



GOODWIN CONSULTING GROUP

**VILLAGE AT SQUAW VALLEY  
SPECIFIC PLAN**

**ECONOMIC IMPACT AND  
URBAN DECAY ANALYSIS**

**APRIL 15, 2015**

*Village at Squaw Valley Specific Plan  
Economic Impact and Urban Decay Analysis*

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## **INTRODUCTION**

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### **PURPOSE OF STUDY**

California court cases in recent years involving certain commercial development projects have centered on whether such projects could produce adverse economic impacts that lead to urban decay. The potential urban decay, resulting from new businesses in a proposed project displacing existing businesses in nearby older areas, may be considered an environmental impact within the scope of the California Environmental Quality Act's (CEQA's) environmental review. This Economic Impact Analysis (EIA) evaluates the potential economic impacts of the proposed development within the Village at Squaw Valley Specific Plan (VSVSP or Project) on existing businesses and commercial areas in the northwestern Lake Tahoe region to provide a factual basis for CEQA evaluation.

Supply and demand dynamics are merged to describe the market depth and potential impacts related to the restaurant, various other retail, and lodging land uses envisioned for the Project. The analysis attempts to demonstrate that either: 1) enough demand will develop over time to warrant some or all of the new Project restaurant, retail, and lodging uses at buildout approximately 25 years into the future, after considering other future supply as well; or 2) enough demand will not materialize in 25 years to support some or all of the new Project, including other future supply, without adversely impacting existing restaurant, retail, and lodging merchants to an extent that could force them out of business.

The degree and duration of impacts on existing businesses, to the extent there appear to be any, including the possibility of displacement, are evaluated. If displacement is anticipated, the EIA determines if the closing of these businesses could lead to long-term vacancies, the extent to which such vacancies could result in the deterioration of the buildings where the businesses were located because the buildings could not be re-tenanted or repurposed, and whether they could culminate in adverse physical changes that lead to conditions consistent with blight.

### **KEY SOURCE MATERIALS**

There is a wealth of comprehensive, relevant, and timely research and literature about the Lake Tahoe area, North Lake Tahoe in particular, and even the Tahoe Basin portion of the North Lake Tahoe area. The EIA references those materials and in many instances integrates sections of them verbatim. The six reports frequently referred to or cited in the EIA, together with their footnote designations, are delineated below:

- <sup>1</sup> *Tahoe Basin Policy Document, Existing Conditions Report*, prepared by Dyett & Bhatia for Placer County, September 2013.

