



LAKE TAHOE BASIN PROSPERITY PLAN

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Prepared for
The Western Nevada Development District
On Behalf of the
Lake Tahoe Basin Prosperity Plan Steering Committee



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TABLE OF CONTENTS

Abstract.....	i
Executive Summary	ii
I. Lake Tahoe Basin Prosperity Plan – Introduction	1
II. Lake Tahoe Basin Vision.....	5
III. Environmental Scan.....	11
IV. Economic Cluster Overview and Analyses	22
V. Lake Tahoe Basin Prosperity Plan – Implementation Strategy	30
VI. Cluster Initiatives.....	45
Appendix A: Economic Data Analysis Methodology.....	68
Appendix B: Stakeholder and Resource Interviews.....	77
Appendix C: LTBPP Meeting Participants.....	79
Appendix D: Case Studies of Visitor Serving, Environmental Research, Technology-Related, and Sports-Related Projects in Other Regions	91
Appendix E: Bibliography and Reference Resources	100
Appendix F: Potential Foundation Grant Sources, Selected Tahoe & Other Grantees.....	103

TABLES & FIGURES

Table 1 Unemployment Rate, California and Nevada	17
Table 2 Subsidized School Lunches	18
Table A1 2007 County Business Pattern Data for Zip Code 89402 (Crystal Bay, NV)	71
Table A2 CED Estimated Employment by Industry for Zip Code 89402	72
Table A3 Leakage Example – Retail Clothing Stores to Electricity	74
Table A4 Top Ten Industries from which All Lake Tahoe Basin Businesses Purchase Outside of the Basin	75
Table A5 Top Ten Industries from which Tourism and Visitor Services Businesses in the Lake Tahoe Basin Purchase Outside of the Basin	75
Table A6 Top Ten Industries from which Environmental Innovation Businesses in the Lake Tahoe Basin Purchase Outside of the Basin	76
Table A7 Top Ten Industries from which Health and Wellness Businesses in the Lake Tahoe Basin Purchase Outside of the Basin	76
Table F-1 Grant Matrix 1	103
Table F-2 Grant Matrix 2.....	105

Figure 1 Project Steering Committee Map	2
Figure 2 Prosperity Plan Development Process	4
Figure 3 Lake Tahoe Basin Prosperity Plan Economic Clusters Payroll Job Growth Compared to California and Nevada, 2000-2007	11
Figure 4 Economic Clusters	12
Figure 5 Lake Tahoe Basin Prosperity Plan Economic Clusters Payroll Job Growth, 2000- 2007	13
Figure 6 Lake Tahoe Basin Prosperity Plan Economic Clusters Payroll Job Growth, 2000- 2007, Compared with CA/NV.....	14
Figure 7 Potential Business Transactions Currently Leaving the Tahoe Basin (Leakage).....	15
Figure 8 Employment, South Lake Tahoe Casinos, 1990-2008.....	15
Figure 9 Income Needed to Afford Median-Priced Home Compared to Entry-Level Salaries 2010	19
Figure 10 The Structure of Industry Clusters	22
Figure 11 Cluster Path for a Sustainable Economy	23
Figure 12 Health & Wellness Cluster	24
Figure 13 Lake Tahoe Basin Prosperity Plan Health & Wellness Cluster, Payroll Job Growth 2000-2007	25
Figure 14 Tourism and Visitor Services Cluster Employment Distribution	26
Figure 15 Lake Tahoe Basin Prosperity Plan Tourism and Visitor Services Cluster, Payroll Job Growth 2000-2007.....	26
Figure 16 Environmental Innovation Cluster Employment Distribution.....	28
Figure 17 Lake Tahoe Basin Prosperity Plan Green Business / Environmental Innovation Cluster, Payroll Job Growth 2000-2007.....	28
Figure 18 Prosperity Center.....	40
Figure A1 Six-County Region Unemployment Rate.....	69
Figure A2 Lake Tahoe Basin Prosperity Plan Business Clusters, Payroll Job Growth 2000- 2007	70

ABSTRACT

Despite its idyllic natural environment, the Lake Tahoe Basin has suffered significant economic decline over the past decade. This has not only created social and fiscal dislocations in the region, but also threatens to hamper efforts to improve lake clarity and other environmental values in the Basin. The Lake Tahoe Basin Prosperity Plan (Prosperity Plan) was developed to address these challenges.

The economic analysis conducted for the Prosperity Plan identified three economic clusters comprising two-thirds of the Basin economy – Tourism and Visitor Services, Environmental Innovation, and Health and Wellness. Led by a diverse project steering committee representing all of the local government jurisdictions in the Basin as well as business associations and education institutions, the process to develop the Prosperity Plan engaged hundreds of stakeholders in the region, convening work groups within each economic cluster, as well capital resource partners, community leaders, state and federal agency representatives, and regional economic collaboratives from both California and Nevada..

