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## **Taking Lake Tahoe and TRPA in a New Direction**

**North Lake Tahoe Resort Association \* October 13, 2010**

**Intro:** Good afternoon and thank you for inviting me to speak at this important annual meeting of the North Lake Tahoe business community. Today, I'd like to reflect on the state of the Tahoe Basin, look strategically at where I think we are headed, and note the most important work we need to accomplish collectively. I'd like to share my thoughts on some of the Basin's significant challenges and how we can meet those challenges, including how I am transforming the TRPA into a new organization poised to tackle these pressing issues head on.

If I've learned one thing during my tenure at TRPA, it's that strong leadership and even stronger partnerships are the fundamental ingredients to taking Lake Tahoe in a new direction. So, listen carefully today for those opportunities where you can join me in leadership and strengthen our partnership to achieve a common purpose. The playing field to do so is ready and in need.

**Let me set the stage for you – Simply put, Tahoe is in decline and in crisis:** Our Lake is not just an aesthetic and spiritual jewel. The reality is that LT supports nearly a \$5B economy for the two states that share its border. That economy is grounded squarely in tourism – and that economy, like others today, is in relative crisis. It is

*imagine. plan. achieve.*

organizations like yours working in partnership with TRPA and others that will propel us forward out of the crisis we're facing.

And make no mistake, we **are** in a crisis. This is not crisis borne merely of the national and international banking meltdown; no - that fiscal catastrophe merely exacerbated Tahoe's problem, which began a decade (or more) ago. Tahoe's crisis is that its historic economic foundation – gaming -- is falling out from under us, even regardless of the larger national and international economic problems. Looking out the window at Lake Tahoe – one of the most spectacular scenes in the world – it's hard to believe that our economy and communities around the lake are in peril. But indeed, they are. When the Basin-wide unemployment rate hovers between 12 and 17 percent, when schools have closed and we've lost more than 10,000 residents in the Basin over a decade, and when a single mother living in Tahoe can't afford to buy Tylenol for her son's fever – YES, our communities' foundation is in trouble.

Then, on top of growing economic and social strains, we face the newly acknowledged environmental threats of invasive species and catastrophic wildfire, and the continuing threat of the adverse effects of stormwater runoff, any or all of which pose lasting impacts to our fragile alpine lake ecosystem, the very ecosystem without which there would be no economic support for Tahoe.

YES, we have big problems. But I am not here to be a pessimist, merely a pragmatist. The good news is that Tahoe's problems can be solved, and we have a growing collective vision of actions needed to set the most meaningful solutions in motion. But this is Tahoe – you know as I do that the fights here are mighty and mean. These actions will take every ounce of our collective leadership to push through to decision. And I'm here today to tell you that TRPA has already set its own course of solutions in motion. We have already committed to being part of the positive momentum that will address our environmental, economic, and community-wide challenges.

**[Two Parts today: ]** There are two parts to this positive course of action that I want to address today. First, the progress TRPA is making toward updating the Regional Plan for the Tahoe Region. And, second, a new TRPA Strategic Plan that is remaking the internal workings and culture of TRPA to be part of the needed solution.

**[ (1) RPU: ]** First, some words about the direction and progress of TRPA's Regional Plan Update. Our guiding principle is to fulfill the original intent of the Bi-State Compact which created us 40 years ago to protect this spectacular environment for future generations. The Compact is and remains the agency's touchstone. But what we do today must be done with a different eye than what we did in the past because we know more now.

When TRPA **began working on a regional plan 3 decades ago in the 1980s**, there was a legitimate concern that Lake Tahoe could be over-developed. It was our role to put the brakes on rampant growth, and we succeeded. **We saved Lake Tahoe** from turning into a city the size of San Francisco, as some had envisioned. We established growth controls and drew an urban boundary line. We adopted environmentally protective rules and regulations and developed an international reputation for innovation in harmonizing the natural environment with human-made development to support strong local economies.

Three decades later, we now find ourselves **nearly at build-out** in the Tahoe Basin. But let's put the term "build-out" in perspective:

**\*\* The first important point about "build-out" -- Most environmental harm today is still coming from development put on the ground before TRPA had standards in place:** Since most of the development in the Basin occurred before we had a regional plan in place with strong environmental protections, the vast majority of continuing harm to the Lake is due to already existing but uncorrected dated, aging, deteriorating facilities built 30, 40, and 50 years ago including the roadway system. Recent science is showing that if we are ever to meet our lake clarity goals, we need to attack urban stormwater runoff problems – to eliminate fine sediment flowing into the Lake by at least 32% over the next 20 years. The data indicate this runoff is coming from already developed areas

in our town centers. With this scientific info, we know how to get the greatest environmental bang for the buck -- by replacing and upgrading already existing facilities that were put in place long ago.