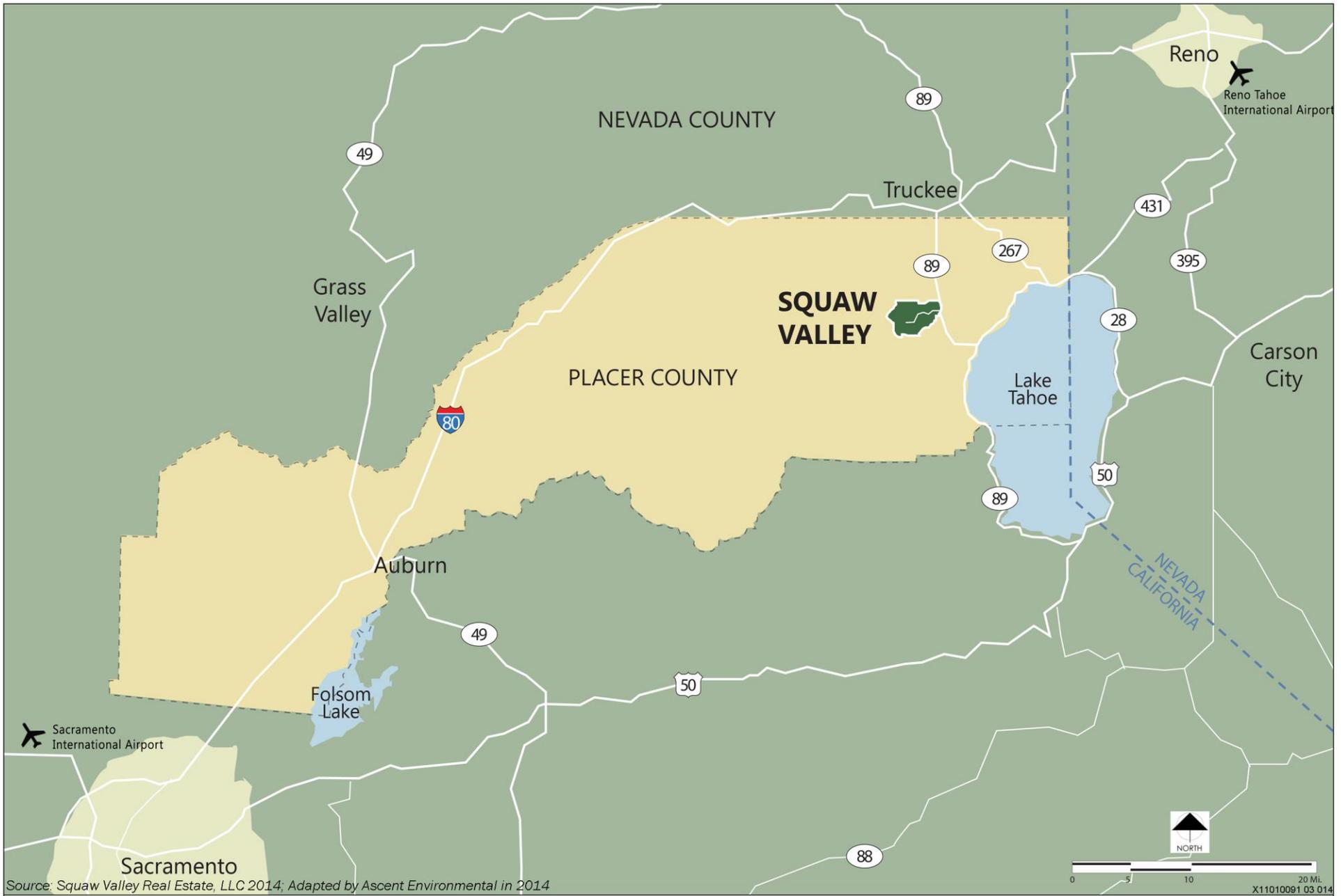
- <sup>2</sup> *Placer County Travel Industry Assessment and Detailed Economic Impact Estimates*, prepared by Dean Runyan Associates for Placer County Office of Economic Development, Placer Valley Tourism, Placer County Visitors Bureau, and North Lake Tahoe Resort Association, March 2009.
- <sup>3</sup> *The Economic Benefits of the North Lake Tahoe/Truckee Transit Vision*, prepared by Economic & Planning Systems for North Lake Tahoe Resort Association, November 2014.
- <sup>4</sup> *Market Study for the Bay to Tahoe Basin Recreation and Tourism Travel Impact Study*, prepared by Economic & Planning Systems for Wood Rodgers, December 2013.
- <sup>5</sup> *The Economic Significance of Travel to the North Lake Tahoe Area*, prepared by Dean Runyan Associates for North Lake Tahoe Resort Association, November 2013.
- <sup>6</sup> *Tahoe Basin Community Plan Economic and Market Analysis*, prepared by Economic & Planning Systems for Placer County, July 2013.

In addition to these documents, the EIA refers to and incorporates sections of the *Village at Squaw Valley Specific Plan Draft Environmental Impact Report* (VSVSP Draft EIR), prepared by Ascent Environmental for Placer County, dated April 2015.

## **PROJECT DESCRIPTION**

The Project is located within the 4,700-acre Squaw Valley in northeastern Placer County, west of State Route (SR) 89 on the California side of the North Lake Tahoe region, approximately nine miles south of Truckee and seven miles northwest of Tahoe City. See the regional location map from the VSVSP Draft EIR on the following page. The Project area encompasses a total of approximately 94 acres, including approximately 85 acres in the main village area on the west side of the valley and an approximately 8.8-acre area referred to as the East Parcel located approximately 1.3 miles east of the main village area along Squaw Valley Road (0.3 miles west of the T-intersection that Squaw Valley Road makes with SR 89). Historically, the Project area has been used for visitor and resident resort facilities, including skier services, parking, lodging, commercial uses, and maintenance facilities.