The central recommendation in the Prosperity Plan is the formation of the Tahoe Prosperity Center, based on a regional stewardship model, to serve as an organizational focal point for implementing initiatives promoting economic cluster expansion as well as addressing a number of foundational issues essential to the success of the cluster initiatives. One of these key foundational issues is the fact that economic success in the Basin is directly related and linked to more predictable and consistent regulatory processes than is currently administered by the Tahoe Regional Planning Agency (TRPA) and other agencies, one that would encourage redevelopment and reinvestment. Without this predictability and consistency, implementation of the actions related to the economic cluster initiatives cannot be fulfilled.

The Prosperity Plan includes action steps for the following cluster initiatives. **Environmental Innovation:** Commercialization of environmental research applications, including a business incubator and investment fund; A coordinated Basin-wide green business program; Regional renewable energy systems. **Tourism and Visitor Services:** New visitor itineraries focused on outdoor activities, natural amenities, environmental education, and geotourism; Rebranding the visitor experience to focus on environmental quality, health and wellness, and recreation activities; Environmental redevelopment to improve the built environment. **Health and Wellness:** Specialized centers of excellence including orthopedics and oncology; Sports and fitness training; Wellness centers integrated with new visitor itineraries for fitness and recreation.

The Prosperity Plan process has led to several tangible outcomes: the first economic cluster-based strategy for the region, development of regional leadership capacity based on a stewardship model, engagement of new partners (including state and federal) and hundreds of stakeholders, alignment with the TRPA Regional Plan Update, and networking to support key actions such as development of an investment fund for environmental innovation.

EXECUTIVE SUMMARY

THE CYCLE OF LONG TERM DECLINE – OUR FUTURE?

Lake Tahoe is an iconic national treasure. Very few lakes worldwide rival Tahoe’s combination of size, depth and spectacular mountain beauty surrounding the watershed. The Lake Tahoe Basin is also an economic region of national and bi-state significance, estimated to produce \$4.7 billion in revenues per year. Long considered a premier destination, Lake Tahoe has suffered both environmental degradation and economic decline.

As a bi-state region, the Tahoe Basin has distinct characteristics related to geography, planning and governance. The Tahoe Basin is comprised of parts of two counties in California, including the only incorporated city in the region (City of South Lake Tahoe), and parts of three counties in Nevada. In an attempt to preserve the heralded natural environment of the Tahoe Basin, the states of California and Nevada formed a regional planning and regulatory organization – the Tahoe Regional Planning Agency (TRPA) – in 1969 amidst significant development pressures following the 1960 Lake Tahoe Olympics held in the region. The Bi-State Compact forming the agency was then ratified by Congress and continues to play a significant role in the regulatory and socioeconomic structure of the area. The federal government also maintains a substantial interest in the Tahoe Basin with the presence of the United States Forest Service, which manages 75 percent of the land as open space and recreational use within the watershed.

While TRPA’s role in the Tahoe Basin affects most aspects of the economy, greater macroeconomic forces have taken a toll on the area’s economic vitality. The Tahoe Basin’s economic decline began long before the current recession. The gaming industry has lost more than 7000 jobs since 1990. Unemployment ranges 13-19 percent in various areas of the Tahoe Basin. Poverty levels have increased dramatically. Along with job loss, second home ownership (49-65 percent) has pushed the cost of housing beyond the reach of most full time residents, resulting in population decline of 15 percent between 2000 and 2008.

The difficulties businesses face in investing in property improvements contributes to increased run-off and deterioration from aging infrastructure and properties, including visual and functional blight. This cycle further erodes the viability of the Tahoe Basin as a world class tourism destination and as a healthy and livable community for residents and families.

A NEW VISION FOR THE BASIN – OUR DESIRED FUTURE

The Lake Tahoe Basin Prosperity Plan (Prosperity Plan) sets forth a new vision for both the economic and environmental health and renewal of the region.

The Lake Tahoe Basin is a world class center of innovation around green tourism, green building and sustainable design, scientific research and applications for environmental resource renewal and management, renewable energies, and health and wellness. “It is the sustainability powerhouse of the nation.”

This vision transforms the region to be an environmental innovation center, with sustainable business practices that promote the economic advancement and prosperity of families and communities in concert with enhanced stewardship of the natural environment.

THE POWER OF ECONOMIC CLUSTERS

The way forward requires a new level of collaboration between private and public sector partners and the entire community in a shared agenda for action. The Prosperity Plan is based on three major economic clusters which represent two-thirds of the Basin's economy: Tourism and Visitor Services, Environmental Innovation, and Health and Wellness.

A PLAN FOR ACTION

The Prosperity Plan is a comprehensive action strategy to reposition the Tahoe Basin as an environmentally sustainable destination and test bed for environmental innovation. It is built upon the intellectual talents, commitment, and creativity of Tahoe residents and stewards of the Tahoe Basin, both within and outside of the region. It is a regional innovation strategy built on the foundation of growing and strengthening economic clusters where the region has potential competitive advantage.

To provide an organizational structure to coordinate and support the prosperity initiatives, it is recommended that a **Prosperity Center** (TahoeProsperity.org) be created using a regional stewardship model, which emphasizes networking and collaboration among existing private and public entities throughout the Basin. This model seeks to minimize duplication of efforts but rather will help to coordinate and leverage resources - especially in support of cluster and cross-sector initiatives; fill gaps where they exist; convene and collaborate with partners and stakeholders for shared solutions, especially around the core foundations for regional competitiveness; benchmark and track outcomes, including through the Watershed Sustainability Indicators, reporting back to the community and policymakers; and collaborate with partners on being a unified "voice" for the region's economic future.

