite its accessible location two hours away from the Los Angeles metropolitan area. However, Palm Springs was able to use its history as a getaway for early film stars in Los Angeles and its unique, though decaying, architectural assets created for these celebrities, to reinvigorate itself beginning in the 1990s.

Beginning in the 1990s, the city began protecting midcentury modern architectural sites, encouraging restoration of sites that had fallen into disrepair, and recruiting high-end fashion and art events. In this way, Palm Springs was able to establish itself as a destination for experiencing modern art and design in an authentic environment through policy support for architectural preservation and financial incentives for fashion and art events.

In addition to leveraging its architectural assets to attract the art and design community, the restoration of Palm Springs has also allowed the city to market its history, as a destination for iconic celebrities like Cary Grant, Elizabeth Taylor, and Marilyn Monroe, to attract visitors from the Los Angeles region to luxuriate in the manner of these icons. By combining these targeted approaches, Palm Springs has

⁹ Mischel, Marie. "Visitors from Across the Globe Discover Utah." Utah Business. December 1, 2012.

¹⁰ 2013 Annual Report. Visit Park City. Visit Park City.com, May 2014.

¹¹ Gonzalez, Alexandria. "Chamber Bureau Begins Marketing Efforts." Park Record, September 13, 2013.

reinvigorated its tourism economy and is now one of only three US locations listed in Frommer's list of Top Destinations for 2014,¹² and has increased its transient occupancy tax collections by nearly thirty-two percent from 2006.¹³

¹² "Palm Springs Makes Frommer's Hot Travel List!" Greater Palm Springs Convention & Visitors Bureau. January 2014.

¹³ Transient Occupancy Tax Reports, Department of Finance and Treasury. City of Palm Springs, CA. 2014. TOT for final months of fiscal year 2013 based on annual trend to date.

STRATEGY 4: MAINTAIN TOURISM BUILDINGS

RECOMMENDATIONS

4.1 Tourism-focused Building Enhancement Program

RELEVANCE

The Tahoe Region boasts extensive natural amenities that are of interest to destination visitors, but many current offerings for destination tourists in the areas of lodging, shopping, dining, and entertainment are below the quality those demanded by destination tourists. Existing retail and commercial businesses in the Region often do not reflect the Region's local character, and in some cases, are in need of maintenance. By improving the appearance of these buildings, village center aesthetics can be improved and businesses will appear more appealing to their customers, which will contribute to the creating the quality tourism product that appeals to destination tourists. Building enhancement and improvement programs are in existence in some comparable locations, as well as in El Dorado County, and can be structured as grants or low-interest loans.

AUDIENCE







Tourist-serving retail and commercial businesses will benefit from improved appearance and attractiveness of their storefronts, while the local area and larger region will be able to create a more consistent and high-quality Tahoe brand.

RELATED STRATEGIES

- Strategy 1: Reduce Real Estate Development Costs and Uncertainty
- Strategy 2: Provide Business Support Services
- Strategy 3: Promote Tourism
- Strategy 5: Support the Environmental Innovation Sector
- Strategy 6: Develop an Entrepreneurial Ecosystem
- Strategy 7: Access Industry Support Programs

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact.

Strategy 4: Maintain Tourism Buildings		
Actions		Impact
4.1	Tourism-focused Building Enhancement Program	
Timeframe	 >1 year  1-3 years  3+ years	
Impact	 >10% change  10%-50% change  50%+ change	

IMPLEMENTATION ACTIONS

4.1 Tourism-focused Building Enhancement Program

To keep tourism-focused buildings in good repair and promote consistent branding at either regional or local levels, a building enhancement program for tourist-focused buildings should be implemented in jurisdictions where such a program does not exist. The program should include paint or other exterior maintenance component and a signage component for businesses such as retail shops and restaurants, and could be funded through existing or new business improvement districts at the community/area level. The program could be structured as a grant or loan depending on the ability of granting entity to fund the program, and could be modeled on programs that already exist in Douglas and Placer Counties. Where these programs already exist, they should be marketed toward businesses in the tourism sector. For programs such as Community Development Block Grants or other programs with significant administrative requirements for application submission, the Regional Economic Development Entity could manage a centralized process for applicants to facilitate access to these funds while minimizing effort required for meeting administrative requirements.

Lead Implementer:	Local jurisdictions or business/tourism improvement districts where they exist
Supporting Implementer:	North Lake Tahoe Resort Association and Lake Tahoe Visitors Authority
Timeframe for Completion:	Establishment of program within 12 months, ongoing program
Potential Cost:	Building enhancement program budgets can range from \$2,500 to \$25,000 per year
Potential Source(s) of Funding:	Business Improvement District (BID) dues, TOT revenue, local jurisdictions operational budget, and state funds

EXAMPLE

Business Facade Improvement Loan Program, El Dorado County, CA

The County of El Dorado's Business Facade Loan Program is capitalized with funds from the State of California Community Development Block Grant (CDBG) Program. This program was designed to improve the visual quality of commercial buildings, maintain the vitality of our neighborhood commercial centers, and strengthen retail and other commercial opportunities. The program is

structured to provide business facade improvement assistance to local businesses via low-interest loans to make repairs and improvements to the front facade of the business location.

Loan funds may be applied toward improvements in the areas of:

- Signage
- Masonry cleaning and repair
- Cornice restoration
- Window and door repair or replacement
- Exterior painting
- Power washing or sand blasting
- Awning and canopy repair or replacement
- Gutter and downspout repair or replacement
- Roof parapet walls
- Lighting
- Decorative facade additions
- Removal of architectural barriers
- Architectural design, limited to 10% of the total loan funds

A link to supporting documentation is found below.

[County of El Dorado, CA Economic Development Block Grant Program](#)

Façade and Blade Sign Grant Program, Downtown Provo Business Improvement District, Provo, Utah

The Downtown Provo BID focuses on marketing, promotion and advocacy for member businesses in its district. As part of the marketing activities it carries out, it administers a façade grant program capped at \$20,000 with a matching fund requirement for businesses more than thirty years old, as well as a blade sign grant program. Projecting or "blade" signs are used along pedestrian-oriented streets to differentiate between attached shops and provide greater visibility for closely spaced shops, restaurants, and other service businesses. Blade signs aim to assist pedestrians in downtown Provo to better identify businesses as they walk down streets. Links to the documents are found below.

[Façade Grant Program, Downtown Provo BID](#)

[Blade Sign Grant Program, Downtown Provo BID](#)

STRATEGY 5: SUPPORT THE ENVIRONMENTAL INNOVATION SECTOR

RECOMMENDATIONS

- 5.1 Promote Existing Programs
 - 5.1.1 Self-Generation Incentive Program
 - 5.1.2 Alternative and Renewable Fuel and Vehicle Technology Program
 - 5.1.3 Research Tax Credits
 - 5.1.4 Energy Innovations Small Grant
- 5.2 Assess Potential Programs
 - 5.2.1 Rural Renewable Energy Zone Assessment
 - 5.2.2 Renewable Energy Development Grant Assessment
 - 5.2.3 Energy Conservation Tax Credit Assessment

RELEVANCE

The environmental innovation cluster provided about ten percent of total employment in the Region based on the *Lake Tahoe Prosperity Plan* analysis, which makes it the third largest cluster in terms of employment in the Region. This cluster includes businesses in categories such as construction, green design, and green materials.

In addition to the environmental innovation cluster, the field of environmental research and education is also a potential cluster. It can benefit from some of the same actions that support the environmental innovation cluster since it can produce businesses that result from commercialization of research findings. Environmental research and education activities are conducted in the Region because Lake Tahoe's unique environment attracts research institutions from around the country and the world. Topics of study range from air quality to seismology. These organizations are interested both in observation of these qualities as well as methods for their preservation and conservation, which could result in the formation of businesses based on preservation and conservation expertise. This expertise can contribute to growth in the environmental innovation cluster as businesses are formed based on these innovative techniques. Meanwhile, continued research and education would contribute to keeping the Region in the forefront of these fields.

Although there is fierce competition across the country and around the world to develop green technology, the extensive existing research activities by major organizations, opportunities for research and development afforded by the area's natural characteristics, and ongoing activities in the green business cluster give the Region a competitive advantage.

Implementation actions under this strategy refer to existing state level programs or suggest assessment of new programs, which would likely require legislation at the state level. Although the creation of new state level programs is a longer-term activity requiring effort from a range of stakeholders in the Region, the development of the environmental innovation sector should be a long term goal for the Region that merits this level of effort.

AUDIENCE











Researchers, entrepreneurs and existing businesses in the environmental innovation sector

RELATED STRATEGIES

- Strategy 2: Provide Business Support Services
- Strategy 3: Promote Tourism
- Strategy 4: Maintain Tourism Buildings
- Strategy 6: Develop an Entrepreneurial Ecosystem
- Strategy 7: Access Industry Support Programs

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact.

Strategy 5: Support the Environmental Innovation Sector				
Actions		Timeframe		Impact
5.1	Promote Existing Programs			
5.2	Assess Potential Programs			
Timeframe		 >1 year	 1-3 years	 3+ years
Impact		 >10% change	 10%-50% change	 50%+ change

IMPLEMENTATION ACTIONS

5.1 Promote Existing Programs

The programs below are already in existence in California and/or Nevada, and should be promoted to entities and businesses in the environmental innovation industries in the Region so that they can access resources already in existence that support their activities and provide opportunities to expand those activities.

5.1.1 Self-Generation Incentive Program

The State of California provides rebates for distributed energy systems, such as wind turbines, fuel cells, and waste heat capture. This program should be analyzed and publicized within the business community in the Region so that current and future activities may receive funding, and the economic development agency should also be available to assist with program applications.

Lead Implementer: TPC as Regional Economic Development Entity

Supporting Implementer: Chambers of commerce, community environmental organizations

Timeframe for Completion: Establishment of program within one year of Action 2.1

Potential Cost: Staff time at lead agency

Potential Source(s) of Funding: State funds

5.1.2 Alternative and Renewable Fuel and Vehicle Technology Program

The State of California provides grants, loans, revolving loans and loan guarantees for businesses engaged in alternative and renewable fuel and vehicle technology program. This program should be analyzed and publicized within the business and research community in the Region so that current and future activities may receive funding, and the economic development agency should also be available to assist with program applications.

Lead Implementer: TPC as Regional Economic Development Entity

Supporting Implementer: Nevada Institute for Renewable Energy Commercialization and research organizations working in the Region

Timeframe for Completion: Establishment of program within one year of Action 2.1

Potential Cost: Staff time at lead agency

Potential Source(s) of Funding: State funds

5.1.3 Research Tax Credits

The State of California provides research tax credits for a percentage of investments in basic research machinery, equipment and/or activities. This program should be analyzed and publicized within the business and research community in the Region so that current and future activities may receive funding, and the economic development agency should also be available to assist with program applications.

Lead Implementer: TPC as Regional Economic Development Entity

Supporting Implementer: Research organizations working in the Region, higher education institutions in the Region, Nevada Institute for Renewable Energy Commercialization

Timeframe for Completion: Establishment of program within one year of Action 2.1

Potential Cost: Staff time at lead agency

Potential Source(s) of Funding: State funds

5.1.4 Energy Innovations Small Grant

The State of California provides grants for hardware and modeling projects to establish feasibility of innovative energy concepts by small businesses, non-profits, educational institutions and non-profits under the Energy Innovations Small Grant Program. This program

should be analyzed and publicized within the business and research communities in the Region so that current and future activities may receive funding, and the economic development agency should also be available to assist with program applications.

Lead Implementer:	TPC as Regional Economic Development Entity
Supporting Implementer:	Research organizations working in the Region, higher education institutions in the Region, Nevada Institute for Renewable Energy Commercialization
Timeframe for Completion:	Establishment of program within one year of Action 2.1
Potential Cost:	Staff time at lead agency
Potential Source(s) of Funding:	State funds

5.2 *Assess Potential Programs*

The programs below are not already in existence in California and/or Nevada, but could support the activities of entities and businesses in the environmental innovation industry in the Region. Although these actions explore the creation of new state level programs, which is a longer-term activity requiring effort from a range of stakeholders in the Region, the development of the environmental innovation sector should be a long-term goal for the Region that merits this level of effort.

5.2.1 *Rural Renewable Energy Zones Assessment*

To incent the development of green business and industry in the Region, an exemption from local property tax for investments that harness renewable energy in targeted areas for a short period should be considered in an attempt to offset higher initial costs for some types of renewable energy investments. This type of program is in existence in Oregon, but not in California or Nevada. An assessment of whether such an exemption should be full or partial, what locations should be eligible for the exemption, and the fiscal costs and benefits of the exemption should be produced, and a decision to pursue implementation of the program made based on the findings of the assessment.

Lead Implementer:	Local jurisdictions
Supporting Implementer:	TPC as Regional Economic Development Entity
Timeframe for Completion:	Assessment complete within one year after Action 2.1, with decision to pursue the program or not within 9 months of the assessment's completion
Potential Cost:	Staff time at local jurisdictions
Potential Source(s) of Funding:	Local jurisdictions operational budget

5.2.2 Renewable Energy Development Grant Assessment

To incent the development of green business and industry in the Region, a competitive grant program for small-scale local renewable energy production could be developed to attempt to offset high initial costs for some types of renewable energy investments and new renewable energy technologies. This type of program is in existence in Oregon for renewable energy production up to 35 megawatts, but not in California or Nevada. An assessment of the feasibility of the program should be performed, and a decision on whether to pursue implementation of the program based on the assessment's findings.

Lead Implementer:	TPC as Regional Economic Development Entity
Supporting Implementer:	Nevada Institute for Renewable Energy Commercialization and research organizations working in the Region
Timeframe for Completion:	Assessment complete within one year after Action 2.1, with decision to pursue the program or not within 9 months of the assessment's completion
Potential Cost:	Staff time at lead agency
Potential Source(s) of Funding:	Regional Economic Development Entity operational budget

5.2.3 Energy Conservation Tax Credit Assessment

To support energy conservation goals and provide additional incentives for energy conservation, a local property tax exemption based on energy conservation performance should be considered. This type of program is in existence in Oregon and provides for a state income tax credit for business investment in energy efficiency/conservation of up to 35 percent, but such a program does exist in California or Nevada. An assessment of whether such an exemption should be full or partial, what locations should be eligible for the exemption, and the fiscal costs and benefits of the exemption should be produced to inform a decision about whether to pursue implementation of the program based on the findings of the assessment.

Lead Implementer:	Local jurisdictions
Supporting Implementer:	TPC as Regional Economic Development Entity, community environmental organizations
Timeframe for Completion:	Assessment complete within one year after Action 2.1, with decision to pursue the program or not within 9 months of the assessment's completion
Potential Cost:	Staff time at local jurisdictions
Potential Source(s) of Funding:	Local jurisdiction operational budgets

STRATEGY 6: DEVELOP AN ENTREPRENEURIAL ECOSYSTEM

RECOMMENDATIONS

- 6.1 Business Networking
- 6.2 Exposure to Capital
- 6.3 Geographically-Specific Investment Funds

RELEVANCE

Entrepreneurship in established industries, such as tourism, as well as in location-neutral businesses and other areas, can be supported by providing a space for generating business ideas and by providing resources that support the growth of new businesses. To the extent that new businesses can form and thrive in the Region, they can create value while also demonstrating the benefits of locating in Tahoe to other similar businesses and entrepreneurs. By supporting the development of entrepreneurial support services, an environment that is conducive to entrepreneurship will be generated. Entrepreneurial support services in other comparable regions include networking events and exposure to local business resources as well as to those outside the region.

AUDIENCE













Entrepreneurs and existing businesses in all sectors in the Region can benefit from better connections to business resources located in and outside of the Region.

RELATED STRATEGIES

- Strategy 2: Provide Business Support Services
- Strategy 4: Maintain Tourism Buildings
- Strategy 5: Support the Environmental Innovation Sector
- Strategy 7: Access Industry Support Programs

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact.

Strategy 6: Entrepreneurial Ecosystem Development				
Actions		Timeframe		Impact
6.1	Business Networking			
6.2	Exposure to Capital			
6.3	Geographically-Specific Investment Funds			
Timeframe		 >1 year	 1-3 years	 3+ years
Impact		 >10% change	 10%-50% change	 50%+ change

IMPLEMENTATION ACTIONS

6.1 Business Networking

Business networking in the Region can assist companies across industries deal with shared challenges, such as telecommunications, transportation, or labor force issues, and may also lead to opportunities to partner with or supply one another. Business networking events can be focused geographically, by industry sector, or by business stage. Events should be focused on addressing the needs of the core industry clusters in the Region, and carried out by the Regional Economic Development Entity. These events should be held or sponsored in partnership with other organizations, such as the Nevada Institute for Renewable Energy Commercialization and the Tahoe Startup Weekend, at least bimonthly to ensure that businesses remain well-connected with one another and opportunities for collaboration are not missed.

In addition to events, networking through co-working, currently underway at the Tahoe Mill Collective, and sharing high-cost equipment, such as 3-D printers, are also activities that bring entrepreneurs, existing businesses and other innovators together. These activities should also be supported by the regional economic development entity through promotion, advocacy, and development of partnerships with organizations such as the Sierra Nevada College and the Lake Tahoe Community College.

Lead Implementer:	TPC as Regional Economic Development Entity
Supporting Implementer:	Chambers of Commerce, local business organizations
Timeframe for Completion:	Establishment of program within six months of Action 2.1
Potential Cost:	Staff time at lead agency
Potential Source(s) of Funding:	Event fees

6.2 Exposure to Capital

To ensure that local companies have access to capital to fund activities such as expansion, events that expose local companies to traditional and venture capital sources should be held either in person or virtually over the internet. Regional companies and capital providers should be recruited to participate in events that highlight their offerings on an at least quarterly basis.

Lead Implementer:	TPC as Regional Economic Development Entity
Supporting Implementer:	Chambers of Commerce, Nevada Institute for Renewable Energy Commercialization, Tahoe organizations and residents with connections to traditional and venture capital organizations from outside the Region
Timeframe for Completion:	Establishment of program within six months of Action 2.1
Potential Cost:	Staff time at lead agency
Potential Source(s) of Funding:	Event fees

6.3 Geographically-Specific Investment Funds

In addition to exposure to capital, local companies seeking capital should also be connected to geographically-specific investment funds that focus on the Tahoe Region, alpine regions, or non-urbanized areas in the west. These categories include groups such as South Lake Tahoe Angel Investors, Sierra Angels, Reno Angels, Tahoe Technology and Capital Group, and the State of Nevada's Silver State Investment Fund. Pitch contests, business counseling, and other events focusing on connecting local companies with geographically-specific investment funds should be hosted, events hosted by groups such as Silicon Mountain, and assistance provided to both funds and companies establishing direct relationships between these groups. TPC as the Regional Economic Development Entity should also consider whether the development of a regionally-specific fund under its management is possible.

Lead Implementer:	TPC as Regional Economic Development Entity
Supporting Implementer:	Chambers of Commerce, investors focusing on in the Region
Timeframe for Completion:	Establishment of program within six months of Action 2.1
Potential Cost:	Staff time at lead agency
Potential Source(s) of Funding:	Event fees, new regional funds

EXAMPLES

EDCO Pubtalk Business Networking Program

Monthly PubTalks feature a keynote speaker, as well as presentations by early stage companies seeking capital, advice, and feedback on their business plans. Keynote speakers are business leaders from around the region and state who share innovative business concepts, best practices and "lessons learned" for the benefit of the PubTalk audience. A link to an example Pubtalk is provided below.

[EDCO Pubtalk](#)

City of Steamboat Springs IGNITE Exposure to Capital Program

The City of Steamboat Springs' IGNITE program comprises a group of local entrepreneurs working to expose local companies to venture capital through the IGNITE network. IGNITE focuses on connecting businesses in the "innovation economy" to resources outside the area using virtual presenters from

around the world, and also provides participants with local connections to other businesses and government agencies within the Steamboat area. A link to the program is provided below.

[IGNITE Steamboat Springs](#)

STRATEGY 7: ACCESS INDUSTRY SUPPORT PROGRAMS

RECOMMENDATIONS

- 7.1 Promote Existing Programs
 - 7.1.1 Small Business Collateral Support Programs
 - 7.1.2 Small Business Jobs Tax Credit
 - 7.1.3 Small Business Loan Guarantee Program
 - 7.1.4 Property Tax Abatement
- 7.2 Assess Potential Programs
 - 7.2.1 Rural Job Creation Incentives Assessment
 - 7.2.2 Strategic Investment Property Tax Exemption Assessment

RELEVANCE

Channeling state and federal economic development program resources toward local businesses is a central activity of local economic development entities that supports local business activity, and which the local economic development entity can target toward strategic industries. Implementation actions under this strategy refer to existing state level programs or suggest assessment of new programs, which would likely require legislation at the state level. Although the creation of new state level programs is a longer-term activity requiring effort from a range of stakeholders in the Region, the development of businesses across industries contributes to the long term goal of economic diversification in the Region. The end goal merits this major level of effort. In addition to new programs, providing access to existing state and federal programs that support local businesses gives these businesses the same advantages as others where there is promotion and support for application to state and federal programs.

AUDIENCE











Entrepreneurs and existing businesses in all sectors in the Region can benefit from state and federal programs already in existence. These entities may also benefit from additional programs that provide significant benefits to the Region.

RELATED STRATEGIES

- Strategy 2: Provide Business Support Services
- Strategy 3: Promote Tourism
- Strategy 4: Maintain Tourism Buildings
- Strategy 5: Support the Environmental Innovation Sector
- Strategy 6: Develop an Entrepreneurial Ecosystem
- Strategy 11: Educate and Inform

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact.

Strategy 7: Develop Industry Support Programs		
Actions		Impact
7.1	Promote Existing Programs	 
7.2	Assess Potential Programs	 
Timeframe		 >1 year  1-3 years  3+ years
Impact		 >10% change  10%-50% change  50%+ change

IMPLEMENTATION ACTIONS

7.1 Promote Existing Programs

The programs below are already in existence in California and/or Nevada, and should be promoted to businesses in all industries in the Region so that they can access resources already in existence that support their activities and provide opportunities to expand those activities.

7.1.1 Small Business Collateral Support Programs

The States of Nevada and California both have programs that provide up to 35 percent of collateral for business loans and can be supplied to small companies in targeted industries. This program should be analyzed and publicized within the business and entrepreneurial communities in the Region so that current and future activities may receive funding. The Regional Economic Development Entity should also be available to assist with program applications.

Lead Implementer: TPC as Regional Economic Development Entity

Supporting Implementer: Chambers of commerce, industry organizations

Timeframe for Completion: Within one year of Action 2.1

Potential Cost: Staff time at lead agency

Potential Source(s) of Funding: Regional economic development agency operational budget

7.1.2 Small Business Jobs Tax Credit

The State of California has a program under which businesses with 20 or fewer employees are eligible for a credit of up to \$3,000 per hire. This program should be analyzed and publicized within the business and entrepreneurial communities in the Region so that current and future activities may receive funding, and the Regional Economic Development Entity should also be available to assist with program applications.

Lead Implementer:	TPC as Regional Economic Development Entity
Supporting Implementer:	Chambers of commerce, industry organizations
Timeframe for Completion:	Within one year of Action 2.1
Potential Cost:	Staff time at lead agency
Potential Source(s) of Funding:	Regional Economic Development Entity operational budget

7.1.3 Small Business Loan Guarantee Program

The State of California has a loan guarantee program focused on small businesses that provides loan guarantees for small businesses and assists these businesses to build credit history. This program should be analyzed and publicized within the business and entrepreneurial communities in the Region so that current and future activities may receive funding, and the Regional Economic Development Entity should also be available to assist with program applications.

Lead Implementer:	TPC as Regional Economic Development Entity
Supporting Implementer:	Chambers of commerce, industry organizations
Timeframe for Completion:	Within one year of Action 2.1
Potential Cost:	Staff time at lead agency
Potential Source(s) of Funding:	Regional Economic Development Entity operational budget

7.1.4 Property Tax Abatement

The State of Nevada provides for a property tax abatement of up to fifty percent for up to ten years when capital investment and job creation thresholds for eligibility are met. This program should be analyzed and publicized within the business and entrepreneurial communities in the Region so that current and future activities may receive funding, and the Regional Economic Development Entity should also be available to assist with program applications.

Lead Implementer:	TPC as Regional Economic Development Entity
Supporting Implementer:	Chambers of commerce, industry organizations
Timeframe for Completion:	Within one year of Action 2.1
Potential Cost:	Staff time at lead agency
Potential Source(s) of Funding:	Regional Economic Development Entity operational budget

7.2 Assess Potential Programs

The programs below are not already in existence in California and/or Nevada, but could support the activities of businesses in many industries in the Region. Although these actions explore the creation of

new state level programs, which is a longer-term activity requiring effort from a range of stakeholders in the Region, the development and expansion of the economic base in the area should be a long-term goal for the Region that merits this level of effort.

7.2.1 Rural Job Creation Incentives Assessment

To support business creation and expansion in the region, a performance-based grant for job creation by small businesses should be considered. This type of program is in existence in Utah, but not in California or Nevada. An assessment of whether such an exemption should be full or partial, what locations should be eligible for the exemption, and the fiscal costs and benefits of the exemption should be produced, and a decision to pursue implementation of the program made based on the findings of the assessment.

Lead Implementer:	TPC as Regional Economic Development Entity
Supporting Implementer:	Local jurisdictions
Timeframe for Completion:	Assessment complete within one year of submission to Strategic Growth Council, with decision to pursue the program or not within nine months of the assessment's completion.
Potential Cost:	Staff time at lead and supporting agencies
Potential Source(s) of Funding:	Regional Economic Development Entity and local jurisdiction operational budget

7.2.2 Strategic Investment Property Tax Exemption

To support traded sector businesses, an assessment of the feasibility of a strategic investment property tax exemption for capital investments from property taxes over a period of multiple years for traded sector businesses should be performed. An assessment of whether such an exemption should be full or partial, what locations should be eligible for the exemption, and the fiscal costs and benefits of the exemption should be produced, and a decision to implement the program made based on the findings of the assessment.