The VSVSP proposes to comprehensively plan development of a world-class, recreation-based, all-season, mountain-resort community consisting of residential and lodging units that would include a mixture of condo hotel, fractional ownership, and timeshare units; additional buildings would be developed for employee housing. The VSVSP would also allow for development of commercial, retail, and recreational uses, including skier services, retail shopping, restaurants and bars, adventure/entertainment facilities, parking, heavy equipment and mountain maintenance facilities, and shipping & receiving services. Other significant land use categories include areas designated to retain the general character of the forest environment and to preserve and restore the natural beauty and ecological resources of the valley, including stream environments and wildlife habitats. A map identifying the proposed land uses and a table



Source: Squaw Valley Real Estate, LLC 2014; Adapted by Ascent Environmental in 2014

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**Exhibit 3-1**

**Regional Location**





**Table 3-1 Proposed Land Uses**

Land Use	Area (acres)	Maximum Units	Maximum Bedrooms	Maximum Density (br/acre)	Average Density (br/acre)	Maximum Commercial (sf) <sup>a</sup>	Existing Commercial to be Removed (sf)	Percent of Plan Area
<b>Main Village Area</b>								
Village Commercial – Core (VC-C)	13.66	517	883	125	85	223,369	54,937	14.6%
Village Commercial – Neighborhood (VC-N)	18.47	333	610	71	39	40,364	36,585	19.8%
Village – Parking (V-P)	8.79	-	-	-	-	-	-	9.4%
Village – Heavy Commercial (V-HC)	2.85	-	-	-	-	10,000	-	3.1%
<b>Developed Area Subtotal</b>	<b>43.77</b>	<b>850</b>	<b>1,493</b>	<b>-</b>	<b>-</b>	<b>273,733</b>	<b>91,522</b>	<b>46.9%</b>
Village – Forest Recreation (V-FR)	15.40	-	-	-	-	-	-	16.5%
Village – Conservation Preserve (V-CP)	17.78	-	-	-	-	-	-	19.1%
<b>Undeveloped Area Subtotal</b>	<b>33.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35.5%</b>
Roads	7.58	-	-	-	-	-	-	8.1%
<b>Total Main Village Area</b>	<b>84.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>273,733</b>	<b>91,522</b>	<b>90.5%</b>
<b>East Parcel</b>								
Entrance Commercial (EC) <sup>b</sup>	7.01	50	150 <sup>b</sup>	300 <sup>b</sup>	-	20,000 <sup>c</sup>	-	7.5%
Village – Conservation Preserve (V-CP)	1.03	-	-	-	-	-	-	1.1%
Roads	0.76	-	-	-	-	-	-	0.8%
<b>Total East Parcel</b>	<b>8.8</b>	<b>50</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>9.4%</b>
<b>Total</b>	<b>93.33</b>	<b>900<sup>d</sup></b>	<b>1,653</b>	<b>-</b>	<b>-</b>	<b>297,733<sup>b</sup></b>	<b>91,522</b>	<b>100.0%</b>

Notes: br/acre = bedroom per acre; sf = square feet

<sup>a</sup> Includes replacement of existing commercial uses and maintenance facilities. The square footage includes hotel common areas, conference rooms, and similar uses beyond the traditional retail, restaurant, and similar commercial uses.

<sup>b</sup> Employee housing is included in the Entrance Commercial land use area in the East Parcel. Employee housing capacity is reflected as the number of “beds” rather than “bedrooms” as the beds could ultimately be provided in a variety of private room, shared room, and dormitory configurations. These beds could also be contained in a variety of different building or “unit” configurations. Given these conditions, it is not appropriate to convey employee housing capacity in the same unit and bedroom metrics used to describe other housing in the plan area.

<sup>c</sup> Includes 15,000 sf of shipping/receiving and 5,000 sf of market.

<sup>d</sup> Total development within the plan area shall not exceed the maximum units and commercial square footage shown.

Source: Squaw Valley Real Estate, LLC 2014

quantifying the proposed land uses, both from the VSVSP Draft EIR, are presented on the prior pages following the regional location map.

