



Economic Development Element

INTRODUCTION

This element provides the policy context for the City of South Lake Tahoe to achieve its vision for future economic development and sustainability. Economic sustainability recognizes the need for both local and regional economic prosperity and resilience to maintain the health of the community for current and future generations. It encourages self-reliance, entrepreneurial activity, and the generation of wealth in a manner that does not degrade or burden future generations' ability to meet social, economic, and environmental needs. This can include diversifying the economy, nurturing local entrepreneurs, improving infrastructure and community facilities, and encouraging "green" businesses and new emerging technologies that protect the environment and our neighborhoods.

The City is committed to creating a vibrant and sustainable local and regional economy. The City recognizes that tourism associated with recreation and the gaming industry is the heart of South Lake Tahoe's economy. However, a sustainable economy will require economic opportunities that support an economically diverse and prosperous year-round community. South Lake Tahoe residents drive to communities outside of the Tahoe Basin, such as Carson Valley and Reno, to do approximately half of their shopping. Capturing this spending in South Lake Tahoe requires planning for commercial areas to create opportunities for retail businesses that will serve the local population. Otherwise, this spending will continue to leave South Lake Tahoe and benefit businesses located outside the community. Accordingly, this element contains goals and policies to attract new businesses needed and desired by residents and to encourage existing local businesses to grow and prosper over time.

The City also recognizes the benefits of promoting environmentally-friendly business development. Much of South Lake Tahoe's economy is based on the natural environment. Appropriately, this element focuses on fostering "green" businesses and the expansion of eco-tourism that takes advantage of the unique character of the natural surroundings.

One of the major obstacles to economic development in the city is the lack of available Commercial Floor Area (CFA). CFA is one of five development rights administered by TRPA through an allocation process. It provides the right to build square footage for commercial uses in the Tahoe Basin. The city does not have enough CFA to accommodate growth in residential/visitor populations and to capture South Lake Tahoe's documented retail leakage. The City is also limited in its

commercial development by TRPA regulations on coverage, building heights, land use intensity, and parking. Goals and policies organized under the following headings:

- Economic Prosperity and Diversity
- Business Attraction
- Business Retention and Expansion

ECONOMIC DEVELOPMENT VISION

The following is the City of South Lake Tahoe’s vision for future economic development:

“In 2030 the new public and private investment has improved South Lake Tahoe’s economy and helped to maintain a high quality of life while supporting environmental objectives. The city has a diverse array of locally-owned businesses that offer good wages and provide services and amenities that are needed and desired by the local community and visitors alike. This transformation has been possible due to the expansion and diversification of the local economy through new information, creative, environmentally-sound, and “green” technology businesses. The City has been successful in creating regulatory programs along with economic incentives that foster upgrades to existing businesses and encourage new businesses to locate within the city limits.”

ECONOMIC PROSPERITY AND DIVERSITY

The policies in this section provide the overall direction for future economic prosperity and diversity in South Lake Tahoe. The policies in this section seek to encourage and support high-tech and environmentally-sustainable businesses, a balanced economy, and a year-round community.

Goal ED-1	To support and promote economic growth and the diversification of the local economy.
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Policy ED-1.1: High-Tech and Environmentally-Sustainable Business

The City shall support programs and activities that promote business/job retention, expansion, and new business/job development including high-tech and environmentally-sustainable businesses.

Policy ED-1.2: Economic and Environmental Balance

The City shall strive to maintain a balance between economic health and environmental health through careful and efficient planning.

Policy ED-1.3: Regional Partnerships

The City shall participate in regional economic development efforts that benefit the overall regional economy to the extent that these efforts serve the interest of the residents of South Lake Tahoe.

Policy ED-1.4: Economic Growth Considerations 

The City shall ensure economic growth: makes a positive contribution to the local economy, community, and environment, with particular attention to potential impacts on the health of Lake Tahoe and the forest; does not negatively impact infrastructure and community facilities; and is compatible with “un-biased” scientifically-based and peer-tested regional Environmental Thresholds.

Policy ED-1.5: “Green” Business Practices 

The City shall encourage adoption of “green” business practices and other systems that enhance both the environmental and economic performance of businesses in the community.