Lead Implementer:	TPC as Regional Economic Development Entity
Supporting Implementer:	Local jurisdictions
Timeframe for Completion:	Assessment complete within one year of submission to Strategic Growth Council, with decision to pursue the program or not within nine months of completion of the assessment
Potential Cost:	Staff time at lead and supporting agencies
Potential Source(s) of Funding:	Regional Economic Development Entity operational budget

Land Use Commodities

OVERVIEW

The growth management system in place in the Tahoe Region came into effect in 1987 to ensure the achievement of environmental goals by restricting development of sensitive lands and residential, commercial, and tourism accommodation development. This system is designed to attain and maintain a sophisticated set of environmental threshold carrying capacities in nine areas: air quality, fish habitat, noise, recreation, scenic resources, soil quality, vegetation, water quality, and wildlife habitat.

Residential development is restricted by limiting the total amount, pace, and the area of impervious surface coverage resulting from development. Restrictions on the total square footage of commercial floor area and limitations on impervious surface coverage serve to limit commercial development. Finally, tourist accommodations are limited to a certain number as well as restricted by impervious surface coverage requirements. Furthermore, these land use commodities (i.e., residential units, commercial floor area, tourist accommodation units, land coverage) can be bought, sold and relocated to achieve restoration of sensitive lands. As a result there is an active transfer of development rights (TDR) system and market in place in the Lake Tahoe Region.

Although the growth management and TDR systems have been in existence for twenty-seven years, the complexity of the systems makes it challenging for users seeking to develop real estate in the Region. Communities seeking economic development, and the governments that represent them, are also affected. As part of the effort to address this complexity, especially the requirements associated with the TDR commodities, the Tahoe Prosperity Center created a Land Use Commodities Steering Group to gain a better understanding the needs, current initiatives, and challenges, and to identify possible opportunities related to the relocation, repurposing, or retirement of land use commodities. Steering Group members included representatives from five key stakeholder groups:

- Jurisdictions,
- Land Banks,
- Developers,
- Conservation Groups, and
- Small Business (motel) Owners.

The recommendations generated from this process were developed into the Regional Land Development Commodities Action Plan,¹⁴ and have been incorporated into this document as strategies and implementation actions in the topical areas of the source document. Although these strategies resulted from the Land Use Commodities Steering Group process, they are still linked to the strategies in the other sections in support the overall economic development goals. The five strategies in this section are described below.



- *Strategy 8: Commodity and Exchange System Tracking Enhancements*, seeks to provide additional information on the commodities market to support transactions volume.

















¹⁴ For background and the final action plan, see: Appendix 2: TRPA's Regional Land Development Commodities System Overview; Appendix 3: TRPA's Regional Land Development Commodities Data Summary; and Appendix 4: Tahoe Prosperity Center's Regional Land Development Commodities Action Plan.

- *Strategy 9: Assess Opportunities for a Commodities Bank* calls for a discussion of whether a regional commodities bank with a broader mandate than the existing land banks would support commodities transactions and regional goals, and if so, further analysis of how to develop such an institution would be required.
- *Strategy 10: Amend TRPA Code* assess changes to commodity incentives, conversions, multi-use facilities and the timing of development-related costs.
- *Strategy 11: Educate and Inform* provides information on the land use commodity system and growth management system to a wide range of groups in the Region.
- *Strategy 12: Convene a Local Government Working Group* sets non-regulatory commodity goals for the jurisdictions with the Region.

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact.

LAND USE COMMODITY STRATEGIES			
Actions		Timeframe	Impact
Strategy 8: Enhance the Commodity and Exchange System Tracking			
8.1	Identify and Implement Improvements to Web Site Functions		
8.2	Web Site Promotion and Optimization		
8.3	Commodity Listing Enhancements		
8.4	Commodity Reservation Reporting Enhancements		
8.5	Commodity Pool Enhancements		
Strategy 9: Assess Opportunities for a Commodities Bank			
9.1	Examine feasibility of a regional commodities bank		
Strategy 10: Amend TRPA Code			
10.1	Assessment of, and Update to, Commodity Incentives Ability Support Regional Plan Goals with Enabling Amendments		

Actions		Timeframe	Impact
10.2	Development Code Amendments		
10.3	Documentation of Costs and Adjustment to Timing of Costs		
Strategy 11: Educate and Inform			
11.1	Assess Land Use Commodities Information Needs		
11.2	Develop and Distribute Land Use Commodities Information		
11.3	Assess Permitting Process Information Needs		
11.4	Develop and Distribute Permitting Process Information		
Strategy 12: Convene a Local Government Working Group			
12.1	Jurisdiction-Level Commodities Target Setting		
12.2	Education on TDR Marketplace to Local Government Working Group		
12.3	Develop Strategy to Achieve Targets and Monitor Progress		
Timeframe		 >1 year  1-3 years  3+ years	
Impact		 >10% change  10%-50% change  50%+ change	

STRATEGY 8: ENHANCE THE COMMODITY TRACKING AND EXCHANGE SYSTEM

RECOMMENDATIONS

- 8.1 Identify and Implement Improvements to Web Site Functions
- 8.2 Web Site Promotion and Optimization
- 8.3 Commodity Listing Enhancements
- 8.4 Commodity Reservation Reporting Enhancements
- 8.5 Commodity Pool Enhancements

RELEVANCE

To achieve regional environmental goals, the Lake Tahoe Regional Plan restricts residential, commercial, and tourist accommodation development. Residential development is restricted by limiting the total amount of residential development, the pace of development, and the amount of impervious surface resulting from development. Restrictions on total square footage of commercial floor area, coupled with limitations on impervious surfaces, have been instituted for commercial development. Similarly, restrictions on the total number of tourist accommodation units and impervious surfaces apply to tourist accommodation developments.¹⁵ These restrictions are implemented through the land use commodities market, which quantifies the limits on development through the creation of a set number of rights to development, or commodities, which are then required for residential, commercial, and tourist accommodation development.

To enable transactions in the commodities market, the commodity tracking and exchange system, also referred to as the TDR Marketplace or Commodities Tracking and Exchange System, provides commodity information and related tools for a variety of users, including buyers and sellers of commodities. The mission of the TDR Marketplace is to increase awareness and participation in the TDR system and increase transparency in the market. The TDR Marketplace also provides a convenient forum for buyers and sellers to connect with one another. The system is integrated with the TRPA permit tracking software, and is online at the [TDR Marketplace](#) web site. To further support commodities market transactions, this strategy seeks to improve transparency and accuracy regarding commodity availability and pricing, expand its user base, provide additional information on individual listings, and provide additional information on commodity reservations and availability at sub-jurisdictional levels.

AUDIENCE

Existing and potential buyers and sellers of commodities in the Tahoe Region would benefit from additional information on prices and availability.

















RELATED STRATEGIES

- Strategy 9: Assess Opportunities for a Commodities Bank
- Strategy 11: Educate and Inform

¹⁵ Regional Land Development Commodities System Overview. Tahoe Regional Planning Agency February 13, 2014

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact.

Strategy 8: Enhance the Commodity Tracking and Exchange System			
Actions		Timeframe	Impact
8.1	Identify and Implement Improvements to Web Site Functions		
8.2	Web Site Promotion and Optimization		
8.3	Commodity Listing Enhancements		
8.4	Commodity Reservation Reporting Enhancements		
8.5	Commodity Pool Enhancements		
Timeframe		 >1 year  1-3 years  3+ years	
Impact		 >10% change  10%-50% change  50%+ change	

IMPLEMENTATION ACTIONS

8.1 Identify and Implement Improvements to Web Site Functions

Reconvene the group of users involved in designing the commodity tracking system, known as the commodity tracking system working group, to identify specific areas of improvement to make the web site more user-friendly and informative. Improvements should be identified through a survey of land use commodity stakeholders and industry groups such as realtors to identify and rank potential web site improvements, and implement these improvements. One improvement that has already been identified through the land use commodity stakeholder process was the addition of aggregated and anonymized information on the sales prices of commodities.

Lead Implementer: TRPA

Supporting Implementer: Commodity Tracking Working Group

Timeframe for Completion: Complete within three months after funding and associated contracts are finalized

Potential Cost: TRPA and Commodity Tracking Working Group time

Potential Source of Funding: TRPA will seek a funding source for this action

8.2 *Web Site Promotion and Optimization*

To support the web site's goal of serving as a resource for commodity transactions and a platform to facilitate commodity exchange, the web site's existence and role should be continually promoted in TRPA documents and through local media when possible, such as during interviews of TRPA staff or other interactions with the public. In addition to education, a survey of existing users of the web site should also be conducted as an assessment of both how the web site is used and how users find out about its resources.

Lead Implementer:	TRPA
Supporting Implementer:	Website consultant
Timeframe for Completion:	Complete assessment within six months after funding and the associated contracts are secured
Potential Cost:	Implementer time and \$25,000 per year for consultant
Potential Source of Funding:	TRPA TDR Marketplace development and maintenance funds, fees from certification process (see Action 8.3)

8.3 *Commodity Listing Enhancements*

To provide additional information on the characteristics of the commodities listed on the TDR Marketplace that may influence the value of the commodity. The web site should allow for those listing commodities to indicate whether the commodity has been certified or verified. If necessary, TRPA could provide this service on a fee basis for those listing commodities.

Lead Implementer:	TRPA
Supporting Implementer:	Website consultant
Timeframe for Completion:	Complete within six months of assessment in Action 8.2
Potential Cost:	Included in 8.2
Potential Source of Funding:	Fees from certification process or TRPA TDR Marketplace development and maintenance funds

8.4 *Commodity Reservation Reporting Enhancements*

To provide more detail on the commodities market, the TDR Marketplace should distinguish between reserved land use commodities and other commodities. This action would serve to increase transparency. In addition to distinguishing between those commodities which exist but are currently reserved, the TDR Marketplace should also provide information on when the commodities reservation will expire, and could also provide an email alert to the commodity owner and other users who register for updates on reserved commodities. This email alert system could be funded through a small fee for alert registration, though no fee should be required to access the information directly through the TDR Marketplace.

Lead Implementer:	TRPA
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Supporting Implementer:	Local jurisdictions, consultant(s)
Timeframe for Completion:	Nine months after the assessment in Action 8.2 is completed
Potential Cost:	Included in 8.2
Potential Source of Funding:	Fees from expiration alert registration or TRPA TDR Marketplace development and maintenance funds

8.5 *Commodity Pool Enhancements*

To provide more detail on the commodities market, the TDR Marketplace should provide detail on commodity availability at the sub-jurisdictional and/or neighborhood level in an effort to clarify constraints on the use of commodities.

Lead Implementer:	TRPA
Supporting Implementer:	Local jurisdictions
Timeframe for Completion:	One year after 8.2 is completed
Potential Cost:	Included in 8.2
Potential Source of Funding:	TRPA TDR Marketplace development and maintenance funds

EXAMPLES

European Union Emissions Trading System Union Registry

The European Union Emissions Trading System (EU ETS) runs the Union Registry that keeps track of allowance ownership across the 31 countries that participate in the EU ETS. The Union Registry is an online database that holds electronic accounts “in the same way as a bank has a record for all of its customers and money,” and tracks the following information:

- National implementation measures a list of installations covered by the ETS Directive within the territory of each Member State and any free allocation of allowances to each of those installations in the period 2013-2020;
- Accounts of companies or physical persons holding those allowances;
- Transfers of allowances ("transactions") performed by the account holders;
- Annual verified CO₂ emissions from installations;
- Annual reconciliation of allowances and verified emissions, where each company must have surrendered enough allowances to cover all its verified emissions.

A link to the information is found below.

[Union Registry Information, European Union Emissions Trading System](#)

STRATEGY 9: ASSESS OPPORTUNITIES FOR A COMMODITIES BANK

RECOMMENDATIONS

9.1 Examine feasibility of a regional commodities bank

RELEVANCE

The California Tahoe Conservancy (CTC) and Nevada Division of State Lands (NDSL) are the major land banks in the Region, and are currently active in some commodity markets, such as the market for coverage. However, an organization that took an active role across all commodities could act as a “market maker” to ensure supply and provide more liquidity to the commodities markets. This objective seeks to explore whether a commodities bank would be feasible in the context of the Tahoe Region and how it could or would work with the existing land banks, local governments, private developers, and citizens to carry out strategic actions that ensure liquidity in commodity markets and provide education to market participants with the ultimate goal of generating additional transactions in the marketplace.

AUDIENCE









Existing and potential buyers and sellers of commodities in the Tahoe Region would benefit from greater availability of commodities.

RELATED STRATEGIES

- Strategy 8: Enhance the Commodity Tracking and Exchange System
- Strategy 11: Educate and Inform
- Strategy 12: Convene a Local Government Working Group

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact.

Strategy 9: Commodities Bank			
Actions		Timeframe	Impact
9.1	Examine feasibility of a regional commodities bank		
Timeframe		 >1 year	 1-3 years
Impact		 >10% change	 10%-50% change
			 3+ years
			 50%+ change

IMPLEMENTATION

9.1 *Examine feasibility of a regional commodities bank*

To understand how a commodities bank would work with existing land banks and serve as a provider of liquidity in the commodities market, a feasibility meeting should be held. This meeting should investigate the advantages and disadvantages of creating a new commodities bank to achieve the goals for commodity banking activity by region/jurisdiction, funding source options and availability of funds, governance structure, and the role of this bank vis-à-vis the existing land banks. At this meeting, a decision should be made, or a framework provided for decision-making, on whether to further pursue establishment of a new commodities bank including funding sources, governance structure, etc.

Lead Implementer:	TPC
Supporting Implementer:	TRPA, California Tahoe Conservancy, Nevada Division of State Lands
Timeframe for Completion:	Complete within one year of submission to Strategic Growth Council
Potential Cost:	Implementers' staff time
Potential Source of Funding:	Implementer Operational Budgets

STRATEGY 10: AMEND TRPA CODE

RECOMMENDATIONS

- 10.1 Assessment of, and Update to, Commodity Incentives Ability Support Regional Plan Goals
- 10.2 Development Code Amendments
- 10.3 Documentation of Costs and Adjustment to Timing of Costs

RELEVANCE

Complexity in development-related regulations acts as a barrier to development-related economic activities in the region. Interpretation of the regulations requires the development of expertise in TRPA policies, hiring of an outside consultant, or both. Because TRPA regulations are in addition to standard development requirements, the landscape of regulation is quite dense and many outside the region have no familiarity with these regulations since they are unusual in comparison to most other areas in California and Nevada. One study found that two chapters totaling sixty-eight pages of the TRPA Code of Ordinances were dedicated to coverage, with additional policies in other chapters¹⁶, and the transferrable development rights program has been called “the most complicated and difficult to understand TDR-type programs in the United States.”¹⁷

The complexity creates confusion outside and inside the TRPA. In addition to increasing costs by requiring investment in time to understand the regulatory framework and/or consultant fees, complexity in the TRPA Code can also result in uncertainty about how this dense body of regulations will be interpreted. Uncertainty adds to the challenges to development in the region as it may be difficult to understand what requirements will need to be met for a successful application, and whether those interpreting the code inside and outside of the TRPA will be able to interpret it accurately and consistently.

AUDIENCE

Developers inside and outside of the Region, and Tahoe Region residents interested in undertaking development activities.

RELATED STRATEGIES













- *Strategy 1: Reducing Real Estate Development Costs and Uncertainty*
- *Strategy 11: Education and Information Program*

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact.

¹⁶ Tahoe Basin Impervious Surface Coverage Study, Environmental Incentives, June 2012.

¹⁷ Tahoe Basin Marketable Rights Transfer Program Assessment, Solimar Research Group, March 2003.

Strategy 10: Amend TRPA Code			
Actions		Timeframe	Impact
10.1	Assessment of Commodity Incentives Ability Support Regional Plan Goals with Enabling Amendments		
10.2	Development Code Amendments		
10.3	Documentation of Costs and Adjustment to Timing of Costs		
Timeframe		 >1 year  1-3 years  3+ years	
Impact		 >10% change  10%-50% change  50%+ change	

IMPLEMENTATION ACTIONS

10.1 Assessment of and Update to Commodity Incentives Ability Support Regional Plan Goals

To gauge how well commodity incentives as currently structured are meeting Regional Plan goals, and whether they have the capacity to meet Regional Plan goals in the future, these incentives should be analyzed to determine to what degree existing commodity incentives in the form of bonus units can meet goals and identify TRPA Code amendments that are most likely to enable incentive policies to support Regional Plan goals and associated thresholds.

Lead Implementer: TRPA

Supporting Implementer: N/A

Timeframe for Completion: Within one year of plan submission to the Strategic Growth Council

Potential Cost: TRPA staff time

Potential Source of Funding: TRPA operational budget

10.2 Amend Development Code

To increase flexibility in the TRPA Code, potential code amendments that enable development and redevelopment should be examined. The first two potential code amendments to be examined should be 1) allowing commodity conversions to include CFA to TAU and CFA to residential, and 2) a system for allowing multi-functional commodity usage (e.g., seasonal residential rentals and tourist rentals at different times of the year in the same unit). Examination of potential code amendments should include an evaluation of commodity conversion feasibility, environmental review, and the review of options and ratios. After studies are completed and if the findings are acceptable, a code amendment should be proposed.

Lead Implementer:	TRPA
Supporting Implementer:	Stakeholders, Development code consultant
Timeframe for Completion:	Within one year of plan submission to the Strategic Growth Council
Potential Cost:	Implementer staff time and consulting fees
Potential Source of Funding:	TRPA operational budget

10.3 *Documentation of Costs and Adjustment to Timing of Costs*

Due to the complexity of the TRPA Code and previous policies, there is a lack of clarity on when some cost-incurring actions must be taken by a permit applicant, for example, the phase at which land use commodities are required to be held. To clarify these requirements, the phase at which a cost-incurring action, such as commodity acquisition, must be taken should be documented. Building off this documentation, the timing of these costs should be examined. Next, cost-incurring actions should be delayed from the point at which high-cost items are required to the latest feasible point in the permitting process. This can be done through amendments or updates to administrative policies and procedures that do not impact the intent or validity of the policies and procedures.

Lead Implementer:	TRPA
Supporting Implementer:	N/A
Timeframe for Completion:	The initial documentation and adjustments to timing of costs should be completed within one year of plan submission to the Strategic Growth Council, with annual updates to the code and policies to maintain delayed timing of costs
Potential Cost:	TRPA staff time
Potential Source of Funding:	TRPA operational budget

STRATEGY 11: EDUCATE AND INFORM

RECOMMENDATIONS

- 11.1 Assess Land Use Commodities Information Needs
- 11.2 Develop and Distribute Land Use Commodities Information
- 11.3 Assess Permitting Process Information Needs
- 11.4 Develop and Distribute Permitting Process Information

RELEVANCE

The complexity of the Land Use Commodity System in the Tahoe Region has made it difficult for system users and Tahoe residents to understand the system, and this lack of understanding may have allowed misinformation about the system to persist. In addition, the regulatory complexity in the Region has also led to the use of litigation in the Region as a method to examine uncertainty related to the interpretation of a dense body of overlapping regulation stemming from multiple jurisdictions and the TRPA since, in a complex regulatory environment, it may be difficult to discern whether requirements have been met. The low number of projects carried out in the Region is also a challenge to the general understanding of the land use commodity system since this means that the region also lacks a strong set of precedents that would decrease the threat of litigation by demonstrating how requirements can be successfully met. By providing education to communities in the region, including residents, businesses, and parties that may initiate litigation, a better understanding of the goals of the land use commodity system and its requirements can emerge.

AUDIENCE















Land Use Commodity System participants and Tahoe Region residents would benefit from a greater understanding of the goals and mechanisms of the land use commodity system that would support development within the goals of the Regional Plan and reduce misinformation regarding land use commodities.

RELATED STRATEGIES

- Strategy 1: Reduce Real Estate Development Costs and Uncertainty
- Strategy 7: Access Industry Support Programs
- Strategy 8: Enhance the Commodity Tracking and Exchange System
- Strategy 9: Assess Opportunities for a Commodities Bank
- Strategy 10: Amend TRPA Code
- Strategy 12: Convene a Local Government Working

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact.

Strategy 11: Educate and Inform			
Actions		Timeframe	Impact
11.1	Assess Land Use Commodities Information Needs		
11.2	Develop and Distribute Land Use Commodities Information		
11.3	Assess Permitting Process Information Needs		
11.4	Develop and Distribute Permitting Process Information		
Timeframe		 >1 year  1-3 years  3+ years	
Impact		 >10% change  10%-50% change  50%+ change	

IMPLEMENTATION ACTIONS

11.1 Assess Land Use Commodities Information Needs

To provide accurate information at a level of detail appropriate to a user or resident's needs that facilitates a better understanding of the system, an analysis of current and potential users should be performed, and an assessment of the information needs of current user, potential user, and Tahoe residents should be undertaken.

Lead Implementer: TRPA

Supporting Implementer: Land Use Commodities Working Group

Timeframe for Completion: Complete within six months after funding and the associated contracts are secured

Potential Cost: TRPA and Land Use Commodities Working Group staff time

Potential Source of Funding: TRPA to identify funding source

11.2 Develop and Distribute Land Use Commodities Information

After information needs are assessed (See Action 11.1), appropriate materials such as policy briefs, fact sheets, and news releases, tailored to the needs and expertise of each group, should be created. The materials distribution should take place through entities such as local governments in the TRPA, industry organizations such as Chambers of Commerce and industry associations, community groups, environmental groups, and any other groups that are able to reach the current users, potential users, and residents identified in Action 11.1.

Lead Implementer:	TRPA
Supporting Implementer:	Land Use Commodities Working Group
Timeframe for Completion:	Complete within six months after funding and the associated contracts are secured
Potential Cost:	TRPA and Land Use Commodities Working Group staff time
Potential Source of Funding:	TRPA to identify funding source

11.3 Assess Permitting Process Information Needs

To provide additional clarity on permitting processes in the region, an assessment of permitting process information needs should be performed to understand what information is needed by system users, and how this information can be provided to users.

Lead Implementer:	TRPA
Supporting Implementer:	Land Use Commodities Working Group and Local Governments
Timeframe for Completion:	Complete within six months of document submission to Strategic Growth Council
Potential Cost:	TRPA, Land Use Commodities Working Group, and Local Government staff time
Potential Source of Funding:	TRPA to identify funding source

11.4 Distribute Permitting Process Information

After Action 6.3 is complete, a permitting flowchart and associated explanatory documentation for the TRPA permitting process should be developed. The TRPA materials should form the basis for local governments to build their own process flowcharts and associated documentation. The TRPA information should be provided on the TRPA web site, the TDR Marketplace, and other publicly accessible online and physical locations.

Lead Implementer:	TRPA
Supporting Implementer:	Land Use Commodities Working Group and Local Governments
Timeframe for Completion:	Complete within one year of document submission to Strategic Growth Council
Potential Cost:	TRPA, Land Use Commodities Working Group, and Local Government staff time
Potential Source of Funding:	TRPA to identify funding source

STRATEGY 12: CONVENE A LOCAL GOVERNMENT WORKING GROUP

RECOMMENDATIONS

- 12.1 Jurisdiction-Level Commodities Target Setting
- 12.2 Education on TDR Marketplace to Local Government Working Group
- 12.3 Develop Strategy to Achieve Targets and Monitor Progress

RELEVANCE

Although local plans are harmonized with TRPA goals at several levels, commodities to actually implement these plans may not be identified and immediately available. Through the local government working group, the development of targets for commodity use at the jurisdiction level can help determine how redevelopment and development can proceed by exposing areas where collaboration or transfer may be desirable, and where there is potential for mutually-beneficial commodity transfers. This definition of goals can support more expedient project feasibility and development and result in development activities that benefit the overall Region.

AUDIENCE













Local governments and the citizens they represent.

RELATED STRATEGIES

- Strategy 1: Reduce Real Estate Development Costs and Uncertainty
- Strategy 9: Assess Opportunities for a Commodities Bank
- Strategy 11: Educate and Inform

IMPLEMENTATION CONSIDERATIONS

The following table outlines the anticipated timeframe required for implementing the actions defined under each strategy in this section and their estimated levels of impact.

Strategy 12: Local Government Working Group		
Actions		Impact
12.1	Jurisdiction-Level Commodities Target Setting	 
12.2	Education on TDR Marketplace to Local Government Working Group	 
12.3	Develop Strategy to Achieve Targets and Monitor Progress	 
Timeframe		 >1 year  1-3 years  3+ years
Impact		 >10% change  10%-50% change  50%+ change

IMPLEMENTATION ACTIONS

12.1 Jurisdiction-Level Commodities Target Setting

To support the achievement of Regional Plan and local government goals, a working group made up of technical staff from local governments should be convened to identify non-regulatory, jurisdiction-level targets on CFA, TAU, and other commodities as well as targets for sending and receiving land use commodities. The local government working group should inventory land use commodities, set goals for commodity banking actions by jurisdiction, and identify current and future opportunities to collaborate across jurisdictions on achievement of goals. Note that Placer County has funded this effort for that portion of the Region.

Lead Implementer: TRPA

Supporting Implementer: California Tahoe Conservancy, Nevada Division of State Lands, local jurisdictions, consultant

Timeframe for Completion: Complete within six months after funding and the associated contracts are secured and the Placer County report is completed

Potential Cost: Staff time from implementing organizations

Potential Source of Funding: Operational budgets of implementing organizations

12.2 Education on TDR Marketplace to Local Government Working Group

To support jurisdiction-level target setting for commodities, educational information that supports decision making should be provided to the local government working group. This information should be developed in collaboration with the development of commodities system information in Action 11.1, and disseminated directly to the Local Government Working Group and may also be posted on the TRPA web site or shared with industry associations, community organizations, and other stakeholders.

Lead Implementer: TRPA

Supporting Implementer:	Land Use Commodities Working Group
Timeframe for Completion:	Complete within six months after funding and the associated contracts for Action 11.1 are secured
Potential Cost:	TRPA and Land Use Commodities Working Group staff time
Potential Source of Funding:	TRPA to identify funding

12.3 *Develop Strategy to Achieve Targets and Monitor Progress*

To achieve the goals identified in Action 12.1, a plan to make progress toward jurisdiction-level goals should be created. The plan should incorporate the opportunities for current and future collaboration identified in Action 12.1, which defines land use commodity banking activities by jurisdiction and at the regional level and creates a progress monitoring framework for the strategy and its component actions.