The proposed land uses will be developed with a pedestrian-oriented, mixed-use, multi-connected, hospitality-focused intention. These uses are intended to integrate amenities that attract visitors in both the winter and summer months, although many of the services and amenities will be available both to resort guests and day-only visitors as well as to members of the broader community. Some of the development goals from the Squaw Valley General Plan Land Use Ordinance cited in the VSVSP Draft EIR include the following:

- Encourage development of a destination resort
- Provide a mix of housing types for all segments of the population to contribute to a dynamic year-round community
- Create a broad range of recreational opportunities to attract vacation-oriented visitors, both summer and winter, to the area to develop a viable year-round community
- Ensure that Squaw Valley is developed into a top quality, year-round, destination resort

As shown on the land use table from the VSVSP Draft EIR, a maximum of 850 residential units in the main village area will be constructed, and a maximum of 50 employee housing units are anticipated on the site of the East Parcel. Of the 850 residential units, the Project applicant is expecting 47 to be timeshare units and 31 to be fractional ownership units; the remaining 772 units are planned to be condo hotel units containing up to 1,323 bedrooms. However, the current unit mix may be subject to change. The economic impact of these condo hotel units on existing hotel, motel, and short-term rental condo units in the North Lake Tahoe/Truckee area is evaluated in this study. Table 1-1 below summarizes the proposed residential development in the main village area. Note that the VSVSP Draft EIR, for purposes of the traffic analysis, assumes 819 condo hotel units and 31 fractional cabins, with no timeshare units.

**TABLE 1-1  
VSVSP MAIN VILLAGE RESIDENTIAL DEVELOPMENT**

<b>Residential Category</b>	<b>Projected Units</b>	<b>Projected Bedrooms</b>
Condo Hotel	772	1,323
Timeshare	47	77
Fractional Cabins	31	93
<b>Total</b>	<b>850</b>	<b>1,493</b>

Condo hotels are typically defined as a hotel with for-sale condominium units that are privately owned. When owners are not using the unit, they can leverage the marketing and management available through the hotel chain to rent and manage the condo unit as if it were a hotel room. These facilities often have a front desk, daily cleaning, and various on-site amenities and services. Hotel condo units may be “locked off,” which means that, for units consisting of two or more bedrooms, an owner may occupy one of the rooms while the other(s) are locked off and used by overnight guests similar to a hotel room.

Fractional ownership can be applied to a wide range of different concepts, but it generally refers to buying a portion (e.g., one twelfth) of an otherwise whole ownership unit, with some programs applying a private residence club model involving a quality management, maximum flexibility of use related to floating times and floating units, and a high level of services and amenities.

There is a wide range of timeshare ownership structures, generally categorized as “fixed time,” “floating time,” or “points systems,” and intervals can be either a deeded fee simple interest or a non-deeded interest (i.e., simply the right to use for a specified time). Timeshares are typically purchased in one-week intervals, often with a vast array of exchange opportunities, but are viewed less as real estate and more as a prepaid vacation, whereas fractional units tend to be seen as a replacement for a second home.

The Project also includes housing to accommodate 252 beds for employees on the East Parcel. Most of these rooms will be in dormitory-style housing, with some studio units. While the employee housing population would be less transient, overall, than the Village housing population, the nature of the housing suggests demands for goods and services would follow what is typical for a transient population versus a permanent residential population, because the employment would be mostly seasonal. On-site amenities, such as the proposed convenience store on the East Parcel, are anticipated to serve the employee population by providing access to necessities and limiting the need to frequent off-site retailers.

Table 1-2 below summarizes the proposed commercial development in the Project. The land use table from the VSVSP Draft EIR outlines multiple categories of planned commercial development totaling up to a maximum of 297,733 new square feet. However, most of this commercial space is not retail space. The maximum amount of new retail space proposed in the Project is 64,740 square feet; after deducting 7,523 square feet of existing retail space that is expected to be demolished, the maximum net new retail space available in the Project is 57,217 square feet. This net retail space is the focus of the economic impact analysis and is further divided into retail categories that include restaurant and drinking places, grocery or market space, and other limited retail stores. Finally, other limited retail involves small format retail such as clothing, local sporting goods, health and personal care, music, and gift stores; it excludes motor vehicle-related retail and large format, “big box” retail categories such as building materials, home furnishings, and general merchandise stores.