I hope you see the synergy here: by remaking our existing Tahoe town centers to achieve key environmental goals there is the concurrent opportunity to also bring back or strengthen Tahoe's economy by bringing it up to date to meet today's tourism needs and demand.

**\*\* Here's a second important point about "build-out -- Even if we are near Tahoe's full development potential, our buildings and infrastructure on the ground today no longer support today's economy much less the environment:** Today we are well below the population, traffic flows, and visitorship that we experienced in the early 1990s. So, although we say we are near **buildout**, are we where we need to be to support either the environment or the economy? Think about it -- We have had only a handful of major projects -- all redevelopment projects to replace dated facilities -- over the last 10 years basin-wide. In fact, **Tahoe missed** the robust economic remake and update that many communities took advantage of during the 15 years of irrational exuberance before the national financial meltdown. What happened here in Tahoe during that period was that we eeked out projects over long delays and burdensome process obstacles, and the delay exacerbated our slip into economic decline. Our built

environment is an anachronism and no longer serves the current predominant tourist demand for services, activities, or amenities. Tahoe is now therefore having trouble competing economically.

**\*\* The third important point about build-out -- The biggest part of the Lake's environmental problem exists on only about 1% of the land area:** I said we know where the bulk of the environmental problem originates – already built town centers and roadways. Did you know that less than 15 percent of the land in the Basin is in private ownership? And did you know that the majority of the pollutant load that causes declines in lake water quality is coming from just about 1 percent of the Basin land area, where much of that land is in core community center areas which are already built?

**\*\* To tackle this 1%, we must allow the built environment of Tahoe to change so that we can incorporate state of the art environmental improvements on the ground at the same time as we remake the economy:** And since we know from the recent water quality science that we have to actually reduce the sediment flowing into the lake, that means we have to facilitate change on the ground.

**\*\* So, let me tie together the points about build-out -- Environmental Redevelopment may be part of the solution:** What we're proposing as part of our regional plan update is exactly what the science tells us needs to be done – we are proposing to fix through replacement – not growth -- the existing built environment that is

causing the greatest environmental harm to the Lake. But we all know change comes hard at Lake Tahoe and some would have you believe that TRPA is promoting growth or increased urbanization of the Tahoe Basin. I can't disagree with this characterization strongly enough. What we're doing is exactly what the science tells us needs to be done -- fixing the existing built environment that is causing harm to the Lake, not promoting growth, not building sky scrapers, and not pushing development for the sake of development only. That would be a step backwards. We are saying **ENVIRONMENTAL REDEVELOPMENT** is a necessary environmental tool among others. We absolutely believe that Lake Tahoe's pristine environment can be protected while at the same time improving the quality of life and economy for the people who live, work, and visit here. That's the sustainable future I'm working to deliver – environmental redevelopment – via TRPA's updated regional plan.

**\*\* Couple ER w/ EIP as main strategies of RPU:** But action in the form of private redevelopment is not all that is needed or all that is planned by TRPA. Yes, indeed, we propose to address Tahoe's environmental needs through changed land use policies that offer incentives to remove buildings from sensitive stream environment zones that can then be restored, to cluster buildings in town centers so as to create walkable spaces, to reduce land coverage in those town centers, and to develop transportation systems that reduce pollution from our roadway systems. We would then couple these

private redevelopment strategies with enhanced restoration programs already in the works.

Lake Tahoe entered a restoration age when we realized that a regulatory approach alone to managing the Basin would not be enough to reverse the environmental damage of the past. TRPA, working with other Basin partners launched the Environmental Improvement Program in the mid 90s, a program of investment in environmental restoration projects. The Resort Association has been an important EIP partner over the last 10 to 15 years and the projects you're helping to implement here on the north shore continue to be crucial to both our environment and our local economy. These projects are improving the environment and creating jobs in the process.

It is the EIP combined with environmental redevelopment that are the key tools proposed in TRPA's Regional Plan Update. So what's the next step? After years of public input from all sectors, we now plan to bring the package to TRPA's GB and adopt it as part of a renewed Plan for the Region. Right? Not necessarily.

