Overview of Business Climate in the Lake Tahoe Basin

Prepared for the Nevada Legislative Committee by North Lake Tahoe Chamber | CVB | Resort Association
Positive Signals – Public Sector

- KBCCIP (Kings Beach Commercial Core Improvement Program)
- FLAP Grant – Fanny Bridge, Dollar Creek Trail, Meeks Bay Trail
- Catalyst Project Assistance
- Regional Plan / Area Plans
Positive Signals – Private Sector

- Henrikson Property in Escrow
- Cal Neva purchase and redevelopment
- Squaw Valley expansion - KSL
- Northstar Master Plan - Vail
- Truckee development projects
- Martis Camp, Shaffer Mill
- Homewood Development – through litigation
Transient Occupancy Tax Increases

TOT Data 1977-2013

- Blue line: Actual TOT $$$
- Red line: Inflation Adjusted TOT $$$

Amount $:
- 0 to 14,000,000

Year:
- 1977-1978 to 2012-2013
Catalyst Projects: Tahoe City

Catalyst Sites
1. Hendrikson
2. Golf Course
3. Fanny Bridge
4. Commons Beach
5. Waterfront Improvements
6. Riverfront Improvements
Catalyst Projects: Tahoe City

Example: Tahoe City Hendrikson property

View Today

Artist Rendering of Lodging from Tahoe City Visioning
Catalyst and Opportunity Projects: Kings Beach

1. KB Town Center (BBLLC)
2. Waterfront Improvements
3. Former RDA – Swiss Mart
4. Former RDA – Eastern Gateway
5. Former RDA – Everett
6. Future Development
Catalyst and Opportunity Projects: Kings Beach

Example: Kings Beach Town Center (BB LLC)

Artist Rendering from Kings Beach Design Charrette
## Lodging significance

### North Lake Tahoe Visitation by Type of Accommodation, 2012

<table>
<thead>
<tr>
<th>Type of Accommodation</th>
<th>Ave. Daily Spending (per person)</th>
<th>Total Visitor Spending (Million)</th>
<th>Visitor-Days (Thousand)</th>
<th>Length of Stay (Days)</th>
<th>Visitor-trips (Thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel/Motel/B&amp;B</td>
<td>$233</td>
<td>$204</td>
<td>876</td>
<td>3.4</td>
<td>257</td>
</tr>
<tr>
<td>Rented Condo/Home</td>
<td>$204</td>
<td>$158</td>
<td>775</td>
<td>3.5</td>
<td>219</td>
</tr>
<tr>
<td>Private/Vacation Home</td>
<td>$69</td>
<td>$64</td>
<td>932</td>
<td>10.4</td>
<td>90</td>
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<tr>
<td>Campground</td>
<td>$47</td>
<td>$6</td>
<td>125</td>
<td>3.5</td>
<td>36</td>
</tr>
<tr>
<td>Day Trip</td>
<td>$126</td>
<td>$55</td>
<td>436</td>
<td>1.0</td>
<td>436</td>
</tr>
<tr>
<td>Total</td>
<td>$155</td>
<td>$487</td>
<td>3,143</td>
<td>3.0</td>
<td>1,037</td>
</tr>
</tbody>
</table>

Source: Dean Runyan Associates

### Visitor-Related Share of Total Payroll Generated Earnings

**North Lake Tahoe Area, 2012**

- All other: $238.1 Million (49%)
- Visitor-Related: $250.3 Million (51%)

Total Payroll Generated Earnings: $488.4 Million

### Visitor-Related Share of Total Employment

**North Lake Tahoe Area, 2012**

- All other: 5,222 (40%)
- Visitor-Related: 7,815 (60%)

Total Employment: 13,037
The Case for Focused County Investment

- No new hotels/motels in Kings Beach or Tahoe City since 1962
- Regional land use regulations capped the number of motel rooms at those existing in 1987
- Nearly $200 million public infrastructure investment in the last two decades
- Loss of Redevelopment Agency as a tool to assist

**Costs of Lodging Development**

<table>
<thead>
<tr>
<th>Develop outside Basin</th>
<th>Develop inside Basin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated - $150,000-$170,000/room</td>
<td>Estimated - $250,000-$270,000/room</td>
</tr>
</tbody>
</table>
These factors cause greater risk and higher costs
Changing Role of Commodities

- Commodities required in Basin development
  - Coverage
  - Commercial Floor Area (CFA)
  - Residential Units of Use (RUUs)
  - Tourist Accommodation Units (TAUs)

- TAUs are a primary impediment in Basin
  - Amount capped by TRPA at 12,000 Basin wide
  - Less than 400 operational lodging units in Town Centers
  - Costs range from $5,000-$40,000/TAU
  - No open market to source
  - Requires sending and receiving jurisdiction approval
Incentivizing Private Investment

- Develop TAU Business Plan
  - Target amount of lodging appropriate for Town Centers
  - Further analyze development costs and returns
  - Explore financing mechanisms
  - Identify potential partners
    - CTC/Local Governments/other non-profits
  - TAU guidelines and process for distribution
Future Threats

- Extended drought conditions
- Invasive species and near shore clarity
- Catastrophic fire
- Continued litigation over public plans and private development
- Incorporation – Olympic Valley
Future Opportunities

- Health care initiatives – Tahoe Forest
- Transit vision – Washoe, Nevada and Placer Counties
- Expanded air service into Reno
- Entrepreneur culture – Thrive Tahoe, Incubator, Start Up Tahoe
- High Altitude Training
- Regional events – Ironman, USA Cycling, team sports
Questions?