Policy ED-1.6: Environmentally-Friendly Business Development 

The City shall support programs that help diversify the local economy by promoting environmentally-friendly business development and by providing incentives to do so.

Policy ED-1.7: Year-Round Community 

The City shall provide economic incentives and regulatory reform that support an economically diverse and prosperous year-round community for city residents and visitors alike.

Policy ED-1.8: Redevelopment

The City shall use redevelopment as a tool within the city limits to implement the City’s revitalization objectives and serve the interests of the people of South Lake Tahoe.

Policy ED-1.9: Commercial Floor Area Allocation Transfer Incentives 

The City shall seek incentives to facilitate Commercial Floor Area (CFA) transfers from other parts of the city to redevelopment project areas.

Policy ED-1.10: Expanding Events and Entertainment Opportunities 

The City shall encourage the sponsors of sporting events, festivals, parades, international competitions, and entertainment shows to hold events at public (e.g., Parks and Recreation facilities, roads, or public lands) and private facilities in South Lake Tahoe, particularly during off-season (Spring and Fall). The City shall also participate in community organizations specifically formed for this purpose (e.g., Sports Commission).

Policy ED-1.11: Livable Wages and Employment Variety

The City shall encourage existing and new employers to create jobs that pay a living wage, create a variety of employment choices, increase the ratio of full-time residents, and improve the quality of life for South Lake Tahoe residents.

Policy ED-1.12: Lake Tahoe Airport

The City shall support continued improvement of the Lake Tahoe Airport to improve accessibility to year-round visitors and convention attendees that can take advantage of scheduled regional air carrier service.

Policy ED-1.13: Support of Natural Capital

The City shall preserve the city's natural beauty and enhance outdoor recreation opportunities that support South Lake Tahoe's natural capital.

Policy ED-1.14: Support of Social Capital

The City shall expand and improve housing opportunities, healthcare services, and educational opportunities to increase the quality of life and social capital of the city.

Policy ED-1.15: Creating a Sense of Place

The City shall encourage the creation of small, local, retail businesses that create a sense of place and local identity for South Lake Tahoe. A sense of place can also be created within districts by providing decorations, tree lighting, and lamp post graphics.

Policy ED-1.16: Regularly-Scheduled Street Fair

The City shall identify an area, possibly along Ski Run Boulevard near Lakeview Commons or on Venice Drive East, for a regularly-scheduled street fair. The street fair can include, but is not limited to, a farmers market, street vendors, live music, and special events.

Policy ED-1.17: Convention Center

The City shall prioritize assistance with completion of Redevelopment Project 3 and the public amenities and environmental improvements associated with it.

BUSINESS RETENTION AND EXPANSION

The policies in this section address the need to focus attention on retention and expansion of existing businesses in South Lake Tahoe. Existing businesses provide South Lake Tahoe's job base and constitute the most effective starting point from which to grow the City's economic base. Keeping existing jobs, particularly higher wage jobs, in the city is an important goal, and the policies in this section seek to encourage and support local businesses.

**Goal
ED-2**

To support and promote existing businesses, job retention and expansion, and diversify the local economy.

Policy ED-2.1: City Programs Business Expansion

The City shall develop programs to expand businesses wanted and needed by residents to help reduce vehicle miles traveled (VMT) outside the Lake Tahoe Basin for these services.

Policy ED-2.2: Conventions and Conference Promotion

The City shall actively promote South Lake Tahoe and its Convention Center and hotels to conference and convention organizers.

Policy ED-2.3: Local First Program 

The City shall continue the “Local First Program” to encourage and support local business as permitted under State law.

Policy ED-2.4: Healthcare Industry Expansion

The City shall support the expansion of South Lake Tahoe’s healthcare industry to serve the needs of South Shore residents, and the healthcare industry is expected to deliver health care services that are competitively-priced and meet community needs.

Policy ED-2.5: Local Business Encouragement

The City shall encourage and support practices by local businesses to provide excellent customer service, competitive prices, good product selection, and timely product availability.

Policy ED-2.6: Upgrade the Condition of Existing Businesses

The City shall actively support programs to upgrade the physical condition and appearance of existing businesses.