Lead Implementer:	Local Governments Working Group
Supporting Implementer:	TRPA, California Tahoe Conservancy, Nevada Division of State Lands
Timeframe for Completion:	Complete within six months after Action 12.1 is completed
Potential Cost:	TRPA, Land Use Commodities Working Group, and local jurisdiction staff time
Potential Source of Funding:	Implementer Operational Budgets

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AECOM devoted normal professional efforts compatible with the time and budget available in the bid process. AECOM's findings represent its reasonable judgments within the time and budget context of its commission and utilizing the information available to it at the time.

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Appendix

- Appendix 1: Economic Development Action Plan
- Appendix 2: TRPA's Regional Land Development Commodities System Overview Memorandum
- Appendix 3: TRPA's Regional Land Development Commodities Data Summary
- Appendix 4: Tahoe Prosperity Center's Regional Land Development Commodities Action Plan
- Appendix 5: Tahoe Region Economic Development Strategy Task 1 Memorandum
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Appendix 1:

Economic Development Action Plan

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STRATEGY 1	REDUCE REAL ESTATE DEVELOPMENT COSTS AND UNCERTAINTY							
		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	1.1	Publicize TRPA Application Review Process Performance Targets	Performance against TRPA standards for application processing times should be publicized as they are reported quarterly by TRPA. Encourage local jurisdictions to adopt performance standards using the TRPA model.	TRPA	Local jurisdictions	6 months	Implementer staff time	Implementer operational budget
	1.2	Publicize Expedited Permitting Program	Publicize the expedited permitting program. Encourage local jurisdictions to adopt expedited permitting consistent with TRPA program.	TRPA	Local jurisdictions	12 months	Implementer staff time	Application fees
	1.3	Consider Construction Cost Reduction Strategies	Consideration of actions that reduce construction costs to offset some of the costs associated with land use commodity requirements and make the Region more cost-competitive while complying with all existing environmental requirements.	TRPA and Tahoe Prosperity Center (TPC)	Local jurisdictions, Task Force participants	12-24 months	Implementer staff time	Implementer operational budgets

STRATEGY 2	PROVIDE BUSINESS SUPPORT SERVICES							
		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	2.1	Establish a Regional Economic Development Entity	Expand the purview of Tahoe Prosperity Center to act as a regional economic development entity to meet regional needs, ensure cross-jurisdictional coordination, and reduce duplication of effort.	TPC	TRPA, local jurisdictions	24 months	Dependent on size, \$300k +	Federal and/or state grants, event fees
	2.2	Develop and Provide Business Assistance and Relocation Services	Through an inventory of existing services, develop and provide services for businesses that provide access to programs and activities that support job creation and tax revenue generation in the Region and assist in complying with regulatory requirements.	TPC (as Regional Economic Development Entity)	TRPA, local jurisdictions	24 months	Included in 2.1 budget	Federal and/or state grants, event fees

	Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
2.3	Identify Pre-approved Sites for Target Industry Activities	With the Regional Economic Development Entity acting as portal to multiple sources of information, an inventory of sites where offices, light industrial and commercial activities are desirable should be developed as well as associated contact and pricing information.	TPC (as Regional Economic Development Entity)	TRPA, local jurisdictions, commercial realtors	24 months	Included in 2.1 budget	Federal and/or state grants, event fees
2.4	Tahoe Region Business Information Snapshot	Information on area labor force, employment statistics, labor force training programs, utility characteristics including telecommunications capacity for businesses making decisions about expansion and relocation.	TPC (as Regional Economic Development Entity)	TRPA, local jurisdictions, commercial realtors	24 months	Included in 2.1 budget	Federal and/or state grants, event fees

PROMOTE TOURISM							
STRATEGY 3	Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
3.1	Continue Tourism Marketing Collaboration	Continue and expand circulation of tourism information into target national and international markets using regional, state, and national partnerships.	North Lake Tahoe Resort Association and Lake Tahoe Visitors Authority	Regional Chambers of Commerce, South Lake Tahoe Tourism Marketing District	Ongoing	Variable per scale of partnerships	Existing tourism marketing budgets
3.2	Tourism-Supporting Transportation Improvements	Support for the development of regional, integrated transportation/ transit system alternatives to private vehicles through advocacy, and fundraising, and other methods as available.	North Lake Tahoe Resort Association and Lake Tahoe Visitors Authority	Transit Vision Coalition, Transportation Agencies in the Region, Chambers of Commerce	Ongoing	Advocacy: Implementer staff time; Otherwise, variable	Advocacy: operational budgets for implementers; Otherwise, federal grants
3.3	Tourism Niche Development	Development of tourism niches that leverage the Region's natural amenities and attract tourism during shoulder seasons such as major sports-related events, professional meetings, and human-powered sports activities.	North Lake Tahoe Resort Association and Lake Tahoe Visitors Authority	Regional Chambers of Commerce	Ongoing	Variable per scale of partnerships	Existing tourism marketing budgets

MAINTAIN TOURISM BUILDINGS								
STRATEGY 4		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	4.1	Tourism-focused Building Enhancement Program	To keep tourism-focused buildings in good repair and promote consistent branding at either regional or local levels, implement a building enhancement program for tourist-facing businesses where not already in existence.	Local jurisdictions or business/ tourism improvement districts where they exist	North Lake Tahoe Resort Association and Lake Tahoe Visitors Authority	12 months	Variable per scale of program	BID dues, TOT revenue, State of California funds, and local jurisdictions' operational budgets.

STRATEGY 5	SUPPORT THE ENVIRONMENTAL INNOVATION SECTOR							
		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	5.1	Promote Existing Programs	Programs already in existence in California and/or Nevada, such as self-generation incentive program, to be promoted to businesses or start-ups through the regional economic development entity's activities.	TPC (as Regional Economic Development Entity)	Multiple	Within 12 months of 2.1	Implementer staff time	State funds
	5.2	Assess Potential Programs	Consideration of programs not already in existence in California and/or Nevada, such as rural renewable energy zones, that could support the activities of entities and businesses in these industries.	TPC (as Regional Economic Development Entity)	Varies by potential program	12 months for assessment, decision to pursue 9 months after assessment	Implementer staff time	Implementer operational budgets

DEVELOP AN ENTREPRENEURIAL ECOSYSTEM								
STRATEGY 6		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	6.1	Business Networking	Networking activities to foster communication among companies and across industries to deal with shared challenges and encourage opportunities to partner with or supply one another.	TPC (as Regional Economic Development Entity)	Chambers of Commerce, local business organizations	Within 6 months of 2.1	Implementer staff time	Event fees
	6.2	Exposure to Capital	Ensure that local companies have access to capital through actions and events that expose local companies to traditional and venture capital sources.	TPC (as Regional Economic Development Entity)	Chambers of Commerce, NIREC, others w/ connections to capital	Within 6 months of 2.1	Implementer staff time	Event fees
		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	6.3	Geographically-Specific Investment Funds	Connect local companies' geographically-specific investment funds that focus on the Tahoe Region, alpine regions, or non-urbanized areas in the West.	TPC (as Regional Economic Development Entity)	Chambers of commerce, regional investors	Within 6 months of 2.1	Implementer staff time	Event fees, new regional funds

STRATEGY 7	ACCESS INDUSTRY SUPPORT PROGRAMS							
		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	7.1	Promote Existing Programs	Programs already in existence in California and/or Nevada to be promoted to all industries	TPC (as Regional Economic Development Entity)	Chambers of commerce, industry organizations	Within 12 months of 2.1	Implementer staff time	Implementer operational budgets
	7.2	Assess Potential Programs	Consideration of programs not already in existence in California and/or Nevada, but that could support the activities of entities and businesses in all industries.	TPC (as Regional Economic Development Entity)	Local Jurisdictions	12 months for assessment, decision to pursue 9 months after assessment	Implementer staff time	Implementer operational budgets

STRATEGY 8	ENHANCE THE COMMODITY TRACKING AND EXCHANGE SYSTEM							
		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	8.1	Identify and Implement Improvements to the Commodity Tracking and Exchange Web Site Functions	Identify specific areas of improvement to make the web site more user-friendly and informative.	TRPA	Commodity Tracking Working Group	3 months after funding	Implementer staff time	To be determined
	8.2	Web Site Promotion and Optimization	Web site’s existence and role to be continually promoted and survey of users.	TRPA	Website consultant	3 months after funding	Implementer staff time and \$25,000 per year for consultant.	Site maintenance funds
	8.3	Commodity Listing Enhancements	Web site to allow for commodity listings to indicate whether the commodity has been certified or verified.	TRPA	Website consultant	6 months after 8.2	Included in 8.2	Certification fee
	8.4	Commodity Reservation Reporting Enhancements	TDR Marketplace to distinguish between reserved land use commodities and other commodities, and provide information on expiration of reserved commodities.	TRPA	Local jurisdictions, consultant(s)	9 months after 8.2	Included in 8.2	Fees from expiration alert registration
	8.5	Commodity Pool Enhancements	TDR Marketplace to provide detail on commodity availability at the sub-jurisdictional/neighborhood level.	TRPA	Local jurisdictions	12 months after 8.2	Included in 8.2	TDR Marketplace development/ maintenance funds

STRATEGY 9	ASSESS OPPORTUNITIES FOR A COMMODITIES BANK							
		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	9.1	Examine feasibility of a regional commodities bank	Convene a meeting or task force to examine how a commodities bank may work with existing land banks to improve or serve as a provider of liquidity in the commodities market.	TPC	TRPA, California Tahoe Conservancy, Nevada Division of State Lands	12 months	Implementer staff time	Implementer operational budgets

STRATEGY 10	AMEND TRPA CODE							
		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	10 .1	Assessment of, and Update to, Commodity Incentives Ability Support Regional Plan Goals	Gauge how well commodity incentives are meeting/will meet Regional Plan goals, and identify TRPA Code amendments that enable support Regional Plan goal achievement.	TRPA	Stakeholders	12 months	Implementer staff time	Implementer operational budget
	10 .2	Development Code Amendments	Evaluate commodity conversion options and other policy avenues for meeting the TRPA Regional Plan goals. If necessary, provide code amendment recommendations.	TRPA	Stakeholders, Development code consultant	12 months for initial changes, then ongoing as needed	Implementer staff time and consulting fees	Implementer operational budget
	10 .3	Documentation of Costs and Adjustment to Timing of Costs	Identify when costs must be incurred by permit applicants and adjust to latest feasible point in process.	TRPA	N/A	12 months	Implementer staff time	Implementer operational budget

EDUCATE AND INFORM								
STRATEGY 11		Action	Description	Lead	Support	Timeframe	Potential Cost	Funding
	11 .1	Assess Land Use Commodities Information Needs	Assess the information needs of current users, potential users, and Tahoe residents.	TRPA	Land Use Commodities Working Group	6 months	Implementer staff time	To be determined
	11 .2	Develop and Distribute Land Use Commodities Information	Develop and distribute policy briefs, fact sheets, and news releases to local governments, industry organizations/ associations, community groups, environmental groups, and others that are able to reach the current users, potential users, and residents.	TRPA	Land Use Commodities Working Group	6 months	Implementer staff time	To be determined
	11 .3	Assess Permitting Process Information Needs	Perform an assessment of permitting process information needs to understand what information is needed by system users, and how to provide it.	TRPA	Land Use Commodities Working Group and Local Governments	6 months	Implementer staff time	To be determined
	11 .4	Develop and Distribute Permitting Process Information	Develop a permitting flowchart and associated explanatory documentation for the TRPA permitting process.	TRPA	Land Use Commodities Working Group and Local Governments	12 months	Implementer staff time	Implementer operational budget

CONVENE LOCAL GOVERNMENT WORKING GROUP								
	Action	Description	Lead	Support	Timeframe	Potential Cost	Funding	
STRATEGY 12	12 .1	Jurisdiction-Level Commodities Target Setting	Identify non-regulatory, jurisdiction-level targets on CFA, TAU, and other commodities as well as targets for sending and receiving land use commodities (Note: Placer County has funded this effort for that portion of the Region)	TRPA	California Tahoe Conservancy, Nevada Division of State Lands, Local Jurisdictions	6 months after Placer County Report, and when funded	Implementer staff time, and consultant funding	Implementer operational budgets, source to be determined
	12 .2	Education on TDR Marketplace to Local Government Working Group	Develop educational information that supports decision making for the local government working group.	TRPA	Land Use Commodities Working Group	6 months after funding	Implementer staff time	Funding to be determined
	12 .3	Develop Strategy to Achieve Targets and Monitor Progress	Creation of a progress monitoring framework for the strategy and its component actions.	Local Governments Working Group	TRPA, California Tahoe Conservancy, Nevada Division of State Lands, local jurisdictions	6 months after 12.1	Implementer staff time	Implementer operational budgets

* Timeframe for implementation is based on submission of this document to SGC unless otherwise stated.

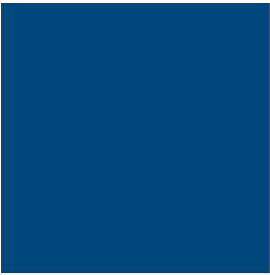
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Appendix 2:

TRPA's Regional Land Development Commodities System Overview Memorandum

Tahoe Regional Planning Agency Regional Land Development Commodities System Overview

February 13, 2014



A Voice for Lake Tahoe

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Commodities System Overview

To achieve the threshold relating to water quality, the Lake Tahoe Regional Plan restricts residential, commercial, and tourist accommodation development¹. Residential development is restricted by limiting the total amount of residential development, the pace of development, and the amount of impervious surface resulting from development. Restrictions on the total square footage of commercial floor area, coupled with limitations on impervious surface, have been instituted for commercial developments. Similarly, restrictions on the total number of tourist accommodation units and impervious surface apply to tourist accommodation developments.

Residential Development Commodities

To develop a residential parcel a property owner must have a residential development right, a residential development allocation, and the necessary amount of land coverage for the project. As an alternative, a property owner may acquire and remove an existing residential unit of use from a property and transfer it to a different property.

Residential development rights are the right to develop a vacant, privately-owned, residential parcel. The upper limit on residential development rights has been established by prohibiting any new land subdivisions². The upper limit on residential development rights in the Basin is approximately 51,000. Of these, slightly less than 47,000 have been used for development or otherwise retired; leaving approximately 4,000.

The annual level of residential allocations has been set by the Regional Plan. The 1987 Regional Plan had 300 allocations per year for 20 years (i.e., 6,000). The 2012 Regional Plan has a significantly reduced level of 130 allocations per year (i.e., 2,600). These allocations are distributed to jurisdictions annually based on a number of criteria including compliance with code requirements and implementation of water quality improvement projects.

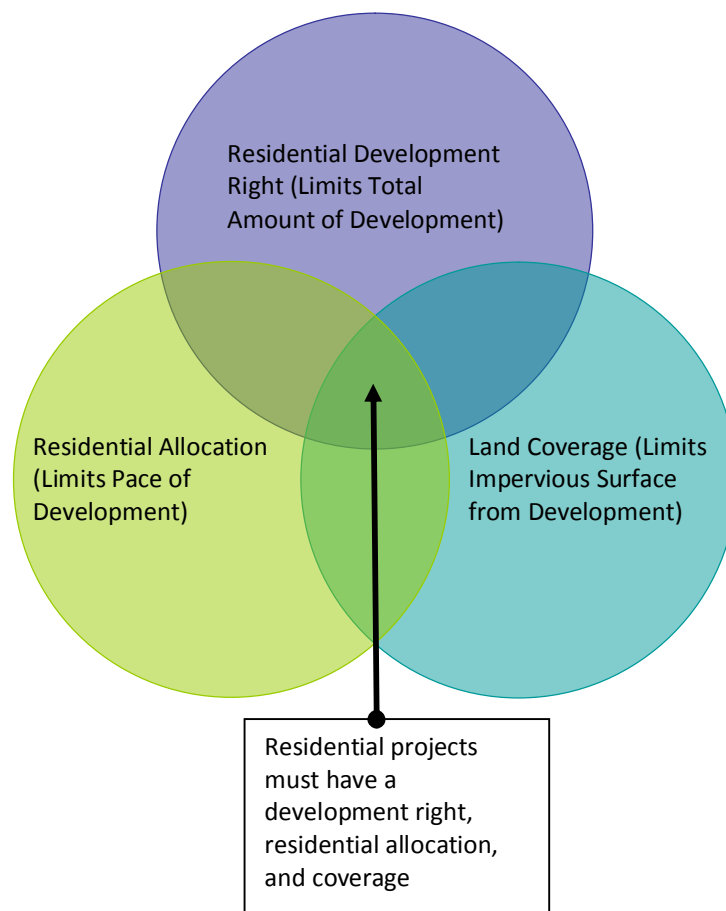
The amount of impervious surface coverage that is allowed on a given parcel of land is based on the physical suitability of that parcel to accommodate development. The Individual Parcel Evaluation System (IPES) was created to score each of the remaining undeveloped residential parcels. The more sensitive lots received a lower score. The less sensitive lots received a higher score. In each jurisdiction the score above which a parcel becomes eligible for development, provided it has a development right and allocation, changes over time primarily as the ratio of sensitive lots to total lots goes below a certain percentage. In other words, as sensitive lots are removed from the stock of lots available for development, more of the remaining lots in the stock are available for development.

If 2,600 of the remaining 4,000 vacant parcels with a right to develop do in fact develop, there will be approximately 1,400 parcels with a development right remaining. However, development rights can be

¹ This section is based largely on the United States Supreme Court Respondent's Brief in *Bernadette SUTUM, Petitioner, v. TAHOE REGIONAL PLANNING AGENCY, Respondent*. No. 96-243.

² Subdivision of a multiple unit residential building to facilitate ownership of separate units within that building is allowed.

transferred off of the original parcel for use in multi-family residential projects on other parcels. Past experience indicates that that some of the allocations will be used for these transfers, which would result in fewer parcels being developed. Development rights from more sensitive lands will be transferred to other less sensitive lands in target areas because “bonus units” can be obtained from these transfers. The 2012 Regional Plan increased the “bonus units” as an incentive to accelerate these transfers from more sensitive lands to targeted mixed use redevelopment areas.



Commercial Development Commodities

Commercial floor area is generally defined as the square footage of the floor area on all levels of a commercial building. The coverage allowed on a commercial parcel is based on the land capability of that parcel. The allowed land coverage is determined by applying a defined percentage of land that can be covered with impervious surface for each land capability district on that parcel. The land capability districts are essentially based on soil type and related geomorphological characteristics³. Land capability classifications range from 1 to 7. Lands that are identified as classes 1-3 are considered lower capability (more sensitive). Lands identified as classes 4-7 are considered higher capability and more suitable for

development (less sensitive). Within targeted redevelopment areas, a commercial project may include coverage on higher capability lands beyond the defined percentage allowed by the land capability system. Any coverage in addition to the defined percentage allowed by the land capability system must be transferred from other parcels.

To develop a commercial project both commercial floor area and coverage are required. The 1987 Regional Plan allowed coverage to be transferred on a sliding scale up to a “two-to-one” basis (i.e. 2 square feet of coverage removed for each new square foot placed). The 2012 Regional Plan changed the coverage transfer basis to “one-to-one” when coverage is transferred off of sensitive lands to provide an incentive to remove coverage from where it is most environmentally impactful.

The 1987 Regional Plan also allowed commercial floor area to be transferred on a “one-to-one” basis. To create an incentive to move commercial floor area from more sensitive lands to targeted mixed use redevelopment areas, the 2012 Regional Plan changed the commercial floor area transfer ratio to a sliding scale as described below.

It is estimated that there are approximately 6.5 million square feet of commercial floor area in the Lake Tahoe Basin⁴. The 1987 Regional Plan allocated 800,000 square feet for commercial development. When the 2012 Regional Plan was prepared, slightly less than 400,000 square feet were remaining and available for use. Hence, the 2012 Regional Plan did not allocate additional commercial floor area to the jurisdictions. However, as mentioned above, the 2012 Regional Plan did change the transfer ratio for commercial development so commercial floor area can be transferred on a sliding scale ranging from “one-to-one” to “one-to-three”, depending on the sensitivity of land from which it is being transferred (i.e. 3 square feet of commercial floor area can be placed for each square foot removed from the most sensitive lands). Again, this was done to accelerate these transfers from more sensitive lands to targeted mixed-use redevelopment areas.

Tourist Accommodation Unit Development Commodities

A tourist accommodation unit, or TAU, is generally defined as a hotel, motel or other rental lodging unit. Like commercial development described above, the coverage allowed on a tourist parcel is based on the land capability for that parcel. As with commercial projects, a tourist accommodation project within a designated redevelopment area may include coverage on higher capability lands beyond the defined percentage allowed by the land capability system, as long as that coverage is transferred from elsewhere.

To develop a tourist accommodation project both a TAU and coverage are required. As also described above, the 2012 Regional Plan changed the coverage transfer basis to “one-to-one” when coverage is transferred from sensitive lands to provide an incentive to remove coverage from where it is most impactful. The 2012 Regional Plan also changed the TAU transfer ratio so TAUs can be transferred on a sliding scale ranging from “one-to-one” to “one-to-three”, depending on the sensitivity of land from which it is being transferred (i.e. 3 TAUs can be placed for each TAU removed from the most sensitive lands). Again, this was done to accelerate these transfers from more sensitive lands to targeted mixed-

³ Bailey, R.G. 1967. Land Capability Classifications of the Lake Tahoe Basin. Available from the Tahoe Regional Planning Agency

⁴ The actual figures at the time of the 2012 Regional Plan Update are included in the Final EIS.

use redevelopment areas.

It is estimated that there are approximately 12,000 TAUs in the Lake Tahoe Basin⁴. Because there are TAUs from the 1987 Regional Plan that have remained unused, the 2012 Regional Plan does not include any additional TAUs. However, as mentioned above, the 2012 Regional Plan did change the transfer ratio for TAUs.

Commodity Conversions

In addition to the transfer options listed above, there are limited circumstances when conversion from one type of commodity to another is allowed. Generally these options are:

1. Up to 200 TAUs can be converted to multi-family units on the same parcel subject to size limitations;
2. Residential units and/or TAUs may be converted to residential, tourist or commercial units if the residential units or TAUs are transferred from low capability (more sensitive) to high capability (less sensitive) lands and the low capability land is restored;
3. Residential units and/or TAUs may be converted to residential, tourist or commercial units if the conversion results in the elimination of a unit of non-conforming use;
4. Residential units and/or TAUs may be converted to residential, tourist or commercial units if the conversion is certified to meet local jurisdiction health and safety standards, and all structures and uses within the project area are modified to meet TRPA standards for a new project;
5. Residential units and/or TAUs may be converted to residential, tourist or commercial units if the conversion is certified to meet local jurisdiction health and safety standards, and the converted use is part of an Environmental Improvement Program “linked project”; and
6. TAUs may be converted to residential units on the same site if the converted units will be used for deed restricted affordable housing, will meet local jurisdiction health and safety standards, and all TRPA standards for modification of a developed project area are met.

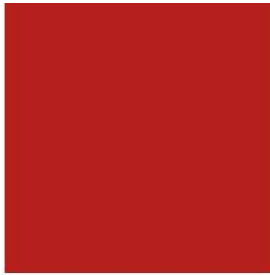
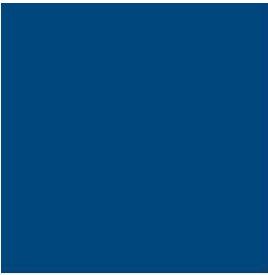
The specific requirements for each of the options above are in section 50.10 of the TRPA Code of Ordinances.

Appendix 3:

TRPA's Regional Land Development Commodities Data Summary

Tahoe Regional Planning Agency Regional Land Development Commodities Data Summary

Revised March 27, 2014



A Voice for Lake Tahoe

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Commodities Data Summary

The first section of this document provides summary data on the current amounts and locations of these commodities. The second section provides summary data on recent commodity transfers. The last section is a more detailed explanation of the data and methodologies used to generate them.

Current Amounts and Locations of Commodities

The three main categories of Development Commodities in the Lake Tahoe Region are: Residential Units (RUs), Tourist Accommodation Units (TAUs), and Commercial Floor Area (CFA).

- A Residential Unit (RU) is defined as an independent housekeeping unit with facilities for living, cooking, sleeping, and eating designed to be occupied permanently by one family or one collective household (Ch. 90 Definitions, TRPA Code of Ordinances). A Residential Unit commodity is categorized as a Residential Unit of Use (RUU) (a.k.a., Existing Residential Unit or ERU) when the parcel is developed or it is referred to as a Residential Development Right (RDR) when the privately owned parcel is vacant and meets the criteria in TRPA Code of Ordinances section 50.3.1 (a development right basically is the right to potential residential use that is attached to certain parcels in the region). Both RUUs (ERUs) and RDRs can be transferred as distinct commodities. In addition a limited number of Residential Bonus Units (RBUs) are available in certain instances as incentives (e.g., transfers from environmentally sensitive and remote lands to Town Centers).
- Tourist Accommodation Units (TAUs) refers to the number of units in a hotel, motel, timeshare, bed and breakfast, or inn that can be rented by the day or week and occupied on a temporary basis (Ch. 90 Definitions, TRPA Code of Ordinances).
- Commercial Floor Area (CFA) refers to the gross square footage of floor area within the outer wall of a commercial building, not including stairwells and airshafts (Ch. 90 Definitions, TRPA Code of Ordinances). The square footage of other facilities related to the commercial building, including but not limited to decks that are designated for commercial use under a permit, shall be considered CFA. *Square footage for the following shall not constitute CFA: parking areas, driveways, parking structures, outside stairways, and walkways; accessory uses determined by TRPA not to contain additional CFA pursuant to subparagraph 50.5.1.A; Temporary projects pursuant to Ch. 22; and the area of play in an indoor tennis court, the area in an indoor pool, and the area for skating in an indoor roller or ice skating rink.*

Table 1, below, shows the total estimated amount of residential units, tourist accommodation units, and commercial floor area, and the geographic distribution of these commodities relative to the Town Centers identified in the Lake Tahoe Regional Plan. More detailed information on each type of commodity in Table 1 is included in Tables 5-7 in the last part of this document.