**TABLE 1-2  
VSVSP NET RETAIL SQUARE FOOTAGE**

<b>Commercial Category</b>	<b>Maximum Square Feet</b>	<b>Existing Retail Square Feet To Be Removed</b>	<b>Net Retail Square Feet</b>
<b><u>Retail Commercial</u></b>			
Restaurant & Drinking Places	31,120	1,595	29,525
Grocery/Market (East Parcel)	5,000		5,000
Other Limited Retail	28,620	5,928	22,692
<b>Total Retail</b>	<b>64,740</b>	<b>7,523</b>	<b>57,217</b>
<b><u>Other Commercial</u></b>			
Mountain Adventure Camp	90,000		
Fractional Cabins Lodge	2,500		
Ski Services	75,000		
Meeting Space	12,000		
Hotel Common Area	49,493		
Transit	4,000		
<b>Total Commercial</b>	<b>297,733</b>		

## STUDY AREA

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In its September 2013 report, Dyett & Bhatia (D&B) provides some historical context for development in the North Lake Tahoe area. “The 1960 Winter Olympic Games held in Squaw Valley catapulted Lake Tahoe into the national spotlight, and the Region has been a mecca for winter sports ever since. The 1960 Winter Olympic Games spawned significant uncontrolled expansion of development in north Lake Tahoe. Many of the present-day resorts, hotels, restaurants, and ski lifts located in the Plan Area were built to accommodate the influx of Olympians and fans.

Since the Olympic Games in 1960, the population of the entire Tahoe Region has increased over five times, with the most rapid expansion (by more than 70 percent) occurring in the 1970s, as development proceeded virtually unchecked.”<sup>1</sup>

The Tahoe Regional Planning Agency (TRPA) “adopted its first Regional Plan in 1987 establishing the existing regulations and growth controls seen in the Tahoe Basin today. The 1987 Regional Plan established allocations for various types of development (residential, tourist accommodation, commercial, and recreation). Allocations were used as a growth management tool to ensure that development was consistent with progress toward meeting environmental thresholds.”<sup>1</sup>

Most of the development in the Tahoe Basin (i.e., TRPA jurisdictional boundaries, which generally extend two to four miles around the lake shore) occurred prior to adoption of the 1987 Regional Plan. “Since 1987 new development has been limited to about 14 percent of total housings units, 6 percent of total commercial floor area, and 0.5 percent of total tourist accommodation units.”<sup>1</sup> The vast majority of recent development in the North Lake Tahoe/Truckee area, albeit restrained, has occurred outside TRPA boundaries, particularly in the resort areas. The Town of Truckee is the major center of population and tourism activity in the high-country Nevada County area, and is the largest full-time population and retail trade center in the study area.

The North Lake Tahoe/Truckee study area is depicted on the map in Figure 2-1 following this chapter. It comprises one trade area that functions as somewhat of a self-contained, cohesive retail and lodging area, although, of course, there are potential interactions with the South Lake Tahoe area, the Nevada side of the Tahoe Basin (including Crystal Bay and Incline Village), and the Reno/Sparks and Carson City markets. In general, though, this trade area differentiates itself based on major access routes (I-80 vs Hwy 50), northern vs southern sections of Lake Tahoe, political divisions (California vs Nevada), and natural barriers such as the lake and mountain ranges. Furthermore, the capture or leakage of demand from/to areas outside the study area is likely to be at least somewhat offset by the capture or leakage of demand from/to inside the study area. Finally, the specialty, convenience, and local type of retail (i.e., restaurant, grocery/market, and other limited retail) being assessed implies a smaller, rather than larger, retail trade area.