Policy ED-2.7: Coverage and Commodity Incentives for “Green” Businesses 

The City shall seek from the Tahoe Regional Planning Agency, and other agencies as applicable, coverage and commodity incentives for “green” and sustainable projects and developments.

Policy ED-2.8: Sustainable Purchasing and Procurement Practices

The City shall practice local and sustainable purchasing and procurement, and encourage other public agencies and private institutions to do the same.

Policy ED-2.9: Small Business Technical Assistance

The City shall continue to support programs providing technical assistance to small local businesses seeking to expand.

Policy ED-2.10: Tourism Promotion

The City shall continue to work and collaborate with organizations that promote tourism in the South Shore, especially during the off-season (Spring and Fall).

Policy ED-2.11: Home-Business Promotion

The City shall promote creation of home-businesses.

Policy ED-2.12: Outdoor Events Venue

The City shall encourage the development of a public outdoor concert, theater, and events venue as a part of the Lakeview Commons project.

Policy ED-2.13: Neighborhood-Serving Businesses

The City shall support development of small neighborhood-serving businesses, such as corner stores, in neighborhoods to promote walkability and a sense of place.

Policy ED-2.14: Airport-Related Businesses

The City shall examine, develop, and pursue programs and activities to locate new businesses at the Lake Tahoe Airport to improve the local economy and to make the airport financially self sufficient.

Policy ED-2.15: Lake Tahoe Community College Curriculum Expansion

The City shall support and encourage the Lake Tahoe Community College to expand the curriculum to offer education in areas that would prepare student to work in industries that are prevalent within the city, such as hospitality and tourism services, environmental management, “green” businesses, sustainability, business growth and development, smart business practices, and emergency response.

Policy ED-2.16: City Outreach Program

The City shall create City outreach programs for existing businesses that includes personal visits or semi-annual meetings with Staff to hear and connect with businesses throughout the city regardless of their scale.

BUSINESS ATTRACTION

Historically, South Lake Tahoe has lacked shopping opportunities that specifically serve the needs of local residents. Many residents travel outside the city and the Lake Tahoe Basin to shop for every-day necessities. The policies in this section seek to address market opportunities presented by local household spending and seek to reduce the amount of spending that currently leaves the city through retail sales leakage. Additionally, this section contains policies to attract new “green” businesses to South Lake Tahoe and promote eco-tourism based on the unique character of the natural surroundings.

Goal ED-3	To support and promote new business development and employment growth including local-serving, high-technology, environmental-technology, and sustainable businesses, and encourage private-sector investment in South Lake Tahoe.
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Policy ED-3.1: Aggressive Business Attraction Programs

The City shall seek to attract new businesses providing goods and services currently underrepresented in the community and desired by permanent residents, as found in the community survey (National Research Center, December 2008), the Retail Market Analysis (RRC Associates, December 2005), and identified by participants

during General Plan workshops. Examples of these businesses include general retail (e.g., appliances, household goods, sporting goods, specialty grocery), consumer electronics, apparel, and healthcare clinics/institutions.

Policy ED-3.2: Shopping Opportunity Expansion for Permanent Residents

The City shall seek to attract new businesses providing goods and services currently underrepresented in the community and desired by permanent residents, such as general retail and consumer electronics.

Policy ED-3.3: Large-Scale Retail

The City shall seek to attract one or more large-scale retail businesses to South Lake Tahoe, particularly in the Tahoe Valley Community Plan area, in order to serve the shopping needs of residents.

Policy ED-3.4: Eco-tourism Businesses

The City shall seek to attract eco-tourism businesses to South Lake Tahoe and promote the city as an eco-tourism destination.

Policy ED-3.5: Second Home and Older Resident-Serving Businesses

The City shall seek to attract new businesses that particularly serve second homeowners and older residents, such as household goods and healthcare.

Policy ED-3.6: Business Diversity

The City shall encourage new businesses that serve Latino and other diverse populations of South Lake Tahoe.

Policy ED-3.7: Coordination with Local Business Groups

The City shall work with local business groups and organizations to direct businesses to South Lake Tahoe that provide jobs, goods, and services for residents.

Policy ED-3.8: Environmentally-Compatible Businesses

The City shall examine and pursue opportunities to encourage owners of second homes in South Lake Tahoe to locate environmentally-compatible businesses in the community.