Table 2 shows the remaining residential bonus units, tourist accommodation units, and commercial floor area. The method used to create this information is also included in the last section of this document.

Table 1: Distribution of Existing Commodities Inside, Within ¼ Mile, and Outside of Town Centers

Land Use	Units	CFA	Percent of Total
Residential	47,391 Total		
Town Centers	1,821		3.84%
¼ Mile or less from Town Centers ¹ (referred to as neutral)	13,505		28.50%
Land outside the ¼ Mile Buffer (referred to as remote)	32,065		67.66%
Tourist	11,947 Total		
Town Centers	9,960		83.37%
¼ Mile or less from Town Centers ¹ (referred to as neutral)	740		6.19%
Land outside the ¼ Mile Buffer (referred to as remote)	1,247		10.44%
Commercial		5,551,693 Total	
Town Centers		3,504,995	63.13%
¼ Mile or less from Town Centers ¹ (referred to as neutral)		585,708	10.55%
Land outside the ¼ Mile Buffer (referred to as remote)		1,460,990	26.32%
1. Ski Areas that have transit service (Homewood Ski Area and Heavenly Mountain Resort) were also included into the ¼ mile area estimates.			

Table 2: Remaining Residential Bonus Units, Residential Allocations, Tourist Accommodation Units, and Commercial Floor Area

COMMODITY	JURISDICTION	AREA	USED FROM 1986-2011	REMAINING FROM 1987 PLAN	NEW 2012 RPU RELEASE & 2013-2014 RA RELEASE	TOTAL REMAINING
RBU	CSLT	Stateline/Ski Run Community Plan	56	89		89
RBU	CSLT	Bijou/Al Tahoe Community Plan	0	20		20
RBU	Douglas County	Kingsbury Community Plan	63	67		67
RBU	Placer County	Tahoe City Community Plan	0	20		20
RBU	Placer County	Tahoe Vista Community Plan	0	20		20
RBU	Placer County	North Stateline Community Plan	0	50		50
RBU	Washoe County	Incline Village Commercial Community Plan	6	14		14
RBU	Washoe County	Incline Village Tourist Community Plan	91	19		19
RBU	Washoe County	Ponderosa Ranch Community Plan	0	50		50
RBU	TRPA	TRPA Residential Bonus Pool	347	488		488
RBU	TRPA	TRPA Pool (Centers)			600	600
Total RBU						1,437
RA	CSLT	City of South Lake Tahoe			38	
RA	Douglas County	Douglas County			17	
RA	El Dorado County	El Dorado County			92	
RA	Placer County	Placer County			57	
RA	Washoe County	Washoe County			44	
RA	TRPA	TRPA Pool			12	
Total RA					260	

TAU	CSLT	Stateline/Ski Run Community Plan	0	25		25
TAU	CSLT	Bijou/Al Tahoe Community Plan, South Y CP, South Y Industrial Tract CP		0		0
TAU	Douglas County	Round Hill Community Plan	25	0		0
TAU	Douglas County	Kingsbury Community Plan		0		0
TAU	Douglas County	Stateline Community Plan	0	25		25
TAU	El Dorado County	Meyers Community Plan	0	10		10
TAU	Placer County	Tahoe City Community Plan	0	25		25
TAU	Placer County	Carnelian Bay CP, Tahoe Vista CP, Kings Beach CP, Kings Beach Industrial CP		0		0
TAU	Washoe County	North Stateline CP	31	14		14
TAU	Washoe County	Incline Village Commercial CP, Incline Village Tourist CP, Ponderosa Ranch CP		0		0
TAU	TRPA	Unassigned to Community Plans	5	40		40
TAU	TRPA	TRPA TAU Pool	118	82	0	82
Total TAU						221

CFA	CSLT	Bijou/Al Tahoe Community Plan (CP)		8,244		8,244
CFA	CSLT	CSLT- Completed Environmental Improvement Project in CP		7,353		7,353
CFA	CSLT	CSLT- Community Plan recharge, additions added in 2001		5,873		5,873
CFA	CSLT	CSLT-Tahoe Valley Community Plan		0		0
CFA	CSLT	CSLT- Area outside of Community Plans		0		
CFA	CSLT	CSLT- 2007 Environmental Improvement Project second round		8,000		8,000
CFA	CSLT	Stateline/Ski Run Community Plan		8,662		8,662
CFA	CSLT	South Y Industrial Tract Community Plan		1,007		1,007
CFA	Douglas County	Douglas non-community plan & Round Hill CP		0		0
CFA	Douglas County	Kingsbury Community Plan		1,250		1,250
CFA	Douglas County	Stateline Community Plan		35,000		35,000
CFA	El Dorado County	El Dorado non-community plan		0		0
CFA	El Dorado County	Meyers Community Plan		33,650		33,650
CFA	Placer County	Kings Beach Industrial Community Plan		3,456		3,456
CFA	Placer County	Kings Beach Community Plan		20,816		20,816
CFA	Placer County	North Stateline Community Plan (032)		4,500		4,500
CFA	Placer County	Placer non-community plan		21,888		21,888
CFA	Placer County	Carnelian Bay Community Plan		1,250		1,250
CFA	Placer County	Tahoe City Community Plan		20,699		20,699
CFA	Placer County	Tahoe Vista Community Plan		0		0
CFA	Washoe County	Incline Village Commercial CP, Incline Village Tourist CP		0		0
CFA	Washoe County	Ponderosa Ranch Community Plan & North Stateline CP		0		0
CFA	Washoe County	Washoe non-community plan		2,000		2,000
CFA	TRPA	TRPA pool for transfer match from sensitive lands (Note: 2012 release unavailable until remaining CFA from the 1987 plan used)	85,537	160,347	200,000	360,347
Total CFA						543,995

Recent Transfers of Land Development Commodities

When existing development or development rights are removed, the associated development commodities can be banked or retired from future development. The categories of commodities are:

- Existing commodities are currently developed and actively used commodities.
- Banked commodities include commodities not actively used on the ground that could be transferred to a suitable development site (such as an old hotel that is no longer in operation).
- Transferred commodities are commodities that are removed or retired from one site and transferred to another development site that is deemed suitable for this type of development in the applicable Area Plan, Community Plan, or Plan Area Statement. Chapter 51 of the TRPA Code sets for the criteria for transfers of development.

Table 3, below, shows the average annual transfer of development commodities from 2008 to 2012. These figures were estimated as part of the process of preparing Regional Plan performance measures. Table 4 shows the latest annual accounting of commodity transfers and conversions.

Table 3: Average Annual Development Transfers 2008-2012

Land Use Type	Transfers from SEZ to Town Centers	Transfers from other Environmentally Sensitive Lands to Town Centers	Transfers from Remote Areas ¹ to Town Centers
Residential Units	0	0	0
CFA (sf)	49 ²	0	49 ²
Tourist Accommodation Units	0	0	0
Residential Development Rights	0	0	0
<p>1. Land outside the ¼ Mile Buffer from Town Centers is referred to as “Remote”.</p> <p>2. CFA transfer for 247 sq. ft. in 2008. This transfer was from a parcel that is both SEZ and Remote, and is therefore included in both columns.</p>			

Table 4: Commodity Transfers and Conversions, 2013

Type	Sending Jurisdiction	LC Sending Area	Commodity	Amount	LC Receiving Area	Date	Conversion Notes
Transfer	CSLT	1b coverage, site is IPES 671	Hard coverage	598	IPES 486	1/30/2013	
Transfer	CSLT	7	RUU	1	IPES 973	11/1/2013	Conversion of 1 TAU to 1 RUU
Transfer	CSLT	5, 1b	TAU	34	7	10/22/2013	
Transfer	CSLT	3	Potential coverage	1194	IPES 635	3/5/2014	
Transfer	CSLT	5	TAU	27	7	10/22/2013	
Transfer	CSLT	7	TAU	50	7	10/22/2013	
Transfer	CSLT	1b	TAU	63	7	10/23/2013	
Transfer	CSLT	5	TAU	20	7	10/22/2013	
Transfer	CSLT	7	RUU	1	IPES 865	6/3/2013	Conversion of 1 TAU to 1 RUU
Transfer	CSLT	3	Potential coverage	2180	IPES 696	4/30/2013	
Transfer	Douglas County	1b	Hard coverage	1591	IPES 696	2/21/2014	
Transfer	Douglas County	6	Potential coverage	281	IPES 821	12/20/2013	
Transfer	Douglas County	6	Potential coverage	269	6 (also 4, 1b)	2/25/2014	
Transfer	Douglas County	1b	RUU	1	IPES 731	7/26/2013	
Transfer	Douglas County	6	Potential coverage	880	IPES 731	7/26/2013	
Transfer	Douglas County	6	Potential coverage	880	IPES 773	7/26/2013	
Transfer	Douglas County	6	Potential coverage	880	IPES 731	7/26/2013	
Transfer	Douglas County	6	Potential coverage	880	IPES 731	7/26/2013	
Transfer	Douglas County	1b, 2,4,6	RUU	1	IPES 975	3/29/2013	
Conversion	El Dorado County		TAU	27	N/A	8/8/2013	Converted to 8958 CFA
Transfer	Placer County	5	Development right	6	5	10/11/2013	

Explanation of Data and Methodologies Used

Table 1 was developed after the Regional Plan was updated to support the performance measures process. It is a compilation of select figures from Tables 5-7 which are explained below.

Table 2 provides an estimate of the remaining residential bonus units, tourist accommodation units, and commercial floor area in different areas. The Commodities Tracking System, initiated in 2013, will provide an ongoing detailed accounting of these commodities going forward. Pre-2013 figures (i.e., pre-Commodity Tracking System) were largely determined through use of GIS and permitting information described in more detail below.

Table 3 provides the Average Annual Development Transfers from 2008 to 2012. It also was developed to support the Regional Plan performance measures process. The method used to generate these figures was also used to generate the figures in Table 4 as discussed below.

Table 4 shows the latest accounting of commodities transfers and conversions. In 2013, TRPA established a Commodities Tracking System that tracks Residential Units, Tourist Accommodation Units, Commercial Floor Area and Land Coverage transfers through the TRPA Permit Tracking system. Those data were used in creating Table 4. Both Tables 3 and 4 include unit transfer information obtained by querying records from the TRPA Permit Tracking System (Accela), conducting physical file research, and based on locational information derived from GIS analysis (i.e., analysis to determine whether the site is located in a Town Center, SEZ area, or on other environmentally sensitive lands). Accela data from all transfer applications submitted for each of the study years were used (i.e., commodity transfers were quantified for each year between 2002 and 2013 on a parcel basis). The list was sorted to show only transfers that were applications to TRPA that had been finalized (i.e., withdrawn applications were excluded). All remaining records were used to determine the quantity of coverage or units being transferred, the sending and receiving parcels for each transfer, and the land capability or IPES score of the sending parcels to determine which transfers were from SEZ or sensitive parcels. For the unit transfers, the TRPA GIS was used to determine which of the receiving parcels were in Centers, and of those, which had sending parcels that were “remote”(i.e., land outside the ¼ mile buffer from Town Centers).

Tables 5-7 are estimates of existing and banked commodities that were originally calculated for the 2012 Regional Plan Environmental Impact Statement. The calculations for the number of existing residential units, TAUs, and CFA were derived based on Geographic Information System (GIS) data. The GIS data used for these estimates were the 2010 Assessor Parcel GIS Dataset (*El Dorado County, Washoe County, Douglas County, Placer County, Carson City Property Assessors*), the 2010 LiDAR (Light Detection and Ranging remotely sensed data) GIS Dataset (*Spatial Informatics Group, LLC*), and the TRPA Town Centers GIS data layer. To obtain the TAUs and residential units, the ‘units’ field provided in the Assessor parcel dataset was summed for residential and tourist uses classified in the Assessor parcel data. To calculate the CFA, the areas with building footprints were selected from the 2010 LiDAR impervious surface data layer and then a smaller sub-section was extracted to include only the overlying “commercial” parcels, as recognized in the Assessor parcel data. The building areas in “commercial” parcels were calculated using GIS spatial measurement tools to get a best estimate of CFA.

Table 5: Residential Units Accounting

	ESTIMATED EXISTING RESIDENTIAL UNITS AND DEVELOPMENT RIGHTS			ESTIMATED EXISTING RESIDENTIAL UNITS BY LAND CAPABILITY DISTRICTS			UNUSED RESIDENTIAL BONUS UNITS	RESIDENTIAL ALLOCATION (2013/14)
Jurisdiction / Agency	Estimated Total Existing Residential Units ¹	Banked Residential Development Rights ²	Banked Existing Residential Units of Use ³	SEZs (1b)	Other Sensitive Lands (1a, 1c, 2)	Non-Sens. Lands (4,5)	Residential Bonus Units Remaining from 1987 Plan ⁴	Residential Allocations Assigned to Local Jurisdictions ⁵
City of South Lake Tahoe	15,499	0	27	5,234	353	9,912	0	38
Douglas	4,343	0	0	516	2,503	1,324	0	17
El Dorado	8,593	0	0	1,441	1,999	5,153	0	92
Placer	11,170	3	0	1,221	1,721	8,228	0	57
Washoe	7,356	0	0	411	2,000	4,945	0	44
Carson City	1	0	0	0	1	0	0	NA
TRPA Pool	NA	0	0	NA	NA	NA	874	12
California Tahoe Conservancy	NA	275	59	NA	NA	NA	NA	NA
Nevada Division of State Lands	NA	2	0	NA	NA	NA	NA	NA
TOTALS ⁶	46,962	278	86	8,823	8,577	29,562	874	260
<p>1. Estimated existing residential units derived from 2010 US Census Enumeration and County Assessor parcel databases.</p> <p>2. Data provided by Placer County staff, 6/26/2012; CTC Annual Authorization of Land Bank Activities and Allocations of Coverage and other Marketable Rights, June 20, 2012 Staff Summary; Data provided by Elyse Randles, Nevada Tahoe Resource Team, Nevada Division of State Lands, 6/5/2012.</p> <p>3. CSLT, Property Tracking for TRPA TAU Requirement Fulfillment List 2/27/2009; CTC Annual Authorization of Land Bank Activities and Allocations of Coverage and other Marketable Rights, June 20, 2012 Staff Summary. Twenty-five (24) of the sixty (59) Existing Residential Units of Use held by the CTC are also available for use as TAUs.</p> <p>4. 245 bonus units from the TRPA Pool of 525 reserved for Community Enhancement Projects not built. Of the 874 bonus units, 349 have been assigned to various CPs.</p> <p>5. These data were updated to include new allocation distribution numbers released for 2013 and 2014.</p> <p>6. The estimated total of existing residential units is 430 units less than previously reported in the DEIS (47,392). The 430 units are located off of Kingsbury Grade outside TRPA's jurisdictional boundary but are considered part of the Tahoe Region for census enumeration purposes. The units have been removed from the accounting for Douglas County and the overall estimated total.</p>								

Table 6: Tourist Accommodation Units (TAU) Accounting

Jurisdiction/ Agency	ESTIMATED EXISTING TAUs		ESTIMATED EXISTING TAUs BY LAND CAPABILITY DISTRICTS			ESTIMATED TAUs BY LAND USE DISTRICT			UNUSED TAUs
	Total Existing TAUs ¹	Banked TAUs ²	SEZs (1b)	Other Sensitive Lands (1a, 1c, 2 & 3)	Non- Sensitive Lands (4, 5, 6 & 7)	TAUs Located in Community Plans, Town Centers or Regional Center	TAUs Located in High Density Tourist District	TAUs Located Outside	TAUs Remaining from 1987 Plan ³
City of South Lake Tahoe	7,026	18	1,822	188	5,016	6,028	0	998	0
Douglas County	2,651	0	988	638	2,013	341	2,262	48	0
El Dorado County	113	0	0	93	20	0	0	113	0
Placer County	1,340	6	400	50	890	969	0	371	0
Washoe County	817	0	0	38	779	817	0	0	0
TRPA Pool	NA	0	NA	NA	NA	NA	NA	NA	342
California Tahoe Conservancy	NA	24	NA	NA	NA	NA	NA	NA	NA
Nevada Division of State Lands	NA	0	NA	NA	NA	NA	NA	NA	NA
TOTALS	11,947	48	3,210	1,007	8,718	8,155	2,262	1,530	342
<p>1. Estimated TAUs based on a GIS query of county assessor data for parcels coded as tourist use.</p> <p>2. Banked units remaining from the former redevelopment agencies of Placer County and the City of South Lake Tahoe. The CTC has 24 banked ERUs that may be used as TAUs. See CTC Annual Authorization of Land Bank Activities and Allocations of Coverage and other Marketable Rights, June 20, 2012 Staff Summary.</p> <p>3. 90 bonus units from the TRPA Pool of 342 have been reserved for Community Enhancement Projects that have not been built. Of the 342 TAUs, 130 have been assigned to various community plans.</p>									

Table 7: Commercial Floor Area (CFA) Accounting

Jurisdiction/ Agency	ESTIMATED EXISTING CFA		ESTIMATED EXISTING CFA BY LAND CAPABILITY DISTRICTS			ESTIMATED CFA BY LAND USE DISTRICT		UNUSED CFA
	Total Existing CFA ¹	Banked CFA ²	SEZs (1b)	Sensitive Lands (1a, 1c, 2 & 3)	Non- Sensitive Lands (4, 5, 6, 7)	Located in Community Plans, Town Centers or Regional Center	Located Outside	Remaining from 1987 Plan ³
CSLT	2,858,989	0	1,228,452	19,110	1,611,427	2,122,597	736,392	52,986
Douglas	703,777	0	12,588	548,501	142,688	609,702	94,075	36,250
El Dorado	325,766	0	89,406	69,868	166,492	198,670	127,096	36,150
Placer	1,306,564	4,566	477,560	21,022	807,982	930,073	376,491	72,609
Washoe	1,208,797	0	9,855	146,281	1,052,661	1,167,138	41,659	2,000
TRPA Pool	NA	0	NA	NA	NA	NA	NA	183,584
California Tahoe Conservancy	NA	19,676	NA	NA	NA	NA	NA	NA
Nevada Division of State Lands	NA	0	NA	NA	NA	NA	NA	NA
TOTALS	6,403,893	24,242	1,817,861	804,782	3,781,250	5,028,180	1,375,713	383,579
<p>1. Estimated CFA based on a GIS query of TRPA's LIDAR Data and county assessor's data for parcels coded as commercial. Does not include CFA associated with TA Uses.</p> <p>2. Data provided by Placer County staff; CTC Annual Authorization of Land Bank Activities and Allocations of Coverage and other Marketable Rights, June 20, 2012 Staff Summary.</p> <p>3. 158,816 sq. ft. of CFA from the TRPA Pool of 183,584 have been reserved for Community Enhancement Projects that have not been built. Up to an additional 200,000 sq. ft. of CFA may be allocated once the 383,579 sq. ft. of unused CFA is used.</p>								

Appendix 4:

Tahoe Prosperity Center's Regional Land Development Commodities Action Plan.

Regional Land Development Commodities Action Plan

May 27, 2014



TAHOE PROSPERITY CENTER

Prepared with Assistance from the Tahoe Regional Planning Agency and AECOM

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Executive Summary

The Board of the Tahoe Prosperity Center (TPC) decided to convene a group of public and private stakeholders in the Lake Tahoe Region to address real and perceived issues associated with land development commodities and transfers as defined in the Tahoe Regional Plan and Code of Ordinances. The Tahoe Regional Planning Agency (TRPA) and AECOM consultants, who have been preparing an economic development incentive strategy for the Region as part of a grant funded project, provided assistance to the stakeholder committee.

The stakeholder committee created this action plan over a four month period through the following process:

- January, 2014 – The committee received presentations on the regional land development commodities system and on redevelopment barriers created by the current system, and approved the four month process.
- February, 2014 – The committee identified problems and received a report with summarized commodities data.
- April, 2014 – To address the problem statements from the previous meeting, the committee selected and discussed potential solutions and identified initial actions.
- May, 2014 – The committee reviewed then approved this action plan and agreed to reconvene on an ad hoc basis to review progress towards implementing the action plan.

Another meeting to examine progress on the action items will be scheduled by TPC in January, 2015.

The five topics covered by the approved action plan follow.

1. Commodity Tracking and Exchange System Enhancements – Adding functionality and various improvements to the system and website that was recently introduced by TRPA.
2. Commodities Bank – A single entity where any party can buy and sell any of the commodities. It is anticipated that the California Tahoe Conservancy and Nevada Division of State Lands will play a major role in this entity if it is created.
3. TRPA Code Amendments – A series of amendments to the TRPA Code of Ordinances to make the commodity transfer and conversion processes more efficient and attractive to parties interested in buying and selling commodities in order to achieve environmental improvement.
4. Education and Information Program – Materials and public outreach to make the sources of commodities and associated processes for transfer and conversion better understood by potential users.
5. Local Government Working Group – A working group including local governments, land banks, and TRPA. This group would identify jurisdictional targets for commodities.

The overview, key discussion points, desired outcomes, action items including the responsible party (or parties) and estimated timeframe, and longer term action items for each of these five comprise the remainder of this report.

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1. Commodity Tracking and Exchange System Enhancements

Overview: The newly launched commodity tracking and exchange system, referred to in this document as the TDR Marketplace, provides commodity information, price and tools for a variety of users including buyers and sellers. The system is integrated with the TRPA permit tracking software and has a website that offers map tools and allows users to advertise the commodities that are for sale or those that are desired for purchase. The website is:

[http://www.trpa.org/permitting/transfer-development-rights/tdr-marketplace/.](http://www.trpa.org/permitting/transfer-development-rights/tdr-marketplace/)

This action item is focused on enhancing the system for users.

Key Discussion Points:

- The TDR Marketplace should be able to distinguish between certified/verified commodities and those that have not been so certified/verified (example is adding information on whether the land capability has been verified or whether the commodities have been acknowledged by TRPA). Adding the verification information for sellers would increase confidence for buyers. The TDR Marketplace already offers users the ability to input information regarding the date of verification, the amount of existing verified coverage, and regarding associated permits.
- Add information on the amount of reserved commodities to the TDR Marketplace (reserved commodities can expire if the development is not built within a certain time frame). More transparency on baseline and existing conditions would support the marketplace. Adding distinctions between commodities that are available, tagged for redevelopment (reserved), etc. would help distinguish between what is on paper versus what is truly available.
- Improve governance since this is important for ensuring credibility and for encouraging participation.
- Provide information on commodity pools at the sub-jurisdictional/neighborhood level to make it easier to understand constraints.
- Consider adding information on the current stage of the transfer of commodities which is important since transfers are contingent on other actions (e.g., completion of a project) and sometimes revert back to the original owner.
- TRPA has applied for a California Strategic Growth Council (SGC) Round 3 grant that could partially fund enhancements to this system.
- It might be useful to explore the option of adding qualifications on who can be a buyer or seller. Although the website is more of an information sharing resource rather than a regulated bank.

Desired Outcomes: Enhance the TDR Marketplace to improve transparency and accuracy regarding commodity availability, increase the TDR Marketplace credibility, increase knowledge

about the supply of commodities, increase usage of this resource, and improve accessibility to needed information.

Action Items:

- 1.1 Reconvene the group of users involved in designing the commodity tracking system (a.k.a., working group) and other interested persons to identify specific areas of improvement to make this resource more user-friendly and informative. Discuss ways that TRPA or another entity could release aggregated, anonymous information on the average price of commodity sales. Identify stakeholders and targeted respondents (such as realtors) for a survey (see task 1.2).

Responsible Parties: TRPA in partnership with working group.

Timeframe: Complete within 90 days (3 months) after funding from the SGC Round 3 grant or other additional funding source is obtained and associated contracts are finalized.

- 1.2 Assess how to get higher website usage through promotional and educational efforts and website enhancements. Survey website users and identified respondents to find out key website improvements and inform the assessment.

Responsible Parties: TRPA in partnership with website consultant.

Timeframe: Begin after completion of Task 1.1. Complete assessment within 90 days (3 months) after funding and the associated contracts are secured.

- 1.3 Add enhancements that would increase confidence with listing through the TDR Marketplace. Provide the option for users to indicate whether commodities have been certified or verified. Implement website enhancements.

Responsible Parties: TRPA in partnership with consultants.

Timeframe: 180 days (6 months) after an assessment described in 1.2 is completed.

- 1.4 Better quantify the market inventory by adding TDR Marketplace reporting enhancement for local jurisdictions to indicate which commodities are reserved. Explore the possibility of providing an enhancement that reminds local jurisdictions when reserved commodities will be expiring.

Responsible Parties: TRPA, local jurisdictions, consultants.

Timeframe: 270 days (9 months) after an assessment (task 1.2) is completed.

- 1.5 Provide information through TDR Marketplace on commodity pools at the sub-jurisdictional/neighborhood level to make it easier to understand the constraints.

Responsible Parties: TRPA and local jurisdictions.

Timeframe: 270 days (9 months) after an assessment (task 1.2) is completed.

Longer Term Action Items:

- Create verification process and cost structure for sellers and buyers and add this to the TDR Marketplace.
- Based on working group direction, develop TDR Marketplace tools to generate reports, provide education on commodities and the TDR Marketplace, and survey users.

2. Commodities Bank

Overview: Utilize existing land banks (California Tahoe Conservancy and Nevada Division of State Lands) to expand commodities banking (purchase, transfer, and/or retire commodities in targeted locations) and facilitate market transactions.

Key Discussion Points:

- Stakeholders are positive about this, and suggest that land banks are candidates to take this on given that they are already involved in the market.
- Land banks are already doing this for some commodities (e.g., Coverage), but not others (such as TAUs), and other stakeholders request that they take on a more strategic role across all commodities as a “market maker” that provides liquidity because the current rate of transactions is low.
- Stakeholders suggest that land banks may be able to generate a revenue stream for these new activities by charging for listings, as is common in exchanges for other markets (and also supports the listing of credible commodities), or by partnering with local governments.
- Land banks state that they should establish goals to buy a certain number of commodities, but note that by publicizing that they have a demand for certain commodities, they may be increasing the price of the commodities they would like to purchase.
- Land banks question whether this task is necessary. The land banks plan on meeting with different jurisdictions to find out their targets and they intend to explore ways to help them meet these targets. They will need to review the MOU with TRPA to analyze restrictions on the use of revenue and address legal issues on the pricing of commodities for sale (See Task 5.1). Establishing a governance structure might conflict with the mission of the land banks. However, improving transparency and comprehension of the incentive program could promote economic opportunity. Directing assets strategically to help meet regional plan goals might be a better avenue than releasing assets on a first-come, first-serve basis.
- TRPA has applied for a California Strategic Growth Council Round 3 grant to fund the implementation of this action plan; it could partially fund the analyses necessary for establishment of this commodities bank.