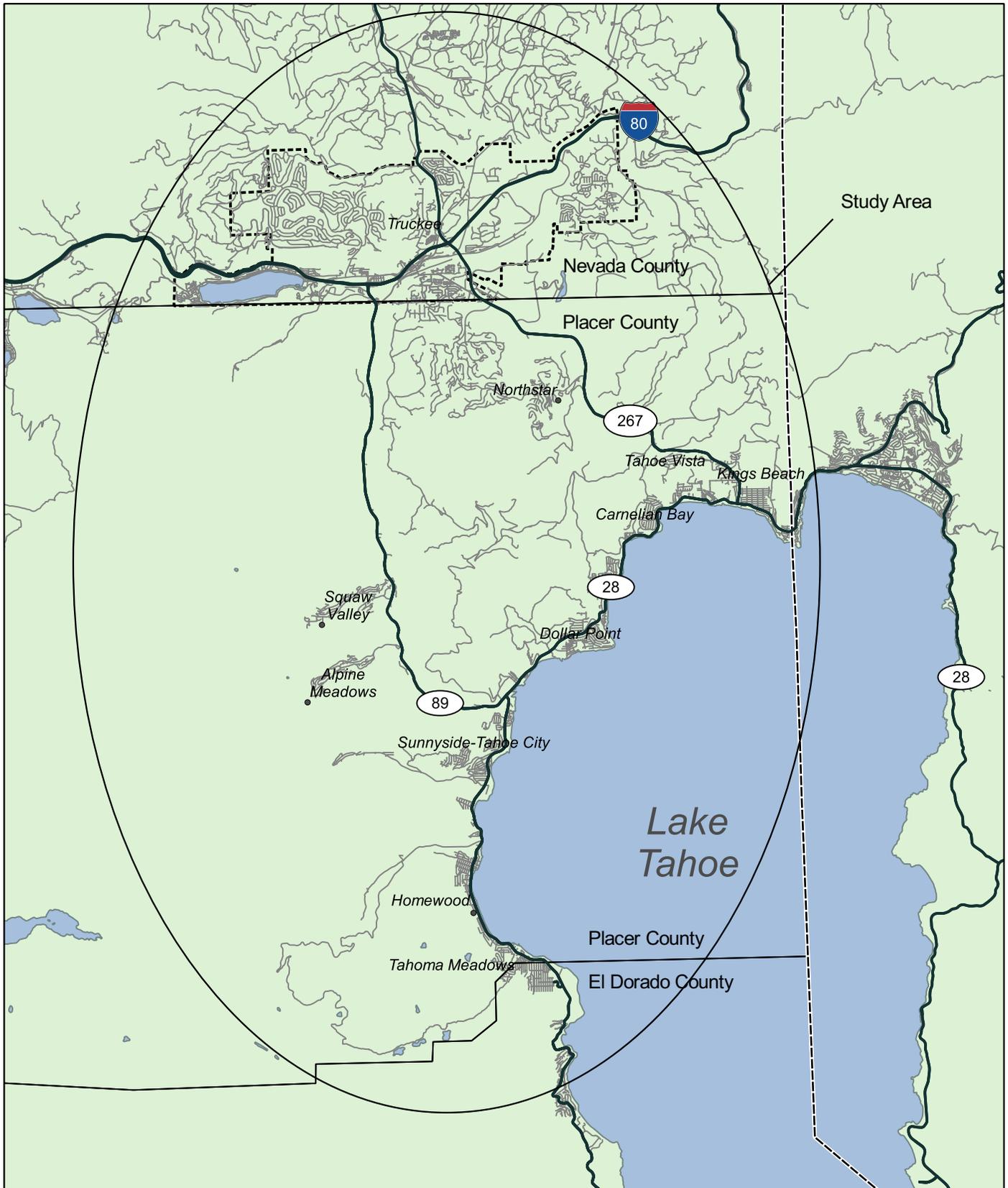
Major centers of activity are dispersed through the North Lake Tahoe/Truckee study area. The Tahoe Basin areas along the lake compete with Squaw Valley and Alpine Meadows, Martis Valley, Northstar, Truckee, and other mountain communities. As Economic & Planning Systems (EPS) notes in its July 2013 report, they are all “places to visit, work, recreate, shop, and live.”<sup>6</sup> The EIA divides the study area into five retail and lodging clusters for purposes of analysis, as follows:

- Squaw/Alpine
- West Shore
- North Shore
- Northstar Area
- Truckee Area

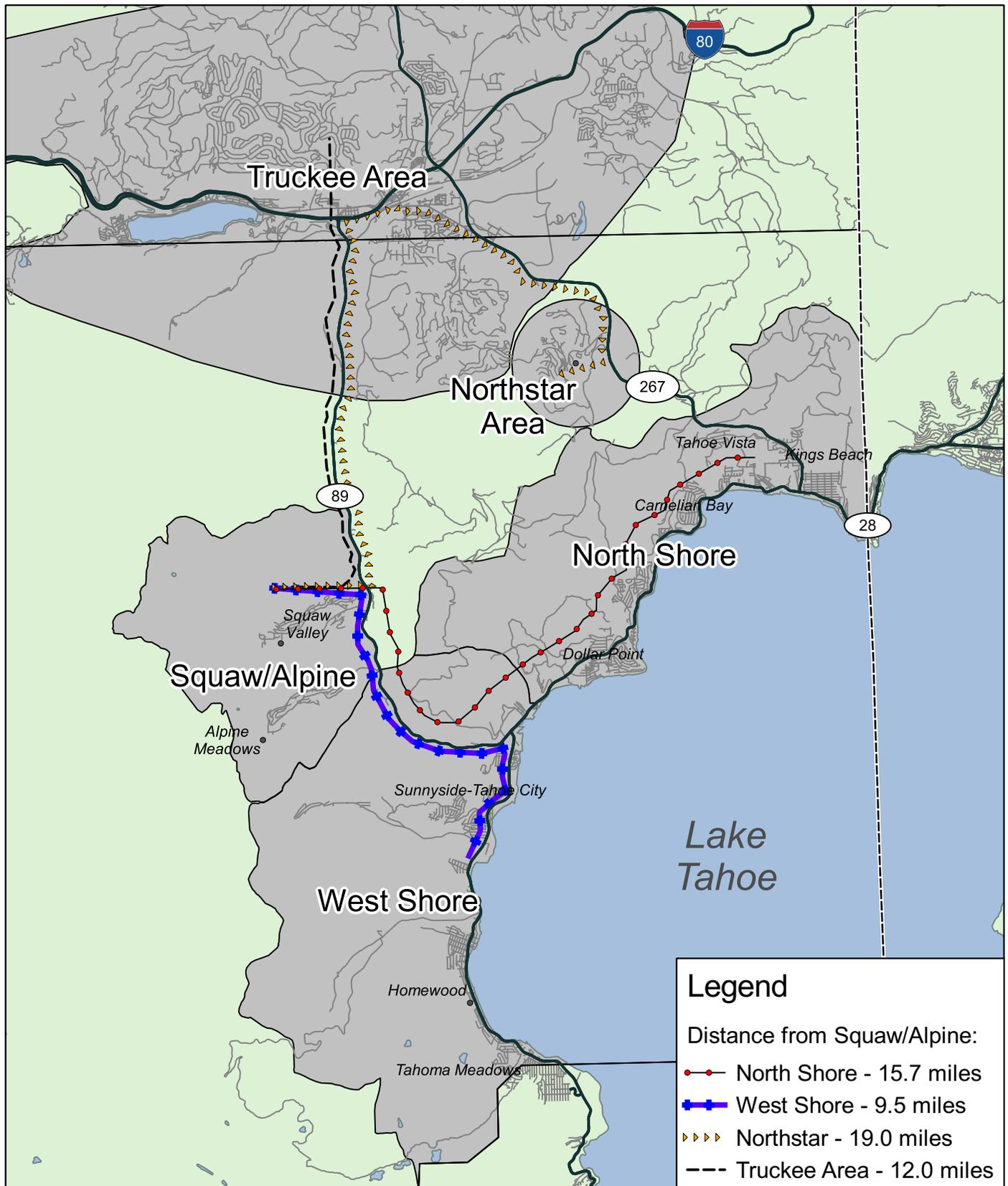
These clusters are identified on the map in Figure 2-2 (following Figure 2-1), together with the average distance (weighted by retail sales volume for each community within a cluster for the North Shore and West Shore) from the Project. The North Shore includes the communities of Dollar Point, Carnelian Bay, Tahoe Vista, and Kings Beach; the West Shore includes the communities of Tahoe City, Sunnyside, Homewood, and Tahoma; and the Truckee Area includes the Town of Truckee and surrounding areas such as Martis Camp and Lahontan. Northstar at Tahoe has been extracted from the Truckee zip code area and is tracked separately as part of the Northstar Area, which includes the Martis Valley West Parcel potential future development.

The five clusters have been developed to reflect logical trade subareas based on a number of factors. First, they represent the most granular level for which data may be aggregated without violating confidentiality provisions or guidelines. Second, they follow major transportation corridors along SR 89, SR 28, and SR 267. Third, they comprise areas that are either inside or outside of the Tahoe Basin, which, if inside, means close proximity to the lake but under TRPA’s regulatory jurisdiction. Finally, they reflect certain demographic and competitive attributes that can serve to distinguish the areas.