Along with this organizational and leadership capacity, it is also necessary to instill greater predictability and consistency in the regional regulatory processes than is administered currently by TRPA and other agencies, in order to achieve the levels of reinvestment and redevelopment necessary to achieve broad prosperity in the Tahoe Basin.

Cluster specific and basin-wide highlights include:

- **Developing a pipeline strategy to support and commercialize alpine climate change and sustainability research, with a technology incubator, innovation investment fund and signature tourism and visitor services facility(ies)** – To build on the valuable existing assets of talent, expertise, facilities and research efforts of the many educational institutions, state and federal agencies, and environmental planning firms working in the Tahoe Basin. These include partners collaborating through the Tahoe Science Consortium: UC Davis Tahoe Environmental Research Center, Desert Research Institute (DRI), University of Nevada, Reno, U.S.G.S., and the U.S. Forest Service Pacific Southwest

Research Station; the campus sustainability initiative of Sierra Nevada College; and the sustainability-related education and training of the area's community colleges and universities. UC Davis and DRI along with others have been chosen by the federal government to co-host the new Southwest Climate Science Center, to understand the affects of climate change on the Southwest region's natural and cultural resources, highlighting the rich knowledge assets of these institutions.

The initiative would further expand efforts to generate Tahoe-based research resources; prototype, fund, and export commercially practical solutions for environmental challenges in the Tahoe Basin and elsewhere; sponsor green entrepreneurship and mentoring programs affiliated with the region's universities and colleges; and provide housing and other resources for researchers and visiting scholars. An innovation investment fund would be developed. It would also provide visitors with hands-on learning experiences about the Tahoe Basin's ecology, awareness of ongoing environmental research, and solutions for sustainable living, in collaboration with the Tourism and Visitor Services cluster.

- **The Tahoe Brand** – To rebrand the region as a green, geotourism, health and wellness visitor destination, providing a unique, authentic Lake Tahoe experience including sports, recreation, culinary, historical, art, cultural experiences, environmental education and volunteer opportunities.
- **Medical Centers of Excellence** – To promote specialties such as orthopedics, sports medicine, fitness training, oncology, and healthy lifestyles; medical tourism framed by the alpine environment, expertise of local medical centers, complementary wellness services, and visitor service assets.
- **Sports Commission** – To attract major sporting events such as the Amgen Bike Tour (scheduled for May 2011 in the Basin), World Cup skiing, philanthropic sporting events and tournaments; to foster Tahoe as a major center for sports and high altitude training venues for athletes; to attract youth and other tournaments and league events; and to capture Tahoe as a center for emerging sports.
- **Environmental Redevelopment** – To achieve sustainable redevelopment of deteriorating properties and infrastructure, thereby improving community livability and promoting green building, resource efficient development, alternative transportation modes, and environmental restoration. Leverage reinvestment through a Basin Infrastructure Bank.
- **Regional broadband strategy** – To facilitate e-Health and telemedicine, e-commerce, improved visitor experiences, efficient government services, telecommuting, emergency services and other needs for a “Connected Tahoe Basin.”
- **Basin-Wide Housing Affordability, Education and Workforce, Transportation and Infrastructure Strategies** – To support the vitality of the clusters and promote community livability, sustainability, and equitable access to opportunities.

There have been several key accomplishments to date through the development of the Prosperity Plan:

- Creation of first Basin-wide regional economic strategy, based on key economic clusters, through a bottom up process involving hundreds of community leaders, businesses, academia, institutions, and residents, and committed to sustainability and regional success.
- Engagement of new institutional partners, who are providing expertise, capacity, fiscal and other resources to advance the Basin's economy, with expanded access to opportunity and improved environmental outcomes.
- An economic forum with state and federal partners who expressed a commitment to partner with Basin stakeholders to make the Prosperity Plan a reality.
- Increased networking and collaboration throughout the Basin across clusters and organizations which has accelerated ongoing activities, provided impetus for emerging initiatives, and increased information sharing and resource leveraging; as an example, the possibility of an innovation investment fund is moving forward.
- Development of leadership capacity on the part of the Lake Tahoe Basin Prosperity Plan Steering Committee, in a stewardship model serving on behalf of the region.
- A new course offering through UNR's extended studies program on Sustainability Management and Environmental Entrepreneurship for Fall 2011, for working professionals in the private, public and non-profit sectors as well as credit for currently enrolled students.
- Increased public awareness about the long-term economic, social, and environmental conditions affecting the future prosperity and quality of life for the Basin.
- Coordination with the Douglas County Economic Vitality Plan.
- Alignment with the Tahoe Regional Planning Agency (TRPA) Regional Plan Update.
- Preparation of a Lake Tahoe Basin profile for the *2010 California Regional Progress Report*, the state's sustainability indicators report prepared for the California Strategic Growth Council and Caltrans.