Desired Outcome: Enhance existing land bank functions or establish a new commodities bank to take a more strategic role in the economic condition of the commodities market, in education of the market, and in market transactions for all commodities.

Longer Term Action Items:

- Identify the advantages/disadvantages of a creating a commodities bank to achieve the goals for commodity banking activity by region/jurisdiction, funding source options and availability of funds, governance structure, and the role of this bank vis-à-vis the existing land banks. Decide whether to further pursue establishment of a commodities bank including funding sources, governance structure, etc. The responsible parties would be the TPC in partnership with a working group and land banks.

- If the commodities bank is established, obtain funding source (e.g., government or non-government organization funds, private philanthropic investor, or other source) to purchase commodities and provide a more predictable process and prices for redevelopers.

3. TRPA Code Amendments

Overview: Evaluate commodity conversion options and other policy avenues for meeting the TRPA Regional Plan goals. If deemed necessary, provide code amendment recommendations.

Key Discussion Points:

- One stakeholder stated that the current code does not require the holding of commodities for permitting. Stakeholders would like to have this point documented and clarified that the current code does not require commodities to be held for early permitting processes.
- Stakeholders like the concept that there could be convertibility and transfer of all commodities based on a formula that would result in neutral environmental impacts from conversion.
- Stakeholders would like TRPA to continue to simplify, as well as streamline, the code.
- TRPA has applied for a California Strategic Growth Council Round 3 grant to fund the implementation of this action plan that could partially fund a consultant to assist with these Code amendments.
- It would be more effective to holistically analyze a suite of policy options that could help meet Tahoe Regional Plan goals prior to completing environmental documentation on a single amendment. Perhaps more time should pass before amending the newly adopted Regional Plan code. Though it will be important to assess how well the transfers and commodity exchanges are working to meet the Regional Plan goals such as with achieving environmental gains and environmental redevelopment.
- The CFA conversion to TAU is one of the few conversion options missing in the TRPA Code (Note: These conversions are only allowed under certain circumstances and the other conversion that is missing is from CFA to residential). Analysis should be conducted on the environmental impact (both positive and negative) for allowing additional conversions. Because there are only 82 tourist bonus units available for the incentive program (See March 27, 2014 Commodities Data Summary), when these are used there will not be bonus units in the pool to continue offering this incentive. This may be the most important reason that the amendments should allow conversions between commodities in the TRPA pool for SEZ and other sensitive land restoration.

Desired Outcomes: Amend the TRPA Code to add flexibility regarding the conversion of commodities that will increase environmental gain and meet Regional Plan goals. Where practical and without reducing development standards, defer initial high-cost permitting requirements to the later or final stages of permitting (e.g., conditions of approval).

Action Items:

- 3.1 Provide information on policy options and bonus unit availability, assess how well the commodity incentives are or can meet Regional Plan goals, and identify the Code amendments most likely to improve the attainment of the Regional Plan goals and Thresholds. Propose TRPA Code amendment options such as allowing commodity

conversions to include CFA to TAU and CFA to residential, and a system for allowing multi-functional commodity usage (e.g., seasonal residential rentals and tourist rentals at different times of the year in the same unit). This process would include an evaluation of commodity conversion feasibility, environmental review, and the review of options and ratios prior to proposing the actual code amendment.

Responsible Parties: TRPA in partnership with development code consultant.

Timeframe: Complete within 360 days (one year) of funding.

- 3.2 Through changes in administrative policies and procedures where practical, adjust when high-cost items are required to a later point in the permitting process for development and redevelopment projects, and/or document when costly items are required. Evaluate this on an on-going basis.

Responsible Party: TRPA.

Timeframe: Ongoing. Task 4.2 might inform these changes. Complete change to policy and procedures manual within 360 days (one year).

Longer Term Action Items:

- Examine the barriers (such as costs) related to using bonus units and examine the rate of use of these incentives.
- Complete a comprehensive review and simplification of the TRPA Code.
- Continue to clarify the rules for commodity transfers as the Code, policies and procedures, and other factors change.

4. Education and Information Program

Overview: Perform targeted outreach, such as the release of key educational information to support regional plan goals, and workshops. For example, create a flow chart related to permitting requirements, other requirements, and the development approval processes. Consider expanding this to include fees and jurisdiction-specific details.

Key Discussion Points:

- Stakeholders would like a resource that documents the costs of fees connected to the process flow chart. Additional sub-flow charts were also suggested for:
 - individual jurisdictions and
 - coverage costs (such as the costs associated with the verification of coverage and coverage mitigation fees).
- Rather than one ombudsperson for complex projects, TRPA is striving to have all staff trained to be responsive to projects.
- To improve the understanding on the limited amount of development-related commodities, some participants felt that communication needs to occur on the growth management system in the Tahoe Region.
- General public, the environmental community, and business owners should also be targeted for education. Education of the general public may result in more pressure on jurisdictions to allow transfers that are financially beneficial to their residents. More public processes would also serve to educate these groups.
- There is concern that not enough commodities exist at the regional level to make transfers between jurisdictions attractive to all jurisdictions. It was suggested that there be outreach to jurisdictions to develop an overall strategy that gets all jurisdictions on board.
- Provide education on the coverage mitigation fees and land coverage.
- Improve the accuracy of numbers provided in TRPA reports (particularly the existing commodities accounting) and add information on reserved commodities (for a specific development). Please note that hotel rooms associated with casinos are not always considered TAUs (i.e., not available for transfers per the TRPA Compact).
- There was a discussion of ecosystem pricing for commodities to quantify the benefits of retiring TAUs and other commodities and provide an incentive to redevelopment. Such an analysis would examine the energy efficiency, VMT, GHG, and other co-benefits. There is interest in examining this at a regional level because that is the level at which the results become significant.

Desired Outcomes: Develop Frequently Asked Questions and other key outreach materials and/or events to better inform stakeholders and Tahoe citizens.

Action Items:

4.1 Assess what information is needed by current or potential users and then target message appropriately by producing and distributing factsheets or policy briefs for the City, Counties, Chambers of Commerce, stakeholders, and construction groups. Provide these materials on the TRPA website.

Responsible Party: TRPA in partnership with commodities working group.

Timeframe: Complete within 180 days (6 months) after funding and the associated contracts are secured.

4.2 Assess and prioritize what permitting process information is needed and develop process flow chart for TRPA permitting. Add local government charts as they become available.

Responsible Party: TRPA in partnership with commodities working group and local jurisdictions.

Timeframe: Complete within 360 days (one year).

Longer Term Action Items:

- Perform ongoing outreach on key topics recognized as needing clarity. Work with Chambers of Commerce, and City and County staff to hold educational forums on specific topics related to development.
- Develop jurisdiction-specific flow charts including the permitting and development approval process and permitting fee structure.
- Improve the accuracy of existing commodity estimates with the integration of more accurate datasets. Process, standardize, add value, and verify these data to provide a more accurate estimate of existing CFA, TAUs, and existing Residential Units. To address information barriers, educate buyers and sellers on the state of the market. Consider summarizing commodity transfers and conversion transactions over the past decade in the Tahoe Region to better inform users.
- Participate in the newly initiated TRPA technical working group referred to as the "Coverage Transfers across HRAs" working group that is addressing key coverage issues such as excess mitigation fees. Possibly carry forward key recommendations offered by this working group. Provide material that offers a clear overview of coverage policies and development requirements.
- Educate the market on activities and capabilities of the commodities bank.

5. Local Government Working Group

Overview: Establish a local government working group comprised of technical staff to develop commodity targets for each local jurisdiction.

Key Discussion Points:

- Working group needs a specific charge. Suggest that this group take on the jurisdiction-level target-setting process to ensure that early outcomes are substantive.
- Working group also needs a deadline to present targets and an implementation plan, which will be taken to an organization like TPC for implementation. TRPA and land banks also should be involved in this process at some stage.
- The land banks plan on meeting with different jurisdictions to find out their targets and will help them meet these targets. In the past, the Community Enhancement Program in the old TRPA Regional Plan consumed all the commodities for larger projects. The new TRPA Plan adopted in 2012 does not use this same system for distributing commodities.
- Placer County is completing a report that analyzes commodity targets. Integrating this information into Task 5.1 (below) would be more appropriate than independent, uncoordinated efforts.

Desired Outcomes: Establish a local government working group to identify commodity targets and ways to achieve those targets.

Action Items:

- 5.1 Convene government staff to identify non-regulatory targets on CFA, TAU, and other commodities (i.e., targets for sending and receiving different commodities). Identify the type and location of commodities and development resources (i.e., inventory these commodities), and set goals for commodity banking activity by region/jurisdiction.
Responsible Parties: TRPA, CTC, NDSL, local jurisdictions and consultant.
Timeframe: Coordinate with the Placer County project schedule and complete for remaining jurisdictions no later than 180 days (6 months) after funding and the associated contracts are secured and the Placer County report is completed.
- 5.2 Provide education to local government working group on the TDR Marketplace.
Responsible Parties: See Action Item 4.1 (Assess what information is needed by current or potential users and then target message appropriately by producing and distributing factsheets or policy briefs for the City, Counties, Chambers of Commerce, stakeholders, and construction groups. Provide these materials on the TRPA website.)
Timeframe: See Action Item 4.1
- 5.3 Develop strategy to achieve targets and monitor the progress over time.
Responsible Parties: Local Government Working Group plus stakeholders.
Timeframe: Complete within 180 days (6 months) of completion of Action Plan Item 5.1.

Appendix 5:

Tahoe Region Economic Development Strategy

Task 1 Memorandum

Tahoe Region Economic Development Strategy

Task 1: Identify Target Industries & Barriers to Success

April 2014

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Target Industries and Barriers to Success

OVERVIEW

This memorandum focuses on the identification and examination of target industries in the Tahoe Basin. Three industry clusters were identified in the 2011 Lake Tahoe Basin Prosperity Plan; AECOM attempted to update key employment and business data for each cluster using Census data, interviews and desk research. In total, cluster employment accounted for seventy percent of the basin's employment, with the Visitor Services and Tourism Cluster making up the largest share of cluster employment. Although the Green Business and Innovation, Health and Wellness, and Environmental Research and Education Clusters are smaller in size, they represent additional opportunities for economic diversification in the basin. In addition, we identified an additional possible cluster in the field of environmental research and education during research and conversations with TRPA, and provide information on this area in addition to the three identified in the Lake Tahoe Basin Prosperity Plan.

Next, AECOM cataloged regional and local development policies that restrict economic expansion, development, and redevelopment in the Tahoe Basin in order to identify specific regional barriers to economic success through review of existing planning and economic development documents and input from regional stakeholders. Barriers resulted from regulatory requirements at multiple jurisdictional levels. Although these barriers generally increase the costs of doing business in the region and opportunities exist for addressing some barriers, the region can still be competitive as long it produces higher quality products that provide higher returns.

Target industry research is presented first, followed by a discussion of barriers to success.

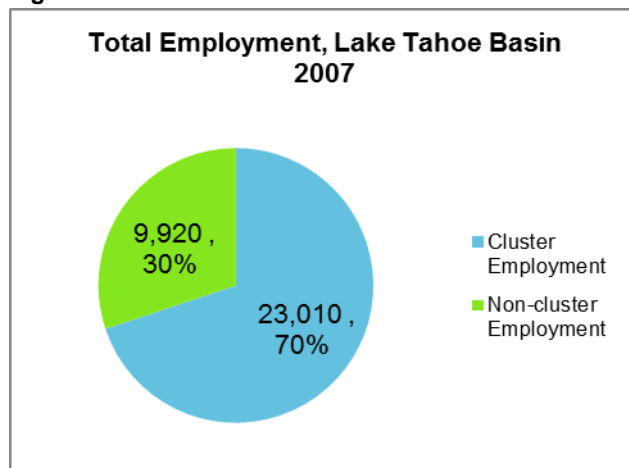
TARGET INDUSTRY ANALYSIS

INTRODUCTION

This section provides an overview of employment, economic clusters, and the component industries in these clusters in the Lake Tahoe Basin identified during a review of existing economic analyses, as well as an overview of one potential cluster identified through our research.

Twenty-eight industries in three economic clusters were identified during a review of existing documents that investigate the presence and importance of different types of economic activity in the Lake Tahoe Basin. The list of reviewed documents can be found in Appendix 1.

Figure 1



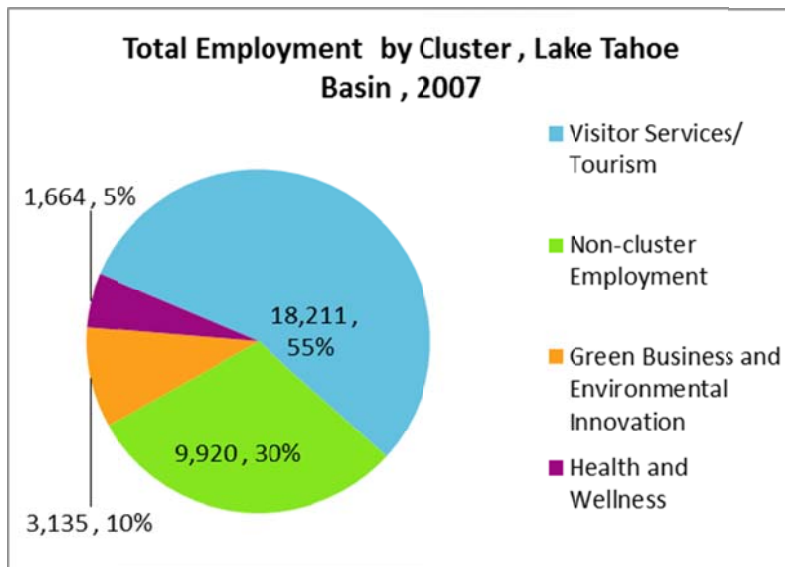
Source: Lake Tahoe Basin Prosperity Plan, 2011.

Economic clusters were most extensively investigated in the *Lake Tahoe Basin Prosperity Plan*, and include: Visitor Services and Tourism, Green Building and Innovation, and Health and Wellness. AECOM researched an additional potential cluster, Environmental Research and Education, through a review of entities active in the industry, data analysis, and interviews with cluster participants.

The *Lake Tahoe Basin Prosperity Plan* established the importance of clusters in the Basin economy; finding that seventy percent of total jobs in the Lake Tahoe Basin were provided by firms in one of the three identified clusters (see Figure 1). Overall employment in the Lake Tahoe Basin in 2007 was estimated at 32,920 jobs. Of this total, 23,010 jobs were identified as occurring within one of three economic clusters, while the remaining 9,920 jobs were not (see Figure 2). Employment estimates in the Basin in 2009 indicate a decrease of 9.1 percent in total jobs from 2007, reflecting the negative effects of the recession. Although more current data

are not available at this time, employment is expected to increase as the overall economy recovers from the recession.

Figure 2



Source: Lake Tahoe Basin Prosperity Plan

VISITOR SERVICES AND TOURISM

The Visitor Services & Tourism cluster contained the most jobs of the three clusters identified in the *Lake Tahoe Basin Prosperity Plan*, with a total of 18,211 reported jobs in 2007. In this cluster, the hospitality industry represented nearly fifty percent of employment, while gaming and recreation industries each represented over twenty percent of cluster-related employment. Taken together, the remaining three industries in the cluster provided just over 1,000 jobs (see Figure 3).

While the methodology used to develop employment estimates in the Lake Tahoe Prosperity Plan was not able to be replicated for this analysis, it is possible to gauge how key industries in

Figure 3



Source: Lake Tahoe Basin Prosperity Plan, 2011.

the cluster have performed between 2007 and 2011 based changes in the number and size of establishments operating in the basin. AECOM examined three key industries, (1) retail trade, (2) arts, entertainment and recreation, and (3) accommodation and food service, which are components of the Visitor Services and Tourism Cluster using data from the U.S. Census Bureau (see Table 1). These three industries are major components of the visitor services and tourism cluster, representing more than fifty percent of cluster-related employment.

Two of the three key industries have experienced a net decrease in the number of business establishments over the 2007-2011 period. In the retail trade industry, the total number of establishments decreased by 59, of which 46 had less than ten employees. Among larger businesses, two establishments with 50 to 99 employees were added while three establishments with 100 to 249 employees were lost. Taken together, the retail trade industry decreased by fifteen percent in terms of number of establishments. In terms of employment, while two establishments opened, the number of persons employed provided by these establishments does not outweigh the losses from the closure of others.

In the arts, entertainment and recreation industry, the total number of establishments decreased by seven, a decline of 9.7 percent, between 2007 and 2011. In this industry, most of the closed establishments employed more than twenty people. Two establishments that employed between 500 and 999 people also closed. Four establishments were opened, each employing 5 to 19 people. The employment provided by the new establishments does not outweigh the job losses from the closure of others within the industry.

In the accommodation and food service industry, four establishments opened between 2007 and 2011. Although some establishments were opened, the closures of three establishments each with more than 250 employees results in a net loss of employment in the field.

Taken together, a net total of 62 establishments closed between 2007 and 2011 in three key industries for the Visitor Services & Tourism cluster. Although some new establishments opened, on net, the number of firms decreased by 7.9 percent, with a corresponding decrease in the number of jobs.

Table 1

Visitor Services and Tourism Cluster Key Industry Establishments and Employment													
	Establishments		Change, 2007- 2011	Change in Establishments by Number of Employees, 2007 – 2011									% Change, 2007- 2011
Industry	2007 Total	2011 Total	Total	1-4	5-9	10- 19	20- 49	50- 99	100- 249	250- 499	500- 999	1000 +	Total
Retail trade	389	330	-59	-30	-16	-8	-4	2	-3	0	0	0	-15.2%
Arts, entertainment, and recreation	72	65	-7	-1	3	1	-7	0	0	-1	-2	0	-9.7%
Accommodation and food services	319	323	4	-2	13	1	-7	0	2	-1	-1	-1	1.3%
<i>Total</i>	780	718	-62	-33	0	-6	-18	2	-1	-2	-3	-1	-7.9%

Source: 2011 County Business Patterns by Zip Code, U.S. Census Bureau.

GREEN BUSINESS & INNOVATION

The Green Business & Innovation cluster provided the second largest number of employment opportunities of the three clusters identified in the *Lake Tahoe Basin Prosperity Plan*, with a total of 3,135 reported jobs in 2007. In this cluster, green building represented nearly two-thirds of employment, with

recycling and waste as well as research and education identified as other significant employers. The cluster size may be overstated, primarily because estimation methods in the *Lake Tahoe Basin Prosperity Plan* analysis classify all activities in the identified component industries as green building and/or green business, based on the rationale that the stringent environmental regulations in the Lake Tahoe Basin require green and environmentally—sensitive design, construction, waste treatment, and remediation methods by default. Total employment in the cluster was estimated at 3,135 in the Lake Tahoe Basin in 2007 (see Figure 3 below).

As in the case of the Visitor Services & Tourism Cluster, AECOM updated information on the performance of the cluster by to examining how the construction industry performed between 2007 and 2011 based on changes in the number and size of establishments operating within the basin. Construction was selected for examination because it is the central component of the green building field and is the largest component of the Green Business & Innovation cluster as defined in the *Lake Tahoe Basin Prosperity Plan* analysis.

From 2007 and 2011, the number of establishments in the construction industry decreased by 144, or 27.2 percent. Establishments employing less than twenty people made up 131 of these losses. In addition, all three of the largest establishments (by number of employees), those employing more than fifty people, closed or downsized, while more than half of the next-largest group, establishments employing twenty to forty-nine employees, closed or downsized as well. Overall, a decrease in the number of establishments, the loss of the largest employers, and the closing of numerous smaller establishments indicate that the largest component of the green building cluster, the construction industry, significantly contracted between 2007 and 2011. This is not surprising given the housing collapse and economic downturn, which severely impacted real estate development and construction across the state and country. Given the share of the green building cluster represented by construction and the complementary nature of the other industries in the cluster, such as green design and green materials, it is likely that the cluster as a whole contracted.

Table 2

Green Building and Innovation Cluster Key Industry Establishment and Employment													
	Establishments		Change, 2007-2011	Change in Establishments by in Number of Employees, 2007-2011									% Change, 2007-2011
Industry	2007 Total	2011 Total	Total	1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000 +	Total
Construction	530	386	-144	-45	-55	-31	-10	-3	0	0	0	0	-27.2%

Source: 2011 County Business Patterns by Zip Code, U.S. Census Bureau.

HEALTH AND WELLNESS

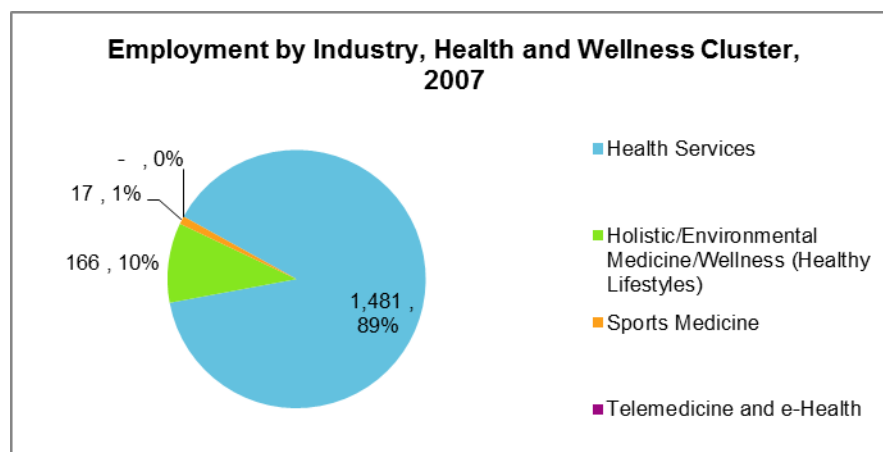
The Health and Wellness cluster provided 1,664 jobs across the Lake Tahoe Basin in 2007 with the majority of these jobs in the health services industry (see Figure 4). In the cluster, nearly ninety percent of employment was in the health services industry, while the remaining three industries in the cluster provided just over ten percent of employment. Due to estimation methods, health services employment may be overstated while employment estimates may be understated for the holistic/environmental medicine/wellness industry. The combined effect of these estimation methods is expected to result in an overstatement of the size of employment in the cluster.

As in the case of the clusters examined above, we sought to update information on the performance of the cluster by to examining how a key industry in the Health and Wellness cluster performed between 2007 and 2011 based changes in the number and size of establishments operating in the basin. As health care is a component of the health services field, which is the largest field in the cluster, the health care and social services industry was selected as the key industry for this cluster. Due to the reporting

method, social services, such as child day care services, are also included with health care. Their inclusion is likely to result in a higher level of activity in the industry than would result from examination of the health care subsector alone since many of the services in the social assistance subsector will be counter-cyclical to the economy. In California and Nevada, this counter-cyclical pattern is seen with a 14.3 percent increase in social services industry¹ occupations between 2007 and 2011.

Overall, the health and social services industry did not change in terms of the number of establishments between 2007 and 2011. Despite some decreases in the number of establishments with low numbers of employees, increases in the number of establishments occurred in the higher employment categories which may indicate smaller firms are growing or that larger establishments are entering from outside of Lake Tahoe. However, due to the likely impact of social services on this industry, it is possible that decreases in the health care subsector are being masked by increases in social services.

Figure 4



Source: Lake Tahoe Basin Prosperity Plan, 2011.

Table 3

Health and Wellness Cluster Key Industry Establishment and Employment													
Industry	Establishments		Change, 2007-2011	Change in Establishments by in Number of Employees, 2007-2011									% Change, 2007-2011
	2007 Total	2011 Total	Total	1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000 +	Total
Health care and social assistance	191	191	0	-11	7	2	3	-2	1	0	0	0	0.0%

Source: 2011 County Business Patterns by Zip Code, U.S. Census Bureau.

¹ Includes the following occupational titles: Social and community service managers, Child, family, and school social workers, Social and human service assistants, and Child care workers. Occupational Employment Statistics 2007 and 2011, Bureau of Labor Statistics.

ENVIRONMENTAL RESEARCH AND EDUCATION

Lake Tahoe's unique environment has attracted interest from research institutions around the country and the world interested both in observation of these qualities as well as methods for their preservation and conservation. As preservation and conservation efforts are pioneered at Lake Tahoe, local residents may gain expertise in implementation that leads to opportunities to apply innovative techniques outside of the Basin. This expertise could contribute to growth in the green business and innovation cluster as businesses are formed based on these innovative techniques, while continued research and education in these fields would contribute to keeping the Basin at the forefront of the field.

To understand how research and education activities influence the economy of Lake Tahoe, and to what degree research activities are serving as catalysts to activity in the broader economy, we first performed an inventory of major entities in this potential cluster to provide a "snapshot" of the potential cluster. The inventory described the activities of major entities, employment and budget where possible, and classified the entities into public, private, and non-profit categories. In addition to this inventory, the level of coordination between entities was also examined to determine whether their activities are integrated or benefit from operating in the same area, as in a cluster, or merely parallel, to one another. Finally, the prospects for continued cluster development are assessed based on prospects for future research and educational activities in the Basin.

To identify organizations active in this area, the participants in the biannual Tahoe Science Conference, the marquee event for research and education institutions working in the region, were examined. Of the organizations that participated in the Tahoe Science Conference, fourteen organizations were identified (see Appendix 3, Inventory of Education and Research Organizations), and then verified during an interview with the Tahoe Center for Environmental Sciences as participants in education and research activities. Of these organizations, four were in the public sector, seven were in the non-profit sector, and three were in the private sector. The public sector organizations' activities in the Basin are focused on environmental research, non-profit organizations carried out research and education, while private organizations primarily provide environmental consulting services.