**\*\* What you may not know but need to is that a pitched philosophical battle is looming large in the Basin and the battlefield will be TRPA:** Behind this relatively simple conceptual Plan for Tahoe – a robust partnership of private and public sector investment that strengthens not only the environment but also the economy and social



foundation of Tahoe – is an epic philosophical battle for how to get there. We're fearful with the recent round of lawsuits that the organized environmental community has reinvigorated the litigation vs. collaboration strategy as the preferred forum to set policy and negotiate environmental constraints. Through the relatively constrained and non-transparent setting of the court system, they seem to press the position that environmental good must come through heightened regulation, increased prohibitions on the numbers of visitors to Tahoe, controls on population, and much more stringent regulatory constraints on revitalizing the existing built environment here in Tahoe. Over the next year, TRPA's Governing Board will debate the strategies and the best means to revitalize Tahoe – not only our environment but also by implication Tahoe's economy. The debate has begun – I would urge you to **weigh in** and not sit on the sidelines. As the saying goes here in Tahoe, if you're not at the table, you're on the menu!

**[ STRATEGIC PLAN:]** Now I'd like to move into my second topic, to share the **shifts in TRPA's strategic direction**. To deliver any of this promise of renewed economic and environmental gain for Tahoe means that we have to allow good projects to happen. Given today's relative state of crisis in Tahoe, you should be aware if you're not already that TRPA is in the midst of long-needed culture change. We are moving to a culture that includes a different ethic of efficiency, accountability, and focus in order to accelerate delivery of environmental gain on the ground.

You all know the history of TRPA and the perception that we're a roadblock to everything. I would ask you to look again. TRPA is changing for the better. Where in the past, saying "no" – in the form of stopping or long delaying action -- used to be the best thing to do for the lake, today's science tells us we must proactively fix what's on the ground to make substantial environmental gain. That means fostering problem solving and partnership building to drive good environmental results. For example, if it takes ten years to get to project approval for town center redevelopment or if it takes 5 years to permit a stream restoration project, those are years of lost opportunity and lost environmental gains.

So, I have set in motion a new and perhaps first ever Strategic Plan for TRPA. I am remaking our internal structure, our culture, and our business practices. Tahoe cannot afford to do nothing – "doing nothing" assures only further decline, environmentally and economically.

The new TRPA is grounded on 4 pillars: first, and I've repeated this again and again - environmental gain to achieve TH attainment. So, the new TRPA culture I am building moves from a predominant culture of "no" to one of "yes, and here's how, responsibly." This "can-do" attitude invites collaboration with people or organizations that have constructive and viable suggestions for how to make changes that eliminate the harmful effects of bad past development and delivers positive results for the environment.

But note this: This new culture should not be mistaken as meaning that any old development is good development. The shift is instead toward responsible action that allows change and puts long needed environmental gain on the ground. It is about allowing for a sustainable Tahoe – not the Tahoe of today with bankruptcies, boarded up buildings, shrinking populations, and massive job losses. Our new strategic approach is grounded in what I believe is this truth: if Tahoe loses its social and economic foundation, no one – not the federal government, not the two states, not local jurisdictions, and not the private sector -- will have the financial **wherewithal**, the political will, or the social willingness to make the \$2.5B in additional environmental investment needed. No one will be able or willing to bring Tahoe back.

Then there are 3 other strategic pillars for success – we are growing our **community engagement and improving public service**. As you all know, the permitting process can be complicated at Lake Tahoe, and we have begin the work needed to streamline our permitting timelines and processes. We have rules for a very good reason, but we can and are **streamlining** our processes. Underpinning all we do at the Agency, lies our renewed commitment to **community engagement**. We're now requiring community service of every staff member at TRPA plus we're launching a new customer satisfaction program designed to improve our public service. And lastly we are improving our **operational efficiency**. By putting in place a new organizational structure that's much

more directly based on accountability and performance, we can make more progress on **environmental threshold attainment** and improve our community relations in the process.

All of these measures are geared to delivering more **environmental gain** on the ground in the form of water quality improvements and other resource protections around the Basin.

If you worry these are just words and question the commitment, the TRPA Governing Board endorsed this new strategic direction in July. Our **new strategic plan is on our website** – please take a look for yourself.

And so as I close today, this is where we need your support – support from you as an important community organization, since you have so much at stake in this:

We are at a tipping point in Tahoe – the socioeconomic statistics don't lie. And no single agency or entity can save Tahoe from economic and environmental demise if we can't help ourselves. TRPA is taking a hard look at itself and changing to meet the times. So, I would ask, when you hear something that doesn't seem right, or you have a suggestion on how we can better work with the community rather than against it, contact me. I am committed to the change needed to allow both the environment and the economy to

thrive. I invite you to work with me through collaboration and partnership to collectively tip Tahoe's balance in the right direction. I am putting myself on the line by leading a culture change after 30 years of entrenchment in status quo. TRPA is heading in a new direction because it's what I believe Tahoe needs to survive.

I will close today with this anonymous quote: "Life is a series of great opportunities, well disguised as impossible situations." Please join me in leadership and in collaboration to solve this next impossible situation. I look forward to growing our continued partnership and thank you again for inviting me to speak here today.