Although employment information could be gathered from the organizations identified, it is difficult to obtain an accurate estimate of employment directly from this information since some operating in the basin that perform research and education activities elsewhere in the world, such as University of Nevada; some organizations are based elsewhere but conduct research in the basin, such as the University of California at Davis; and many organizations active in the region have close ties to others operating in the region based on complementary areas of study. Due to these complex relationships, it is difficult to estimate the employment provided by organizations in the public and non-profit sectors² in the Lake Tahoe Basin since their activities occur across various geographies and topical areas.

Due to these limitations, an estimate of employment in education and research in the Lake Tahoe Basin from the U.S. Census was used. The U.S. Census estimate totaled 387 people as of 2011, or approximately four percent of the employed population in the basin³. This estimate is likely to underestimate employment in the cluster due to the exclusion of people who work in educational and research-related nonprofit organizations, and people who are employed by institutions outside of the Lake Tahoe Basin but carry out work in the basin. As this estimate includes only those residing in the basin and occupied in these fields, this estimate is a better approximation than an estimate of employment that can currently be obtained from the organizations active in research and education.

² In the private sector, a relatively small number of organizations with less complex operations make this an easier task.

³ Occupations included are education, training and library, and life, physical and social science.

Using the U.S. Census estimate, the size of the employment provided is low compared to employment in the smallest cluster examined above, Health and Wellness. In the Health and Wellness Cluster, employment is more than four times larger than employment provided by research and education. Even with an estimate that understates employment by one hundred percent, education and research employment would remain small in comparison to the clusters examined above and in the overall context of the basin economy. The distribution of employment across sectors in the basin also appears to be tilted away from the private sector given both the low number of private sector organizations and relative small size of these organizations in comparison to the number and scale of public and non-profit organizations. This distribution implies that research activities have not yet translated into large-scale activity in the region's private sector.

In addition to the number and size of organizations undertaking research and education activities, it is important to understand how the organizations operating in this potential cluster are connected because organizations in a cluster will interact with one another and benefit from this interaction. The Tahoe Science Consortium has promoted science to support restoration and preservation in the Lake Tahoe Basin since 2005, and served as a central node of contact between its members. The Tahoe Science Consortium members are the major research and resource management agencies in the region, and include the Desert Research Institute, University of California-Davis, University of Nevada-Reno, U.S. Geological Survey and the USFS Pacific Southwest Research Station.

Along with membership in the consortium, the USFS Pacific Southwest Research Station oversees the Tahoe Science Program, which funds research in the Basin, and structures the goals of the science program with input from the members of the Tahoe Science Consortium. The Tahoe Science Consortium and the science program were funded through the Southern Nevada Public Land Management Act (SNPLMA), which allocated \$300 million to resource restoration and protection as the federal share of the Lake Tahoe Restoration Act's Environmental Improvement Program. Funding through the SNPLMA for these activities was approximately \$3.75 million per year. The existence of the consortium and its coordination of research funding in the basin demonstrates both connections and coordination between major organizations in the potential cluster.

However, the future of the Tahoe Science Consortium is unclear because SNMPLA funding has been exhausted as of the 2012 fiscal year. In the absence of this funding, both the incentives for collaboration and the ability to fund collaborative research are both in question. Although research activities are still likely to be conducted in the basin given its natural qualities, it is not clear that other funding sources will support the presence of multiple major research organizations with their own particular agendas.

The uncertain outlook for multiple research entities' operation in the basin raises critical questions about the viability of further cluster development since these organizations produce basic research that is translated into educational and consulting activities, and their number or level of operations may decrease in the basin. This uncertainty combined with the low level of employment as compared to other clusters indicates that the loss of core participants at an early stage of growth in the potential cluster may disrupt future growth. Finally, although the translation of scientific research to applied techniques and educational curricula may continue to develop based on previous research; these activities would eventually slow as well as the body of knowledge that informs them fails to provide further insights to be translated.

BARRIERS TO SUCCESS

Through actions to protect the environment under its jurisdiction, the TRPA has developed and administered a complex set of regulations that have halted key measures environmental degradation, such as lake clarity. However, there is now widespread recognition that environmental improvement and economic activity are closely linked in this area, as expanding Tahoe's new focus on a higher quality tourism product both requires and supports continued environmental improvement.

However, the complex regulatory structure that has been developed by the TRPA and as a result of its relationships to the states, counties and cities that are in its jurisdiction has created some barriers to economic

activity and economic development. Although these policies have been designed to support environmental goals, and not as barriers to economic activity, policies and practices at the TRPA and at local levels increase costs or risk to expansion, development, and redevelopment in the planning area. The barriers discussed below are divided into practices and policies, and were identified through a review of documents relating planning and economic development in the region as well as input from regional stakeholders, and are detailed in Appendix 2. In addition to identification of barriers, we propose strategies that may reduce costs and risks where possible.

Barriers should be addressed as expediently as possible because the current array of barriers will continue to impede both environmental improvement and economic activity if left in their current state. Not all costs and risks can be fully erased, though, which means that it may always be more costly or risky to do business in Lake Tahoe due to environmental safeguards supported by the community. But as long as Lake Tahoe reduces the barriers to economic activity, provides a premium tourism product based on its environmental endowments, and develops other high-value clusters, it should be able to justify higher costs of doing business than in other jurisdictions based on higher returns.

PRACTICES

- Administrative Complexity

Complexity in development-related regulations acts as a barrier to development-related economic activities in the region as interpretation of the regulations requires the development of expertise in TRPA policies, hiring of an outside consultant, or both. Because TRPA regulations are in addition to standard development requirements, the landscape of regulation is quite dense and many outside the region have no familiarity with these regulations since they are unusual in comparison to most other areas in California and Nevada. One study found that two chapters totaling sixty-eight pages of the TRPA Code of Ordinances were dedicated to coverage, with additional policies in other chapters⁴, and the transferrable development rights program has been called “the most complicated and difficult to understand TDR-type programs in the United States.”⁵

In addition to increasing costs by requiring investment in time to understand the regulatory framework and/or consultant fees, administrative complexity can also result in uncertainty about how a dense body of regulations will be interpreted. This can add to challenges to development in the region as it may be difficult to understand what requirements will need to be met for a successful application, and whether those interpreting the code will be able to interpret it accurately and consistently.

Potential remedies for administrative complexity would include facilitating prioritized economic activities by naming a specific person or outside organization with expertise with the regulatory structure as an advocate for development and providing ongoing training to planning staff at the TRPA and its constituent jurisdictions.

- Administrative Duration

Due to the complexity of interpretation and compliance of regulatory requirements, administrative processes can be lengthy and are not mandated to perform within a particular time standard within the TRPA. For example, the timeframe for completing land capability and site assessments for redevelopment projects, which are considered desirable, in the Lake Tahoe region has been estimated at 24 months.⁶

⁴ Tahoe Basin Impervious Surface Coverage Study, Environmental Incentives, June 2012.

⁵ Tahoe Basin Marketable Rights Transfer Program Assessment, Solimar Research Group, March 2003.

⁶ Tahoe Basin Impervious Surface Coverage Study, Environmental Incentives, June 2012.

The result of the period of time between permitting and completion results in increased development costs as capital must be financed for a longer period than in other similar projects outside of the Basin. This combined with the opportunity cost of capital has been estimated to increase project costs by up to three percent.⁷ Administrative duration could be reduced by decreasing administrative complexity, providing additional tools to staff, and increasing the number staff available to process requests.

- Local Development Priorities

Although local plans are harmonized with TRPA goals at several levels, development priorities and preferences at the local level may differ from the overall goals of the TRPA. Alternative priorities, combined with policy implementation at the local level, even despite some level of TRPA involvement, may delay the development of projects that would benefit the region as a whole if they do not conform to local preferences.

In the same way that administrative complexity is a barrier to growth, the interaction of local priorities with those to the TRPA add to uncertainty and increase the development cost by drawing out its timeframe. Remedies to this barrier should focus on aligning local communities' incentives with the overall benefit of the region so that the local community will also directly benefit from a project that is of regional value. This approach contrasts with the current policy that allows jurisdictions from which TDRs will be transferred to prevent the transfer, which yields the result that the jurisdiction can prevent harm, but not necessarily participate in benefits. Specific approaches will vary from community to community, and the communities in question may be best able to state how they can benefit as well.

- Timing of costs

Development in the Tahoe Basin requires additional costs, such as commodity purchases or mitigation fees, which are not required / required much less frequently or are less costly, compared to development outside of the Basin. The timing of these costs influences the ability to finance projects: the more costs are required prior to project approval, the more difficult a project becomes to finance. Some costs are regulated by policy and others by practice. This section addresses practice, while issues related to timing of costs and policy are addressed in the policy section. A potential method to address this barrier would be that in the instances where TRPA has latitude to postpone compliance with policies that require expenditures, such as commodity purchases or ownership verification that are not required by the code at that time, that compliance be postponed until the phase required by the code.

- Threat of Litigation

The threat of litigation refers to the risk that a project will face litigation. Litigation is used in the Tahoe Basin as a method to examine uncertainty related to the interpretation of a dense body of overlapping regulation stemming from multiple jurisdictions and the TRPA since, in a complex regulatory environment, it may be difficult to discern whether requirements have been met. In addition, the low number of projects carried out in the Basin also means that the region also lacks a strong set of precedents that would decrease the threat of litigation. Decreasing the amount of administrative complexity is a potential way to decrease the threat of litigation, and more outreach and/or education to parties that may initiate, or have initiated, litigation may also decrease the potential for litigation.

- Transparency

Transparency refers to the ability to acquire information on the status of processes and resources. In the context of the Tahoe Basin, providing information on the market, ranging from soil type maps, the availability of coverage, and recent transactions, would provide information to potential participants on opportunities for taking part in the market. Currently, there is little information of this type available, which is another barrier that potential participants must overcome before entering the market. Provision of this type

⁷ Tahoe Basin Impervious Surface Coverage Study, Environmental Incentives, June 2012.

of information is also likely to promote the environmental goals of the TRPA as it would lower the barrier to entrance for investment in the region that can be applied to environmental protection.

Strategies that may be used to overcome this barrier include the creation of a web site that provides current and historic information on the state of the transferable development right (TDR) markets in the region, including a calculator that allows for the modeling of potential projects.

POLICIES

- Coverage

In general, compliance with coverage requirements increases costs for project development as it requires the acquisition of knowledge about a complex system, either directly or through hiring of a consultant and payment to acquire necessary TDRs. Additional costs for coverage are incurred when a project requires more coverage than the base allowable level for the site, and must be transferred from other sites to the project site. These coverage transfer costs vary, but were found to be as high as \$200 per square foot in 2012.

Coverage requirements contribute to administrative complexity, and mitigating costs and risks generated by coverage requirements may benefit from the same strategies as proposed for remedying administrative complexity, in particular the identification of an organization to act as an advocate for development.

- Commercial Floor Area

Commercial floor area (CFA) is required for commercial activities in the planning area. There is limited market information available on the price and availability of CFA, which can add search costs to the price of acquiring CFA as it will likely require a consultant or other local actor to locate and negotiate for these rights.

These activities increase the cost of transactions requiring CFA, and overall costs for commercial development. In addition to the costs of CFA acquisition, allocations of CFA throughout the planning area have been seen as a barrier to higher-quality commercial development because they are allocated in ways that limit the ability to move CFA between community plans and across hydrologically-related area borders.

Methods that can be used to make CFA requirements less costly may include the creation of an online database that includes a calculator for monitoring potential projects and creation of policies to allow a greater flow of CFA, at least at the regional “shore” level (i.e., North Shore, South Shore, etc.), through the planning area.

- Commercial Maximum Coverage Transfer Ratio

In addition to basic coverage transfer costs, additional costs will be required to cover more than half of the project site on certain eligible parcels. These costs increase as the covered percentage rises above fifty and up to a maximum of seventy percent. Equivalent costs are generally not present in competing areas, and serve as a barrier for business entry or expansion since they must be more profitable than in other jurisdictions to justify the expansion. Although coverage over fifty percent may not be desirable in all locations, but if some areas can be covered more than fifty percent and less than seventy percent without exponential environmental costs—perhaps in the center of high density areas, this policy that disincentivized density could be revised.

- Mitigation Fees

Fees may be charged for mitigation of projects’ air quality and coverage impacts. In the case of coverage, excess cover mitigation is required when a project exceeds the allowable coverage level, and is most frequently carried out by payment of an in-lieu fee. This in lieu-fee is a cost that would not be incurred in other development contexts and can add up to \$50 per square foot of excess coverage, and air quality mitigation fees also add to project costs in a comparable way. Similar to the strategies proposed for

commercial transfer ratio, a strategy that more closely links environmental impacts with development costs may be useful, such as a tiered fee structure.

- **Hydrologically Related Area (HRA) Restrictions**

Coverage transfers must come from the same hydrologically related area, or HRA, which has created nine smaller coverage markets in the Lake Tahoe Basin. Coverage prices vary widely between HRAs, and have become as expensive as \$100 per square foot in addition to the costs incurred during the search for willing sellers. A potential resolution for this barrier would be to allow for transfers between HRAs under circumstances where environmental benefits would be equal or greater than in the HRA where the coverage originated.

- **Parking Requirements**

Projects are required to meet parking requirements for their proposed land use, which are laid out in the regulatory framework governing land use by the TRPA as well as cities and counties in the TRPA jurisdiction. For the development of affordable housing, the imposition of dedicated parking can pose a challenge because it increases the cost of development for projects that seek to moderate the cost of the final development. Potential solutions include reducing parking requirements in walkable locations, locations served by transit, and locations that include car sharing facilities.

- **Permit Validity Time Frame**

After acquisition of the necessary permits, these permits also carry a time frame in which they must be exercised. In some cases, particularly during the recent financial crisis, financing delays mean that TRPA permits are in danger of expiring before they can be exercised, such as in the case of the proposed Chateau-at-Heavenly project. In the planning area, expiration of permits could result in proposed projects being required to begin a multi-year permitting process anew, including updating environmental studies.

The chance that permit allocations may expire before financing can be secured increases risks to the project, and makes development activity less attractive in comparison to locations where longer timeframes or more flexible regulations mitigate this risk. Creating strategies to reduce this risk, such as such as pausing the permit clock or proving some other grace period, may be helpful in the current financial context characterized by caution.

- **Residential Bonus Unit Points**

Residential bonus units are awarded to multi-residential projects as a result of actions such as participation in transportation of water quality EIP projects. The bonus points awarded as a result of these actions are awarded at fixed rates, which are not connected to the overall development context. This means that bonus point allocations have no responsiveness to conditions in the market, which can mean that the actions intended to be promoted through bonus point awards, such as affordable housing, do not result because they are still not attractive enough compared to other alternatives. A potential solution would be creating an index or rate for the award of residential bonus unit points that award enough points make outcomes, like the construction of affordable housing, attractive in comparison to alternative activities.

- **Signage and View Criteria**

Criteria for projects' signage and views are codified in TRPA regulations. Although these regulations are intended to safeguard the scenic nature of the region, strict criteria for compliance in these areas may result in higher costs to a project than could be achieved from a more flexible approach that also resulted in compliance with the spirit of the requirement. A more flexible approach that still ensures the scenic nature of the basin may be a potential solution to this issue.

- **Stormwater Best Management Practices (BMPs)**

The TRPA requires the use of best management practices (BMPs) for stormwater management to promote water quality and clarity in Lake Tahoe. These BMPs are implemented by residents and businesses as

individual entities as conditions of TRPA permits. BMPs are an additional cost to development, which can serve to further reduce the attractiveness of development in the Lake Tahoe region as compared to other regions. A partial solution to the expense of BMP implementation may be to take a district-wide approach to BMPs rather than a parcel-by-parcel approach to reduce overall costs. In addition, this may result in better environmental outcomes as stormwater can be comprehensively managed.

- **Timing of costs**

Development in the Tahoe Basin requires additional costs, such as commodity purchases or mitigation fees, which are not required / required much less frequently or are less costly, compared to development outside of the Basin. The timing of these costs influences the ability to finance projects: the more costs are required prior to project approval, the more difficult a project becomes to finance. Some costs are regulated by policy and others by practice. This section addresses policy, while issues related to timing of costs and practice are addressed in the practice section. A potential method to address this barrier would be to amend the TRPA code to latitude to postpone compliance for policies that require expenditures until the latest possible phase and / or by using interim or conditional approvals before granting final approvals.

- **Tourist Accommodation Units**

Tourist Accommodation Units (TAUs) are required for the development of projects such as hotels and timeshares. The current supply of TAUs is seen as adequate, though they are concentrated in the South Shore, though the quality of existing TAUs are below that of an upscale resort area and some are currently serving as affordable housing for some of Lake Tahoe's workforce. Because the TAU inventory, particularly on the South Shore, is old and/or low-quality development, removing or redeveloping these sites in compliance with environmental requirements, such as stormwater BMPs, is likely to be costly.

Potential approaches that may increase the attractiveness of removal or redevelopment of these TAUs would include a program that allows for the rehabilitation of these sites through a district that would offer lower prices for improvements either through economies of scale, co-investment by TRPA, or both at the same time that alternative workforce housing options are made available that are more appropriate for long-term occupation.

CONCLUSION

The economy in the Lake Tahoe region is in a period of transition, with its major economic activity, tourism, undergoing a period of change and refocusing on outdoor recreation. At the same time, other industries, such as those focused on health, green innovation, and research, are also developing in the region. To ensure that these industries continue to develop and cohere into clusters, barriers to economic activities that underpin these industries should be reduced to ensure that the region is an attractive place to do business while protecting the environmental assets that make it unique. Finally, though the region may not be interested or able to be the lowest-cost place to do business, it can still be competitive as long its higher quality products provide higher returns.

APPENDIX 1: LIST OF CLUSTER AND INDUSTRY CHARACTERISTICS

	Cluster/Industry	Est. Value (millions)	Est. Jobs	Leakage (millions)	Notes	Priority (1-10)
1	Green Business/ Environmental Innovation	\$ 827	3,135	\$ 224	GB/EI cluster industries may provide higher-paying jobs than the tourism cluster	
2	Green Building	\$ 529	2,006		Number of jobs and value are likely overstated due to estimate method	
3	Recycling/ Waste	\$ 83	314		Number of jobs and value are likely overstated due to estimate method	
4	Research/ Education	\$ 74	282		Activities of existing institutions could be coordinated to increase impact of current spending	
5	Energy Efficiency	\$ 50	188			
6	Green Design	\$ 50	188			
7	Environmental Restoration	\$ 25	94		Basin has generated one INC 500-ranking firm in this area	
8	Green Materials	\$ 17	63			
9	Water/ Wastewater Quality	*	*			
10	Environmental Consulting	*	*			
11	Finance and Investment	*	*			
12	Renewable Energies	*	*			
13	Resource Management	*	*			
14	Advocacy	*	*			
15	Air Quality	*	*			
16	Health/Wellness	\$ 357	1,664	\$ 66	Health cluster industries may provide higher-paying jobs than tourism cluster	
17	Health Services	\$ 318	1,481		Industry is concentrated in South Shore region	
	Cluster/Industry	Est. Value (millions)	Est. Jobs	Leakage (millions)	Notes	Priority (1-10)

18	Holistic Wellness	\$ 36	166		Number of jobs in industry may be understated due to estimate method	
19	Sports Medicine	\$ 4	17		Number of jobs in industry may be understated due to estimate method	
20	Telemedicine and e-Health	*	*			
21	Visitor Services/ Tourism	\$ 1,980	18,211	\$ 338	Cluster lost about 1,200 jobs between 2000 and 2007, employment is highly seasonal	
22	Hospitality	\$ 970	8,923		Accounts for 49% of cluster employment in Basin, generates TOT revenue	
23	Gaming	\$ 475	4,371		Increased competition from new gaming destinations; industry employment declining since 1997	
24	Recreation	\$ 416	3,824		Accounts for 21% of cluster employment in Basin, receives 17% of overnight visitor spending	
25	Entertainment/ Cultural Resources/ Shopping	\$ 79	728		Receives about 20% of overnight visitor spending	
26	Transportation	\$ 20	182		Accounted for 1% of cluster employment in Basin, but receives 5% of overnight visitor spending	
27	Other Tourism	\$ 20	182			
28	Historic Preservation	*	*			
29	Environmental Experience	*	*			
30	Trade	*	*			
31	Promotion /Organization	*	*			
32	Education	*	*			

* No data

APPENDIX 2: DOCUMENTS REVIEWED

DOCUMENTS REVIEWED FOR TARGET INDUSTRIES

1. City of South Lake Tahoe General Plan Background Report. City of South Lake Tahoe, May 2011.
2. Economic Analysis of the US 50/South Shore Community Revitalization Project. EPS, March 2013.
3. Economic Cluster Meeting Summary. Applied Development Economics, May 2010.
4. Economic Impact Analysis of Tourism on the Lake Tahoe Region. Tourism Laboratory for Economic and Social Behavior Research, November 2007.
5. Green Business and Environmental Innovation Economic Cluster Meeting Summary. Lake Tahoe Basin Prosperity Plan, April 2010.
6. Health & Wellness Cluster Meeting Summary. Lake Tahoe Basin Prosperity Plan, April 2010.
7. Health & Wellness Cluster Meeting Summary. Lake Tahoe Basin Prosperity Plan, May 2010.
8. Lake Tahoe Basin Prosperity Plan. Applied Development Economics, November 2010.
9. South Shore Vision Destination Economic Impact Analysis 2.0. Strategic Marketing Group. 2010.
10. South Shore Vision Destination Economic Impact Analysis 4.0. Strategic Marketing Group. 2012.
11. Tahoe Prosperity Center Strategic Plan. Tahoe Prosperity Center 2012.
12. The Economic Significance of Travel to the North Lake Tahoe Area. Dean Runyan Associates, August 2009.
13. Tourism and Visitor Services Economic Cluster Meeting Summary. Lake Tahoe Basin Prosperity Plan, April 2010.
14. Tourism and Visitor Services Economic Cluster Meeting Summary. Lake Tahoe Basin Prosperity Plan, May 2010.
15. Tourism and Visitor Services Economic Cluster Meeting Summary. Lake Tahoe Basin Prosperity Plan, June 2010.

SOURCES FOR BARRIERS TO SUCCESS ANALYSIS

1. Annual Authorization of Land Bank Activities. California Tahoe Conservancy, June 2013.
2. Annual Authorization of Land Bank Activities and Allocations of Coverage and Other Marketable Rights. California Tahoe Conservancy, June 2012.
3. City of South Lake Tahoe General Plan Update Issues and Opportunities Report. City of South Lake Tahoe, Oct. 2008.
4. City of South Lake Tahoe Mikasa Site/Alternative 2. Keyser Marston Associates, July 2009.
5. Evaluation and Suggested Policy Framework for the City's Transferable Development Rights. Solimar Research Group, June 2007.
6. Final Report of Sustainability Measures, Lake Tahoe Watershed, Nevada & California. United States Army Corps of Engineers, February 2010.
7. Homewood Mountain Resort Parking Study. LSC Transportation Consultants, Inc, September 2011.
8. Implementation Strategy for the Redevelopment of Kings Beach and Tahoe City. Environmental Planning Systems. Mar. 2006.
9. Mize, Mitch. Comments on draft document received March 4, 2014.
10. Newsletters 1-5, City of South Lake Tahoe General Plan Update. City of South Lake Tahoe.
11. Regional Plan Update Comments from Businesses. Tahoe Regional Planning Agency, April - June 2012.
12. Staff Meeting Summary for Planning Commission Meeting of May 23, 2013. City of South Lake Tahoe, May 2013.
13. State of the Tahoe Basin Educational Briefing: A Snapshot of the Environment, Economy, and Community. Regional Plan Initiative with Regional Planning Partners, March 2010.
14. Tahoe Basin Marketable Rights Transfer Program Assessment. Solimar Research Group, March 2003.
15. Tahoe Basin Land Coverage and Marketable Rights Final Report. Environmental Incentives, Aug. 2012.
16. Tahoe Basin Land Coverage and Marketable Rights Final Report Appendices. Environmental Incentives, Aug. 2012.
17. Walker, Jesse. Comments on draft document received March 4, 2014.
18. "Validity of Convention Center Permits Being Investigated." Lake Tahoe News, 23 May 2012.

APPENDIX 3: INVENTORY OF EDUCATION AND RESEARCH INSTITUTIONS IN THE LAKE TAHOE BASIN

1. Conservation Science Partners

Description: Conservation Science Partners works toward the preservation of species, populations, and ecosystems using scientific principles, innovative approaches, and lasting partnerships with conservation practitioners. CSP has developed an interdisciplinary, global network of experts to solve conservation-related problems for clients such as Northern Arizona University, and the University of British Columbia.

Organization type: Private

Employment: 4 in Truckee

Budget: unknown

Site: <http://www.csp-inc.org>

2. Desert Research Institute

Description: The Desert Research Institute is the environmental research arm of the Nevada System of Higher Education. It is a non-profit institution that conducts research on environmental topics, in particular in the areas of air, land and life, and water quality. The Desert Research Institute has one facility in Reno and another in Las Vegas. DRI has a major research presence in the Tahoe Basin and is one of three research entities in the Tahoe Science Consortium.

Organization type: Public

Employment: 379 in Reno, 191 in Las Vegas

Budget information: 2011 expenditures of \$611, 500.

Site: <http://www.dri.edu/>

3. Environmental Incentives

By working with both public and private sector clients, we bring a hands-on understanding of what drives landowner, investor and regulated entity decisions. Environmental Incentives uses this understanding to assist policy makers in the strategic design of portfolios of performance-based programs, incentives and regulations that achieve natural resource goals, value ecosystem services, and put public funds to their highest and best use. Clients include Tahoe Metropolitan Planning Organization, Environmental Defense Fund, and U.S. Army Corps of Engineers.

Organization type: Private

Employment: 10 in South Lake Tahoe

Budget: unknown

Site: <http://enviroincentives.com>

4. Great Basin Institute

Description: The Great Basin Institute is an interdisciplinary field studies organization that promotes environmental research, education, and conservation throughout the West and abroad. It carries out activities in partnership with government agencies, such as the Bureau of Land Management, the National Park Service, and AmeriCorps. Activities in the Lake Tahoe Region include coordination of undergraduate researchers with University of Nevada, Reno faculty to perform research at Lake Tahoe on topics ranging from wildfire risk to invasive species. The organization has no permanent presence at Lake Tahoe.

Organization type: Non-profit

Employment: 11 in Reno

Budget information: 2011 expenditures of \$8,100,000; Tahoe-related expenditures unknown but numerous activities conducted globally may mean this is a small share of the total.

Site: <http://www.thegreatbasininstitute.org/>

5. Hanford Economic Consulting

Hansford Economic Consulting was founded in 2005 and specializes in land use and water resource economics and financial services providing services from small to regional-scale projects. Clients include Washoe County Department of Water Resources and the Truckee Meadows Regional Planning Agency.

Organization type: Private

Employment: 1 in Truckee

Budget: unknown

Site: <http://www.hansfordecon.com/>

6. Integrated Environmental Restoration Services

Description: Integrated Environmental Restoration Services uses a unique combination of elements including planning, implementation, monitoring, an active collaborative research program, and proactive facilitation and information sharing with clients, agencies and other interested entities. Integrated Environmental Restoration Services has evolved into a recognized industry leader and pioneer in the development of a scientific and adaptive management process and in the implementation of highly successful restoration and erosion control projects. Clients include Heavenly Mountain, California Tahoe Conservancy, and the Tahoe Rim Trail Association.

Organization type: Private

Employment: 8 in Tahoe City

Budget: unknown

Site: <http://www.ierstahoe.com>

7. Lake Tahoe Community College

Description: The Lake Tahoe Community College enrolls approximately 3,000 students per quarter and offers certificates and associate degrees from culinary arts to computer studies. The college may expand its offerings to include bachelor degrees in the areas of fire science, environmental science and sports medicine in the future. The Lake Tahoe Community College is located in South Lake Tahoe.

Organization type: Public

Employment: 166 in South Lake Tahoe

Budget: \$299,000 in expenditures

Site: <http://www.ltcc.edu/>

8. Nevada Institute for Renewable Energy Commercialization

Description: The Nevada Institute for Renewable Energy Commercialization is a 501(c)3 nonprofit organization that integrates researchers, experienced entrepreneurs, business executives, corporations, foundations, and sources of capital to build sustainable businesses. This institution is housed at the Tahoe Center for Environmental Sciences and has two facilities in the region in Reno and Incline Village.

Organization type: Non-profit

Employment: 5 total, 1 in Incline Village.

Budget: 2011 expenditures of \$1,150,000

Site: www.nirec.org

9. Sierra Nevada College

Description: Sierra Nevada College is a liberal arts college that combines the liberal arts and professional preparedness through an interdisciplinary curriculum that emphasizes entrepreneurial thinking and environmental, social, economic and educational sustainability. The college is located in Incline Village.

Organization type: Non-profit

Employment: 214

Budget: \$19,976,772

Site: <http://www.sierranevada.edu/>

10. Tahoe Baikal Institute

Description: The institute operates research exchange program to study Lake Tahoe and Lake Baikal, accepting young researchers from countries such the United States, Russia and Mongolia. Time at Lake Tahoe is spent performing research and ecological restoration. Approximately 20 researchers participate per year.

Organization type: Non-profit

Employment: 7 in South Lake Tahoe

Budget: 2011 expenditures of \$267,000

Site: <http://www.tahoebaikal.org/>

11. Tahoe Institute for Natural Science

Description: The Tahoe Institute for Natural Science (TINS) is a member-supported nonprofit organization seeking to advance the natural history, conservation, and ecosystem knowledge of the Tahoe region through science, education, and outreach. Tahoe Institute for Natural Science has offices in Incline Village and in Truckee.

Organization type: Non-profit

Employment: 4

Budget: \$100,000

Site: <http://www.tinsweb.org/>

12. Tahoe Science Consortium

Description: The Tahoe Science Consortium is made up of the major research and resource management agencies in the region, and include the Desert Research Institute, University of California-Davis, University of Nevada-Reno, U.S. Geological Survey and the USFS Pacific Southwest Research Station. It seeks to maintain relationships that support the preservation, restoration, and enhancement of the unique environmental values of the Lake Tahoe Basin. It is located at the Tahoe Center for Environmental Sciences, located on the Sierra Nevada College Campus.

Organization type: Non-profit

Employment: 3

Budget: unknown

Site: <http://tahoescience.org/about/overview/>

13. University of California, Davis Tahoe Environmental Research Center

Description: The Tahoe Environmental Research Center is part of the University of California at Davis, and is dedicated to research, education and public outreach on lakes and their surrounding watersheds and airsheds. The Center is committed to providing objective scientific information for restoration and sustainable use of the Lake Tahoe Basin. The Tahoe Environmental Research Center has two facilities in the Lake Tahoe region, with one in Incline Village and the second in Tahoe City at the Tahoe Center for Environmental Sciences, located on the Sierra Nevada College Campus. The USFS Pacific Southwest Research Station also has one employee located at the Tahoe City location.

Organization type: Public

Employment: 31

Budget: Unknown

Site: <http://terc.ucdavis.edu/about/about.html>

14. University of Nevada, Reno

Description: The University of Nevada, Reno is a National Tier 1 University. With more than \$80 million in research expenditures, a figure that has almost doubled over the past 10 years, the University is the leading research enterprise in Nevada's higher education system. The university runs the Academy for the Environment, which focuses on environmental research projects in the Tahoe Basin in partnership with the Desert Research Institute and is a member of the Tahoe Science Consortium and hosts the annual Lake Tahoe Summit.

Organization type: Public

Budget: \$80 million (research only)

Employment: 4,600

Sites: <http://www.unr.edu/>
and
<http://tahoe.blogs.unr.edu/>

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Appendix 6:

Tahoe Region Economic Development Strategy

Task 2 Memorandum

Tahoe Region Economic Development Strategy

Task 2: Case Studies & Inventory of Potential Incentives

July 2014

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Case Studies and Inventory of Potential Incentives

OVERVIEW

This memorandum examines economic development strategies and the contexts in which they are successful through case studies and an inventory of economic incentives. It provides commentary on key findings from the case studies, discusses techniques for rebranding and repositioning tourism destinations, and presents an overview of economic incentives by incentive type for the case study regions as well as for the states of California and Nevada.

CASE STUDIES

SELECTION PROCESS

Case study locations were selected by focusing on regions in the Western United States that have significant outdoor tourism and recreational amenities in fairly close proximity to metropolitan areas, much like the Tahoe Region is near Reno and Sacramento. The regions selected for these case studies were Denver and the Front Range, Salt Lake City and the Wasatch Range, and Portland and the Colombia River Gorge/Deschutes River Valley.

The Denver region was selected because Denver and Boulder parallel the Sacramento/Reno population centers in the Tahoe Region and is bordered by distributed resort communities within 2-4 hour mountainous drive, similar to Tahoe Basin. The Salt Lake region was studied because there are numerous distributed ski resorts across the metro region, Park City is a major tourism destination, and Ogden has redeveloped as a tourism destination after the decline of its former core industry, railroad transportation. And finally, the Portland area was selected because Portland is of similar proportion to Sacramento in terms of population, the resorts in the Deschutes River Valley are four-season destinations with sustainability branding, and the Columbia River Gorge offers water-activity analogous to those of Lake Tahoe.

The case studies seek to understand in what contexts economic development tools work in the region as well as in its component cities and towns.

DENVER/FRONT RANGE

For this regional case study, the following individuals were interviewed for information to supplement secondary research:

1. Hinsvark, Deb. City Manager, City of Steamboat Springs.
2. Kraft, Jeff. Director of Business Funding & Incentives, Colorado Office of Economic Development and International Trade.
3. Scharf, Richard. President and CEO, Denver Metro Convention and Visitors Bureau.
4. Stinchomb, Bob. Vice President of Business Development, Vail Resorts.

5. Thiesen, Julia. Vice President of Sales & Marketing, Aspen Resort Chamber Association.

Denver is the capital of Colorado, and is located at the eastern base of the Rocky Mountains near the center of the state. The Denver metropolitan region's population is 2.6 million people, accounting for more than half of Colorado's population, and just slightly less than half of the state's housing units.

From Denver, towns within three hours' drive include Aspen, Avon, Breckenridge, Keystone, Loveland, Silverthorne, Steamboat Springs, and Vail. Resorts and ski areas are a major part of the economic base of these towns and the surrounding areas; at the state level, tourism is also a key industry with visitor spending at nearly \$17 billion in 2012.¹ Winter season is the peak season for visitation driven by snow sports activities, while summer activities include hiking, mountain biking, rock climbing, whitewater rafting, and spelunking. The population of all of these communities together is less than three percent of the metro area population as a whole, with Loveland, Silverthorne, and Steamboat Springs as the largest population centers.

These destinations' share of housing units is disproportionately large compared to the population, and taken together, these destinations account for more than ten percent of the housing units in the metro area. In addition to the larger share of housing units in relation to population, some of the destinations have residents with higher median age than in the metro area, with Aspen's median age more than ten years higher than that of the metro region.

Table 1: Population, Housing Units and Median Age in Colorado Study Area

	Population			Housing Units			Median Age
	No.	% of State	% of MSA	No.	% of State	% of MSA	Years
State							
Colorado	4,966,061	100.0%		2,197,823	100.0%		35.9
Major Metro Area							
Denver	2,600,594	52.4%	100%	1,084,397	49.3%	100.0%	35.9
Destinations							
Aspen	6,509	0.1%	0.3%	6,339	0.3%	0.6%	47.4
Avon	6,381	0.1%	0.2%	3,839	0.2%	0.4%	32.1
Breckenridge	4,351	0.1%	0.2%	6,765	0.3%	0.6%	31.9
Keystone	1,078	0.0%	0.0%	3,234	0.1%	0.3%	35.0
Loveland	65,609	1.3%	2.5%	29,262	1.3%	2.7%	37.1
Silverthorne	27,496	0.6%	1.1%	29,574	1.3%	2.7%	36.3
Steamboat Springs	11,926	0.2%	0.5%	9,455	0.4%	0.9%	37.2
Vail	5,280	0.1%	0%	7,566	0.3%	0.7%	37.6
<i>Destination Total</i>	<i>143,800</i>	<i>2.9%</i>	<i>5.5%</i>	<i>113,970</i>	<i>5.2%</i>	<i>10.5%</i>	<i>N/A</i>

Source: US Census Bureau, 2011.

The concentration of housing units and higher median age in destination cities results from the concentration of second homes and wealthy residents living in areas with prized natural amenities. ***Despite notoriety as high-quality destinations based on natural resources and supporting services for tourism, few cities in the region have been able to translate the quality-of-destination message into a compelling value proposition for other industries.*** Barriers to other industries include higher costs of doing business in areas with geographical constraints to development and competition from high-value tourism uses, limited workforce availability, and limited telecommunication and transportation infrastructure. Even within the tourism industry, these factors can lead to relocation of administrative operations away from resort sites as happened when Vail Resorts moved their headquarters from Avon to the greater Denver metropolitan area, citing transportation and workforce challenges in Avon.²

¹ Tourism Pays, Denver Convention and Visitors Bureau. 2012. <http://www.denver.org/tourism Pays/tourism-in-colorado>

² Interview with Stinchomb, Bob. Vice President of Business Development, Vail Resorts. November 6, 2013.

In addition to these barriers, the most lucrative and frequently-used incentives available at the state level are not usually employed in these tourism-focused destinations. The most lucrative incentives are generally discretionary incentives composed of tax credits and grants for companies bringing major investments into the state. These discretionary incentives are employed in major metropolitan areas because this is where high-value investments are likely to locate, such as the Charles Schwab relocation to suburban Denver which included \$230 million in real estate investment.³ Enterprise zones are another commonly-used tool in Colorado, and are designated rural and urban areas that offer a wide variety of easy to access tax incentives. While most of the state is covered by enterprise zones, areas with a strong tourism focus are excluded because they are perceived as prosperous relative to the surrounding areas.⁴

Local incentives include permit fee waivers, permit expedition, multi-year business and personal property tax waivers, and financing assistance. Some areas, such as Aspen, have been successful in using these tools to facilitate special events and the development of tourism-serving businesses⁵, while Steamboat Springs has used these local tools to develop, retain and attract businesses outside the tourism sector. Steamboat Springs is a developing center for outdoor and location-neutral industries that benefit from lower property taxes compared to other areas with similar natural amenities⁶, their ability to test outdoor products, attract a healthy workforce, and access high-quality public schools and the Colorado Mountain College, which provides small business support services.

One notable company in Steamboat Springs is SmartWool, an outdoor apparel manufacturer founded in Steamboat Springs in 1994. The City of Steamboat Springs has assisted SmartWool to grow and stay in the city using its own economic development tools as well as acting as a conduit for the company to access state programs. The city has coordinated trips to industry trade shows using local and state funds and financed a \$450,000 renovation of the company's headquarters.⁷ SmartWool employed 70 people in 2013 at an average salary of more than thirty percent above the county median income, and expects to grow to 110 over the next several years.⁸ SmartWool has also generated a spinoff company in Steamboat Springs, Point6, which is a small, fast-growing company also specializing in high-technology wool footwear.

Other outdoor companies headquartered in Steamboat Springs include Big Agnes, The Creek Company, Hala Gear, Hog Island Boat Works, Honey Stinger, Kent Eriksen Cycles, Moots Cycles, PowerICE, and Spiffy Dog. The Steamboat Springs Chamber of Commerce is supporting the development of the outdoor industry by spearheading the creation of the Western Slope Outdoor Alliance, an industry group for outdoor companies in the region, while the City of Steamboat Springs is also working to expose local companies to venture capital through the IGNITE networking and learning network. IGNITE focuses on connecting businesses in the "innovation economy" to resources outside the area using virtual presenters from around the world, and also provides connections within the Steamboat area to other businesses and government agencies.

Key Findings:

- Some areas with high income from wealthy residents may not pursue economic diversification, such as Vail. The Tahoe region community most similar to Vail is Incline Village, which may be able to thrive with existing strategies and the resources brought to it by its residents. Although Incline Village may choose to continue with existing strategies, its residents and their connections to industry outside of

³ No Author. "2013 Annual Report." Colorado Office of Economic Development and International Trade. 2013.

⁴ Interview with Kraft, Jeff. Director of Business Funding & Incentives, Colorado Office of Economic Development and International Trade. November 6, 2013.

⁵ Interview with Thiesen, Julia. Vice President of Sales & Marketing, Aspen Resort Chamber Association. November 6, 2013.

⁶ Interview with Hinsvark, Deb. City Manager, Steamboat Springs. November 11, 2013.

⁷ Franz, Scott. "Steamboat Springs Chamber Resort Association Ready to Establish Presence at Major Outdoor Retail Expo." Steamboat Today. January 1, 2013; and Stensland, Matt. "SmartWool shows off remodeled headquarters in Steamboat." Steamboat Today, March 29, 2013.

⁸ Franz, Scott. "Location Natural: Steamboat joins growing group of cities looking to grow their stake in the outdoor manufacturing industry." Steamboat Today, March 12, 2013; and No Author. "SmartWool founded in Steamboat, now selling in 37 countries." Steamboat Springs Economic Development Council. 2013.

the region should still be considered as potential elements of an overall regional strategy and as a resource for economic development in other areas.

- While costs of doing businesses in Steamboat Springs are lower than in other mountain resort communities that rely heavily on property and sales taxes from tourism-related activities, such as Aspen or Vail, it is still more expensive to do business in Steamboat Springs than in the metropolitan Denver area. Because Steamboat Springs offers access to natural amenities at a price competitive with other areas with similar resource endowments, it is competitive with other areas offering the same types of amenities. In the Tahoe region, some communities offer access to amenities but at lower costs than Incline Village, which could establish themselves as a comparatively cost-competitive destination.

PORTLAND/COLUMBIA RIVER GORGE/DESCHUTES RIVER VALLEY

For this area, the following individuals were interviewed for information to supplement desk research:

1. Metta, Jessica. Project Manager and John Day River Territory Lead, Mid-Columbia Economic Development District.
2. Van Huffel, Gary A. Regional Business Development Manager, Oregon Business Development Department.
3. West, Scott. Chief Strategy Office, Travel Oregon.

Portland is located at Oregon's northern border with Washington, approximately eighty miles east of the Pacific Ocean. Portland is the state's largest metropolitan region by population, with just under fifty-eight percent of the state's population of approximately 3.8 million people. Major destinations within three hours of the Portland metropolitan area include those along the Columbia River Gorge such as Mount Hood and The Dalles, as well

Table 2: Population, Housing Units and Median Age in Oregon Study Area

	Population			Housing Units			Age
	No.	% of State	% of MSA	No.	% of State	% of MSA	Median
State							
Oregon	3,801,991	100.0%		1,666,014	100.0%		38.2
Metro Area							
Portland	2,202,583	57.9%	100.0%	919,040	55.2%	100.0%	36.6
Destinations							
Hood River	21,962	0.6%	1.0%	9,193	0.6%	1.0%	37.7
Bend	157,014	4.1%	7.1%	79,401	4.8%	8.6%	39.9
The Dalles	24,910	0.7%	1.1%	11,411	0.7%	1.2%	41.4
<i>Destination Total</i>	<i>203,886</i>	<i>5.4%</i>	<i>9.3%</i>	<i>100,005</i>	<i>6.0%</i>	<i>10.9%</i>	<i>N/A</i>

Source: U.S. Census Bureau, 2011.

as central Oregon destinations in the Deschutes River Valley centered on Mount Bachelor, which includes the greater Bend area. The Mount Hood area is a well-known ski destination with several ski areas, and is also a popular destination for hiking, climbing and glissading. The Dalles is a small town on the Columbia River Gorge which offers cultural, culinary, and vinotourism attractions in a 19th century downtown, and is a high-profile kite boarding destination. The Bend area is a year-round outdoor recreation hub offering activities such as skiing, rock climbing, hiking, and fly fishing as well as culinary and brewery tourism. Both Hood River and The Dalles are communities of less than thirty thousand people, and are not major second-home destinations. Total travel

spending in the state was \$8.2 billion in 2012, with spending in the destinations above totaling just over \$900 million in 2012.⁹

The bulk of this spending occurred in the Bend area, which is a well-developed tourism economy that also is the largest destination by population in the state. The Bend area and Deschutes River Valley have more population units than is proportional to the size of its population, which results from the presence of a second home market.¹⁰ The second home market in this region is driven by tourism, of which skiing is a major attraction.

However, as the ski industry has encountered challenges, Oregon has taken several steps to diversify sources of tourism income into new sports, activities, and seasons. The ski industry in Oregon, and across the country, has experienced challenges from increased climactic volatility,¹¹ an aging population of skiers,¹² and waning numbers of snowboarders.¹³ The effects of these challenges can be seen in highly variable numbers of skiers and snowboarders on a year-to-year basis, and the low rate of compound annual growth in resort visits by skiers and snowboarders, which is near to zero for the period of 1979 to 2012.¹⁴ High variability from season to season has also occurred in the Pacific region, which includes Washington, Oregon and California. Total visits in the 2012/13 season totaled 11.6 million, which was on par with the 2007/08 season, but lower than the 2010/11, 2009/10, 2005/06 and 2001/02 seasons, when visits totaled 12 million per year.

Although the industry has developed successful responses to some challenges, such as more efficient snowmaking machinery to counteract the effects of low and/or inconsistent snowfall in resort areas, snow sports resorts in Oregon and around the United States have attempted to stabilize and diversify income from tourism by expanding recreational opportunities to include a wider variety of winter sports, such as tubing and snowshoeing, and increasing nearby shopping and dining attractions. In addition to new activities during the winter season, resorts and outdoor destinations have also increased marketing and development of activities during the other three seasons of the year. This strategy has been successful in Oregon where the development of a Scenic Bikeways tourism route and cycling tourism generated \$325 million in 2012.¹⁵

Of these destinations, the greater Bend region has done the most work and had the most success in economic diversification, partially through the use of both state and local incentive tools.¹⁶ Although the Columbia River Gorge area has attracted some new industry and investment in the form of data centers and wind power installations that benefit from the natural resources available in the region,¹⁷ these facilities provide relatively little employment, and no complementary industries, such as energy storage, have been drawn to the region because of these installations.

Both state and local incentives have been a part of the Bend area's toolkit for economic development, with the industrial revenue bonds and forgivable loans being the most used. Industrial revenue bonds, a state tool which provide tax-free financing, provided \$2.6 million dollars to Breedlove Guitars, a high-end guitar and mandolin manufacturer, for its expansion into a larger facility in Bend.¹⁸ The local economic development corporation, EDCO, assisted the company in locating the new space and in securing the industrial revenue bond. In addition to the bond, Breedlove Guitars also received a cash grant for construction costs from the State of Oregon's

⁹ Oregon Travel Impacts, Dean Runyan, 2012.

<http://www.deanrunyan.com/ORTravelImpacts/ORTravelImpacts.html#app=f24&2546-selectedIndex=1>

¹⁰ Interview with Van Huffel, Gary A. Regional Business Development Manager, Oregon Business Development Department. November 6, 2013.

¹¹ Seelye, Katharine Q. "Climate Change Threatens Ski Industry Livelihood." New York Times, December 12, 2012.

¹² Community Planning Workshop and EcoNorthwest. "Oregon Skier Profile and Economic Impact Analysis. December 2012.

¹³ Blevins, Jason. "U.S. Ski Resorts Report Strong Rebound for 2012-13 Season." Denver Post, May 1, 2013.

¹⁴ Seelye, Katharine Q. "Climate Change Threatens Ski Industry Livelihood." New York Times, December 12, 2012.

¹⁵ Thalheimer, Ellee. "Travel Study Unveiled at Summit Shows Bike Tourism Means Big Bucks." Bike Portland. March 8, 2013.

¹⁶ Interview with Van Huffel, Gary A. Regional Business Development Manager, Oregon Business Development Department. November 6, 2013.

¹⁷ Interview with Van Huffel, Gary A. Regional Business Development Manager, Oregon Business Development Department. November 6, 2013.

¹⁸ "Breedlove Guitars." Business Oregon. 2013.

strategic fund.¹⁹ With this support, the company increased its production by three hundred percent to begin production of a new line of guitars in Bend.

The City of Bend also has its own forgivable loan program that is used to fund job-creating business expansions. Using this fund, the city granted a forgivable loan to Tensility, a custom power cable development company it recently attracted from California, for \$16,000 to fund part of the company's upgrade of software and web development.²⁰ Forty-two jobs are expected to be created from \$68,000 in loans made in 2011, with eight of those jobs being catalyzed through the city's investment in Tensility.²¹ In addition to the advanced manufacturing industry, business process technology and outsourcing, outdoor recreation products, and renewable energy technology are the other major industries in the Bend region.

Although challenges to doing business in Bend are still present due to its relative remoteness and that it is a higher tax environment than some other western states, barriers to development in Bend and across the state have been recently lowered by the state's accelerated permitting program. This program guarantees that projects of strategic importance to the state will be reviewed in 180 days pending study completion.²² Although this program has not yet been used, likely due to financing constraints for major projects during the recession, it is a step toward a more business-friendly attitude toward development in a place ranked in the bottom half of states across the country for business environment.²³

Key Findings:

- In areas with spanning multiple counties and states, economic development entities that span the region without respect to jurisdictional boundaries may be useful in when promoting regional economic development to ensure cross-jurisdictional coordination and reduce duplication of effort. The Mid-Columbia Economic Development District is charged with economic development for three counties in Oregon and two in Washington bordering the Columbia River Valley. These counties face similar challenges in economic development, and the Mid-Columbia Economic Development District provides a vehicle for a comprehensive strategy for the region as well as better access to economic development loans and grants than would be possible for its members alone. This type of economic development corporation could ensure coordination between jurisdictions and pool economic development resources for greater impact in the Tahoe Region.
- In an effort to promote economic development in a complex regulatory regime designed to advance environmental, social and other goals, Oregon has created an accelerated permitting program that guarantees a timeline for review. In the Tahoe Region, creating a similar program for some projects, such as those that advance key economic development goals, should also be considered to provide certainty about the duration of regulatory processes required before development occurs.

SALT LAKE REGION

For this case study area, the following individuals were interviewed for information to supplement desk research:

1. Fotheringham, Russ. Utah County Economic Development Manager, EDC Utah.
2. Kollar Bob. Special Events Director, Park City Chamber of Commerce/Convention and Visitors Bureau.
3. Holmes, Dixon. Deputy Mayor of Economic Development, City of Provo.
4. Weidenhamer, Jonathan. Economic Development Manager, Park City Municipal Corporation.

¹⁹ "Expansion: Breedlove Guitar Company." Economic Development for Central Oregon. 2013.

²⁰ No author. "Bend Launches Renewed Economic Development Program." Cascade Business News. May 17, 2011.

²¹ No author. "Bend Launches Renewed Economic Development Program." Cascade Business News. May 17, 2011.

²² Interview with Van Huffel, Gary A. Regional Business Development Manager, Oregon Business Development Department. November 6, 2013.

²³ "Oregon ranks near the bottom of business-friendly states." Oregon Catalyst, May 14, 2011.

5. Ye, Kaitlin. Director of Partner Relations, Utah Office of Tourism and formerly of Salt Lake City Convention and Visitors Bureau.

Salt Lake City is located in the northern portion of Utah, east of the Great Salt Lake and west of the Wasatch Range. Salt Lake City is the state capital, and is home to about forty-one percent of the state's population of approximately 2.7 million people. However, all of the state's urban areas are located along the corridor formed by the eastern base of the Wasatch Range in an area known as the Wasatch Front. Cities including Logan, Ogden, and Provo are located in the Wasatch Front less than ninety minutes' drive from Salt Lake City, and Park City is located in the Wasatch Range about forty minutes east from Salt Lake City. Park City is a world-class ski destination that offers a variety of winter sports as well as fly fishing, hiking, and mountain biking in the summer.

Table 3: Population, Housing Units and Median Age in Utah Study Area

	Population			Housing Units			Age
	No.	% of State	% of MSA	No.	% of State	% of MSA	Median
State							
Utah	2,715,379	100.0%		968,821	100.0%		29.1
Metro Area							
Salt Lake City	1,109,380	40.9%	100.0%	406,452	42.0%	100.0%	30.7
Destinations							
Ogden-Clearfield	537,608	19.8%	48.5%	184,944	19.1%	45.5%	29.8
Provo-Orem	512,554	18.9%	46.2%	149,777	15.5%	36.8%	24.4
Park City city	7,602	0.3%	0.7%	9,349	1.0%	2.3%	34
<i>Destinations Total</i>	<i>1,057,764</i>	<i>39.0%</i>	<i>95.3%</i>	<i>344,070</i>	<i>35.5%</i>	<i>84.7%</i>	<i>N/A</i>

Source: U.S. Census Bureau, 2011.

Park City is the smallest destination by population, and differs from both other destinations and the metro area because its residents have a higher median age at 34 and it has a higher share of housing units in proportion to its population. Provo has a markedly lower median age than the other geographies examined, and also has a smaller share of housing units compared to its population share. Finally, Ogden and Salt Lake City are comparable in terms of median age as well as share of housing units of comparison to share of population. Due to the geography of the Wasatch Front, communities of Salt Lake City, Ogden and Provo in this corridor may be more comparable to one another than Park City, which is located in the Wasatch Range.

In terms of use of incentives, Salt Lake City, Ogden and Provo are active users of incentives while Park City tends to rely on its natural amenities to attract businesses as well as its location as a bedroom community for high-skilled employees in the Wasatch Corridor.²⁴ Both at the state and local levels, Utah provides a wide variety economic development tools that are widely used by all three destination communities (see Incentives Inventory). Of this group of active incentives users, Provo has emerged as a leader in the state for expansion and retention of homegrown companies, while Ogden is a leader in recruitment of companies from outside of the state in the outdoor recreation sector.²⁵

Provo's leadership in entrepreneurship is attributed to the two universities in the county²⁶, Brigham Young University and Utah Valley University, which together enroll approximately 87,000 students per year and are nationally recognized for commercializing academic research. After commercialization, companies in Provo stay in the city that boasts a highly-educated workforce, low cost of living, transportation infrastructure, advanced telecommunication infrastructure via Google Fiber, and great recreational amenities.

²⁴ Interview with Weidenhamer, Jonathan. Economic Development Manager, Park City Municipal Corporation. November 1, 2013.

²⁵ Interview with Fotheringham, Russ. Utah County Economic Development Manager, EDC Utah. November 4, 2013.

²⁶ Interview with Fotheringham, Russ. Utah County Economic Development Manager, EDC Utah. November 4, 2013.

In addition to these attributes, the City of Provo works to ensure that homegrown companies stay in Provo by offering a variety of incentives, including Economic Development Tax Increment Financing (EDTIF). EDTIF is one of the most frequently-used economic development incentive tools in Utah. The program which rebates a portion of new incremental state tax revenues back to the generating company as tax credits and requires the local municipality to sponsor the application. Qualtrics, an online survey firm founded in Provo by Brigham Young University graduates, secured a \$10.8 million dollar tax credit through EDTIF in 2012 as part of an agreement to keep the company's headquarters in Provo. Qualtrics had been considering moving to a more well-established technology hub outside the state to gain access to more technology management expertise but will now work to attract talent to Provo. As a result of the EDTIF incentive, Qualtrics expects to create 1,100 additional jobs in Provo by 2018.

In Ogden, state and local tools are used to attract companies from outside the state who are interested in doing business in a location sited on the CANAMEX international shipping corridor with relatively low costs, an educated and young workforce, and extensive natural and recreational amenities. The city has had great success with its outdoor product industry recruitment strategy. Companies recruited to move to Ogden include Descente, Goode Industries, Scott USA, Nidecker Snowboards, Peregrine Outfitters, Kahuna Creations, and Amer, the parent company of Salomon, Atomic, Wilson and Suunto.

Ogden holds appeal for these companies because the city's location near Snowbasin Resort, a Top 10 ranked ski area,²⁷ provides an opportunity to be close to consumers and see trends develop that eventually spread to other outdoor recreation markets in the US and Europe. In 2006, Amer was interested in consolidating three winter sports operations in the United States into one location, and was recruited to Ogden after it received a total of \$12.1 million in benefits from the state and city for this relocation, including EDTIF and Industrial Development Bonds funds. Amer also considered Portland for the relocation as well as other locations in Utah, but the decision "came down to the money, the mountains and the mayor," according to Amer Sports Vice President, Mike Adams, in reference to the incentives, Snowbasin Resort and other nearby world class ski/snowboard destinations, and Ogden Mayor Matthew Godfrey who presented a compelling story of Ogden's benefits for Amer.²⁸

Although Park City does not actively market to businesses, it does have a strong, successful destination marketing program that supports its tourism industry. Funding for destination marketing activities is made up of state grants and local transient occupancy taxes, and activities are focused on attracting international and luxury tourists. International tourists were targeted because they have a longer length of stay in comparison to domestic tourists. In particular, Brazilian tourists were targeted because the country's economy is growing rapidly, generating a larger middle class interested in travel, and because Brazilian tourists tend to make large shopping expenditures in the United States where prices for consumer goods are often lower than in Brazil. To market toward these tourists, Park City highlights its natural beauty and luxury accommodations as well as the recreational and shopping opportunities, ranging from historic main street shops to outlet malls, through partnerships with American Airlines ski club in Rio de Janeiro as well as tour operators and travel agencies in Brazil.²⁹ First-time luxury tourists are also being targeted through print advertisements in Condé Nast Traveler Magazine as well as television advertisements in Los Angeles, New York, and Chicago. These advertisements are creating an identity for Park City as a luxury destination, which is a new concept that requires marketing to highlight luxury accommodations while overcoming the perception of limited dining and drinking options in Utah.³⁰

²⁷ History of Snowbasin Resort. Snowbasin.com.

²⁸ Franz, Scott. "Location Natural: Steamboat joins growing group of cities looking to grow their stake in the outdoor manufacturing industry." Steamboat Today, March 12, 2013.

²⁹ Mischel, Marie. "Visitors from Across the Globe Discover Utah." Utah Business, December 1, 2012.

³⁰ Gonzalez, Alexandria. "Chamber Bureau Begins Marketing Efforts." Park Record, September 13, 2013.

Key Findings:

- Development of niche tourism markets by targeting visitors with high total trip expenditures, including shopping, dining and entertainment, through advertising and marketing partnerships can be a successful strategy for supporting high-quality destinations. This strategy may be useful in re-branding destinations previously known for gaming as a higher-end destination, such as South Lake Tahoe.
- Investment in universities and support for entrepreneurial ventures resulting from university-based research is a successful strategy to create new businesses and local employment, as demonstrated by Brigham Young University and Utah Valley University in Provo. In the Tahoe region, South Lake Tahoe or Incline Village are both home to educational institutions that could develop entrepreneurial programs and specialties to generate business creation in the region.

REBRANDING AND EXPANDING TOURISM DESTINATIONS

Along with future economic diversification in Lake Tahoe, tourism will continue to play a major part in the economy of the region. Despite the natural amenities provided by the lake and its surroundings, perception of the quality of tourism opportunities on the South Shore is challenged by the need to redevelop this area's outdated existing infrastructure to rebrand the South Shore. In addition to the challenges on the South Shore, a shortage of supply of tourism accommodations and supporting amenities on the North Shore limits the tourism potential of this area.

This section will discuss potential strategies to rebrand and refocus tourism as well as expand tourism offerings using three cases from other major tourism destinations in the Western U.S. Although none of the areas researched have an environmental regulatory regime comparable to that found around Lake Tahoe, the strategies used are still applicable in the context of Lake Tahoe since they could still be viable in the context of Lake Tahoe.

REBRANDING DESTINATIONS

Both Palm Springs, California and Hollywood, California have successfully revitalized themselves as tourism destinations after enjoying a period of popularity and economic growth, followed by a period of decline and economic stagnation.

In the case of Palm Springs, the city fell into disrepair by the mid-1970s as the city restricted new building and architectural tastes changed, which resulted in Palm Springs' loss of stature as a tourism destination despite its accessible location two hours away from the Los Angeles metropolitan area. However, Palm Springs was able to use its history as a getaway for early film stars in Los Angeles and its unique, though decaying, architectural assets created for these celebrities, to reinvigorate itself beginning in the 1990s.

Beginning in the 1990s, the city began protecting midcentury modern architectural sites, encouraging restoration of sites that had fallen into disrepair, and recruiting high-end fashion and art events. In this way, Palm Springs was able to establish itself as a destination for experiencing modern art and design in an authentic environment through policy support for architectural preservation and financial incentives for fashion and art events.

In addition to leveraging its architectural assets to attract the art and design community, the restoration of Palm Springs has also allowed the city to market its history, as a destination for iconic celebrities like Cary Grant, Elizabeth Taylor, and Marilyn Monroe, to attract visitors from the Los Angeles region to luxuriate in the manner of these icons. By combining these targeted approaches, Palm Springs has reinvigorated its tourism economy and is now one of only three US locations listed in Frommer's list of Top Destinations for 2014.³¹

In contrast to the strategy used in Palm Springs, the revitalization of other industries in Hollywood supported the revitalization of tourism and renewed the location's historical ties to the film and music industries.

³¹ Palm Springs Makes Frommer's Hot Travel List!

Hollywood was home to the first generation of film studios in Los Angeles in the 1920s, and then radio and music industries in later decades, but fell into disrepair by the 1980s.³² The neighborhood's decline resulted from the relocation of film and music industries to other parts of Los Angeles, which led the area's nightclubs, theaters, and bars to move down-market to such an extent that the area became a haven for crime. Despite this decline, tourists still visited local attractions such as the Hollywood Walk of Fame, Ripley's Museum, and the Chinese Theater. However, Hollywood was not able to capture significant expenditures from tourism-associated activities such as dining and lodging due to increasingly limited and low-quality offerings in the neighborhood.

In the mid-1990s, Hollywood property owners formed and funded a business improvement district (BID), the Hollywood Entertainment District, to improve safety and cleanliness on Hollywood Boulevard. The BID partnered with the Community Redevelopment Agency of Los Angeles to define the neighborhood as a project area in order to direct development dollars into the neighborhood. Significant transportation improvements were made with several subway stations opened along Sunset and Hollywood Boulevards. As these multiple activities began to reap rewards, the BID was expanded and funded at increasing levels, with annual expenditures reaching over \$3.4 million in 2012.³³

Investments by the BID have included security and street maintenance, while public investment has funded infrastructure like parking garages, streetscape improvements, and alley redevelopment. These improvements, combined with Hollywood's proximity to Los Angeles television and film districts, and comparatively lower real estate prices than other centrally-located business districts, attracted companies in the entertainment, technology and media industries to locate in Hollywood. Hollywood benefits from a plethora of aging, low-rise industrial buildings with moderately low rents that are used as post-production sites for entertainment and other creative industries.

Together with improved safety and cleanliness, the influx of new companies and their employees has spurred the development of hotel, retail and dining offerings that also serve tourists visiting the neighborhood's historic sites. In this area, a revitalization of other economic sectors has also supported the expansion of services affiliated with tourism, resulting in a more appealing tourism destination with more opportunities for visitors to spend their tourism dollars. There has been a resurgence of mid- and high-rise residential development over the past decade, and Hollywood is once again a desirable destination.

EXPANDING DESTINATIONS

Monterey, California expanded its tourism offerings using an innovative partnership between the public and private sectors. In 1977, the Monterey Conference Center was opened to expand the services available to tourists, which were previously limited to the typical offerings of a small, coastal fishing town serving leisure tourists during the summer visiting from the nearby San Francisco metropolitan area.

Despite challenges due to zoning, Coastal Conservation Commission, historic landmark requirements that entailed regional, state and federal approval and five years of planning, construction on the conference center began in 1975. To meet all requirements, the conference center partnered with an adjacent hotel to minimize the project footprint. In return for the conference center's use of the adjacent hotel's existing footprint and indoor space, the hotel was given the right to construct part of the hotel above the conference center using its air rights.

The \$8 million construction cost of the convention center was financed through a city bond issue, general revenue funds, and transient occupancy tax (TOT) revenue. Today, operations and maintenance of the convention center are paid through conference and TOT revenues.

³² Boland, Shane. "What Happened in Hollywood?" Occidental College, 2001.

³³ Hollywood Entertainment District Fact Sheet. Hollywood Entertainment District, 2012.

The convention center has been a catalyst for business tourism in the city, attracting nearly three hundred conferences per year and generating \$14.2 million in TOT taxes for the city. In addition to benefits to the city, the conference center has also catalyzed business travel throughout Monterey County, which received 1.3 million business travelers in 2007.

That the convention center was built in spite of a challenging development context is an example of how innovative and long-term partnerships can make development possible. The conference center is an asset to the city, complementing its leisure offerings by expanding to a business market segment that has been eager to access the natural and scenic assets of the area.

Key Findings:

- Rebranding can be a successful strategy to change the image of a destination by leveraging its unique assets and local history. This strategy could be applied on the South Shore of Lake Tahoe to update the tourism image of the Region in a way that broadens the focus from gaming and skiing to support additional tourism.
- Tourism and public infrastructure improvements are also likely to be needed in areas where rebranding or expansion of tourism activities occurs to highlight and provide access to unique assets, such as historic buildings or natural landmarks, as well as to build, restore or update tourism-related offerings, such as convention centers, hotels, retail outlets and food and beverage establishments.
- Alternative and creative strategies for funding infrastructure improvements, such as the creation of BIDs, joint powers authorities, tax increment financing, tax-sharing TDR requirements, and partnerships with the private sector, may provide more flexibility for funding improvements than the use of traditional methods.
- Economic growth in other sectors can also support tourism improvements through investments that other industries bring into the economy that also support hotels, retail and dining establishments, as well as through tax revenue that can be directed toward public infrastructure.

INVENTORY OF ECONOMIC INCENTIVES

Economic incentives are used by state and local governments to develop, attract and retain business activities that provide benefits, such as employment and tax revenues, in their jurisdictions. Incentives can range from cash grants to loan guarantees to expedited permitting, and companies may be eligible for multiple incentives under both state and local programs. Incentives were identified through research on state, city, county and economic development council policies; news articles, and interviews with persons working in economic development in Colorado, Oregon and Utah.

An overview of incentives in use in the Denver, Salt Lake and Portland study areas and California and Nevada follows; these are divided into the following groups:

- Policy and process,
- Fiscal,
- Marketing,
- Workforce, and
- Infrastructure incentives.

In the case of fiscal incentives, incentives are also broken down into the sub-categories of tax treatment, loans and grants, research and development, rural/economically-disadvantaged areas, small business, natural resources, and motion pictures and television. A jurisdiction where an incentive is in use is denoted after the incentive, as well as whether the incentive is implemented at the state or local level. For example, an incentive

in use at the local level in Utah would be denoted by “L-Utah”, while a state incentive in Colorado and Oregon would be denoted by “S-Colorado, Oregon.”

POLICY AND PROCESS INCENTIVES

This group of incentives supports business through assistance with government processes and private sector connections. These incentives are often low-cost and easy to implement at the local level, and provide substantial value to companies by removing uncertainty from government processes and timelines as well as fostering relationships with other private sector entities than can promote investment and financing for startups and business expansions. Such incentives are in use across all three case study states and at the local level in each state. Utah is most aggressive with expediting government processes while Oregon leads in fostering private sector relationships for its companies.

1. Expedited Permitting: Site plan and building permits can be expedited to reduce time to construction for business relocation or expansion. (L-Utah, Oregon)
2. Integrated Business Assistance and Relocation Services: A “champion” for each business is appointed to act as the liaison between the business and government agencies. (L-Utah) (L-California)
3. Business Counseling: SCORE, a national nonprofit dedicated to small business development, provides counseling services across the country in partnership with state and local economic development programs. Nevada provides specialized counseling to manufacturing, construction and mining industries. (L-Colorado, Utah, Oregon) (L-California, Nevada)
4. Business Networking: Informal, regular collaboration sessions fostered by local governments and/or economic development organizations, e.g. Chambers of Commerce. (L-Colorado, Oregon, Utah) (L-Nevada)
5. Exposure to Capital: An entity or person is responsible for locating traditional and venture capital from the private sector for businesses with few connections to these markets due to geographic or industrial development limitations. (L-Oregon, Colorado)
6. Geographically-Specific Investment Funds: State-run investment corporation invests in businesses that diversify the state’s economy. (S-Nevada)

FISCAL INCENTIVES

This is the largest group of incentives, comprising a wide variety of tools that seek to provide fiscal benefits to companies. Due to particular political, legal and tax considerations in each state and jurisdiction, these incentives can be structured as tax credits, loans, forgivable loans, grants, and are also used to target specific industries, such as the motion picture industry. Incentives of this type are in use in all three case study states, though Utah has been most aggressive with the use of these incentives across all industries, while Oregon has created a set of fiscal incentives particular to the renewable energy industry. Although fiscal incentives are widely used, they can be controversial from a taxpayer perspective and require careful implementation to ensure that they are used in compliance with the grantor’s intent.

Loans and Grants

1. Industrial Assistance Fund: performance-based grant based on job creation with wage requirements. This fund requires agreement between state and local governments and requires companies to demonstrate profitability and competitiveness with other locations. (S/L-Utah)
2. Job Creation Incentives: cash payments on a per-job created basis, with incentive levels determined by wages of new jobs. (S-Colorado)
3. Job Creation Incentive Tax Credit: provides a tax credit for job creation meeting wage requirements that can be carried into future tax years. (S-Colorado)

4. Revolving Loan Fund: provides gap financing for companies opening or expanding, with loan proceeds returning to fund for use by other businesses. (L-Utah)
5. Industrial Revenue Bonds/Industrial Development Bonds: Bonds issued by municipalities and counties to develop industrial manufacturing facilities up to \$10 million per issue/company. (S-Utah) (S-Nevada, California)

Motion Pictures/ Television

6. Motion Picture Incentive Fund: Rebate or credits of motion picture production expenses and/or taxes with minimum expenditure requirements. (S-Utah, Oregon, Colorado) (S-Nevada, California)

Natural Resources

7. Renewable Energy Development Incentive: performance-based tax credit for up to 100% of new state sales, corporate, and withholding taxes over a 5 to 10 year period. This incentive requires agreement between state and local governments and requires companies to demonstrate profitability and competitiveness with other locations. (S/L-Utah)
8. Business Energy Tax Credit for Renewable Resource Equipment Manufacturing: facilities engaged in manufacturing equipment for renewable resource generation and collection may be eligible for a state tax credit of fifty percent of eligible facility costs. (S-Oregon)
9. Rural Renewable Energy Zones: investments that harness renewable energy in rural areas or that are involved in the biofuel trade are eligible for exemption from local property taxes for 3 to 5 years, and may or may not require the creation of new jobs in the jurisdiction (L-Oregon).
10. Recycling Zones: Businesses using recycled materials in their manufacturing processes as well as collect and distribute recycled materials are eligible for state tax credits on cost of machinery, equipment and operating expenses as well as technical assistance (S-Utah)
11. Renewable Energy Development Grants- Competitive grants for renewable energy production at less than 35 MW. (S-Oregon)
12. State Energy Loan Program: renewable energy facilities and manufacturers can receive up to \$20 million in low-interest financing with up to 20 years for payback. (S-Oregon)
13. Biomass Producer or Collector Tax Credits: production and transportation of biomass for biofuel manufacture can receive state income tax credits. (S-Oregon)
14. Energy Conservation Tax Credit: provides up to 35% state income tax credit for business investment for energy efficiency. (S-Oregon)
15. Alternative Energy System Exemption: provides for the exemption of the value of net metering systems and onsite electricity generation from state income taxes. (S-Oregon)
16. Property Tax Abatement for Recycling Businesses: Up to fifty percent abatement of real and personal property taxes for up to ten years. (S-Nevada)
17. Self-generation Incentive Program: provides rebates for distributed energy systems, such as wind turbines, fuel cells, and waste heat capture. (S-California)
18. Alternative and Renewable Fuel and Vehicle technology Program: grants, loans, revolving loans and loan guarantees for businesses engaged in alternative and renewable fuel and vehicle technology program. (S-California)

Research and Development

19. Research Tax Credits: Credits for a percentage of investments in basic research machinery, equipment and/or activities. (S-Utah, Oregon) (S-California)

Rural/Economically Disadvantaged Areas

20. Income tax exemption: businesses that create new jobs with wage floors and do not compete with local businesses in economically-disadvantaged regions are eligible for a state income tax holiday for multiple years. (S-Oregon)

21. Rural Fast Track: performance-based grant for rural job creation by small businesses for up to \$1,500 per new job created. (S-Utah)
22. Enterprise Zones: Businesses locating or expanding in designated areas are eligible for state income tax credits. (S/L-Utah; S-Colorado, S-Oregon) (S-California)

Small Business

23. Microloans: Provides funding to micro-enterprises before they are eligible for traditional funding, and includes job creation targets for loans from \$500 to \$250,000. (L-Utah) (S-Nevada, L-California)
24. Collateral Support: Up to 35 percent of collateral for business loans can be supplied to small companies in targeted industries. (S-Nevada, California)
25. Low-interest revolving loan fund: Commercial and industrial project loans to businesses creating jobs for or retaining low-income employees. (L-California)
26. Small Business Jobs Tax Credit: Businesses with 20 or fewer employees are eligible for a credit of up to \$3,000 per hire. (S-California)
27. Portfolio Insurance for Small Business Lenders: Encourages lending institutions to finance loans for businesses that do not meet traditional underwriting standards. (S-California)
28. Small Business Loan Guarantee Program: Builds credit history and provides loan guarantees for small businesses. (S-California)
29. Energy Innovations Small Grant: funds hardware and modeling projects to establish feasibility of innovative energy concepts by small businesses, non-profits, educational institutions and non-profits. (S-California)

Tax Treatment

30. Tax Increment Financing: Companies locating in designated areas are eligible to have a portion of the property tax increment refunded to them for a certain number of years. (L-Utah, L-Colorado).
31. Economic Development Tax Increment Financing: A performance-based, refundable tax credit that refunds up to 30% of new state sales, corporate, and withholding tax revenues over 5- to 10- year periods for companies relocating to or expanding in Utah. Requirements include agreements with state and local governments, wage floors, and capital investment commitments. The EDTIF has been used extensively in Utah by major corporations such as Procter & Gamble and Home Depot.(S/L-Utah)
32. Aviation Development Zone Tax Credit: businesses engaged in maintenance, assembly or modification of aircraft can receive state income tax credit based on the number of full-time employees added. (S-Colorado).
33. Aviation and Aerospace companies are also eligible for special consideration for Tax Increment Financing rebate on state revenues. (S-Utah)
34. Sales Tax Exemptions: Sales tax exemption for equipment for new manufacturing plants as well as replacement equipment for existing plants, and equipment for use in areas targeted industries that vary by state for activities such as alternative energy production, film production, snowmaking, biotechnology in Utah and Colorado. (S-Utah, Colorado) (S-Nevada, California)
35. Sales Tax Deferral: Deferral of sales/use tax on capital equipment valued at \$100,000 or more provided job creation requirements are met as a result of the exemption. (S-Nevada)
36. Business Tax Abatement: Reduction of tax on wages paid by employers during the first four years of the business's operation with capital investment and job creation requirements for eligibility. (S-Nevada)
37. Property Tax Abatement: up to fifty percent abatement of property tax paid by on company property for up to ten years with capital investment and job creation requirements for eligibility. (S-Nevada)
38. Competitive Tax Credits: Businesses who choose to stay in or relocate to California can be awarded tax credits by application to the Governor's Office of Business and Economic Development. (S-California)
39. New Employment Credit: State business tax credit based on wages of full time employees working in designated census tract or economic development areas. (S-California)

40. Free Trade Zones: reductions, deferrals and exemptions of U.S. duties for manufacturing, assembly and processing may occur depending on product's next or final destination. (S-Utah)
41. Strategic Investment Property Tax Exemption: exempts capital investments beginning at \$25 from property taxes for 15 years for traded sector businesses. (S-Oregon)
42. Construction in Progress Tax Exemption: Unfinished facilities may be exempt from local property taxes. (S-Oregon)

MARKETING INCENTIVES

This category of incentives includes industry, destination, and individual business marketing incentives. Most tourism-related incentives are marketing incentives. In this respect, all three case study states collaborate and fund general tourism and destination marketing, while local programs in Utah provide marketing assistance directly to businesses.

1. State Tourism Campaign Collaboration (S-Colorado, Oregon, Utah)
2. Local Tourism Campaign Funding (S-Colorado, Oregon, Utah)
3. Destination Marketing Funding (S-Colorado, Oregon, Utah)
4. Façade Grant Program: provides funding for facade improvement to ensure consistent character in town centers. (L-Utah) (L-California)
5. Blade Sign Grant Program: provides signs perpendicular to storefronts targeted to pedestrians for businesses as well as zoning exceptions to allow such signs. (L-Utah)
6. Paint Grant Program: provides reimbursement for repainting building exteriors to maintain commercial facades. (L-Utah)

WORKFORCE INCENTIVES

This category of incentives is intended to assist companies in sourcing employees from the local workforce, rather than importing workers from other areas or relocating to areas with workers already possessing the necessary skills. In addition to training programs, Colorado and Oregon provide additional programs for small businesses and those offering a broader package of benefits to employees.

1. Worker Training: Customized worker training provided through the state and other educational institutions with government contribution and caps matching requirements for the business. Standard and customized curricula can be provided at campuses or business locations. (S-Utah, Colorado, Oregon) (S-Nevada, California)
2. Small Business Worker Training Program: provides reimbursement for training costs for new employees in small businesses. (S-Colorado)
3. Employer-provided Dependent Care Tax Credit: Provides a state income tax credit equal to fifty percent of the annual cost of assisting workforce with dependent care. (S-Oregon)

INFRASTRUCTURE INCENTIVES

Infrastructure incentives are designed to reduce the cost of infrastructure provision, such as roads or electricity connections, to business locations, through loans, grants or financing programs. Such programs can be offered at the state or local level, depending on the entity charged with infrastructure provision or economic development in a particular jurisdiction. In Colorado, state-funded grants support infrastructure development, while in Utah, local level financing for infrastructure development is available.

1. Public Infrastructure Grants: funds that are applied for construction or improvement of business-enabling infrastructure, such as water and energy utility connections and roads. (S-Colorado)

2. System Development Charge Financing and Deferral Programs: favorable financing terms or deferral until occupancy for utility system development charges incurred by business expansion or job creation activities. (L-Utah)

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