# Figure 2-1 Village at Squaw Valley Specific Plan EIA Study Area



# Figure 2-2 Village at Squaw Valley Specific Plan EIA Retail/Lodging Clusters



**TOURISM AND LODGING MARKET**

The North Lake Tahoe/Truckee area has become a nationally and internationally recognized travel destination. Dean Runyan Associates (Runyan), in its March 2009 study, describes the region as an “iconic alpine lake recreation area” providing a “comprehensive array of outdoor recreation opportunities in a stunning alpine environment. No other location in the far western United States offers the combination of alpine lake setting, visitor amenities, and access.” The study goes on to say that there “is very little that can be added to the scope of offerings available in High Country-North Lake Tahoe; it is simply a world-famous destination.”<sup>2</sup> The North Lake Tahoe/Truckee area boasts the highest concentration of ski resorts in North America, but a more complete list of activities that travelers can experience includes the following:

- **Outdoor recreation**, with a full range of both winter and summer outdoor sports, such as skiing, snowboarding, cross-country, snowshoeing, snowmobiling, hiking, road cycling, mountain biking, golfing, camping, water skiing and wakeboarding, other boating activities, beach volleyball, camping, fishing, rock climbing, zip lines, and gravity-powered roller coasters. Almost every activity has as its backdrop the deep blue waters of Lake Tahoe or the pristine mountain landscape.
- **Touring and leisure recreation**, such as shopping, dining, strolling pedestrian villages, and casino gaming on the Nevada side of the lake.
- **Agri-tourism**, including seasonal farmers markets.
- **Heritage experiences**, such as small museums and historic sites.
- **Arts**, which involve galleries and festivals within the thriving arts community, performance and theater arts venues, and music and concerts in community parks and hotel locations.<sup>2</sup>

The North Lake Tahoe Resort Association (NLTRA), as well as other tourism and travel marketing organizations, is working to heighten the area’s recognition across the country and across the world. In its March 2009 study, Runyan also emphasizes how critical and effective the work of NLTRA is to the tourism success of the region, regards NLTRA as a model and unsurpassed tourism development entity in the western United States, and encourages continued investment in, and support for, the organization.<sup>2</sup>

One drawback or complaint about the North Lake Tahoe/Truckee area is that it can become over-crowded during the peak winter and summer seasons, which can be challenging for visitors and local businesses alike, particularly smaller operations. NLTRA is also promoting shoulder season (i.e., off-peak spring and fall periods) events and activities in an attempt to shift a portion

of the peak business to other less busy times of the year, which could lead to both higher revenue for businesses and lower impacts on the environment.<sup>2</sup>

EPS, in its November 2014 report, notes that special events and activities can lead to significant visitor populations in the North Lake Tahoe/Truckee area. Popular events such as the Ironman Triathlon, Tough Mudder, cycling's Amgen Tour of California, Wanderlust Yoga Festival in Squaw Valley, and the Northstar Beer & Bluegrass Festival have helped to fill hotel rooms and spur visitor spending during the shoulder months. EPS further notes that the "athletic events have been especially beneficial to the local area because they fit well within the local culture, are popular with visitors and locals alike, and tend to foster "multiple" visits from competitors as they seek to conduct their training in the high-altitude environment the region offers."<sup>3</sup>

Another potential concern is that the travel industry in general can be notoriously volatile due to a vast array of local, national, and international competition, economic conditions, and weather patterns. EPS points out in its December 2013 study that climate change, for example, may be an emerging threat to the ski resort industry, which nationwide has lost more than one billion dollars in revenue due to reduced snowfall and shorter winters, according to a study commissioned by the Natural Resources Defense Fund and Protect Our Winters. Still, according to the National Ski Area Association, skier visits around the country increased 11% during the 2012-13 ski season over the previous season and represented the second highest season on record for skier visits. The ski industry has been growing steadily for 30 years. Also, because the North Lake Tahoe/Truckee area is such a viable and well-regarded tourism destination with top-notch scenic, recreational, and cultural amenities, is situated in close proximity to major metropolitan areas, is promoting its appeal to national and international audiences, and is providing an expanded and creative offering of new events and activities, EPS suggests that "the prospects are strong for steady growth in ski resort-related activity."<sup>4</sup>

Various market demand studies and customer profiles for fractional ownership, timeshare, and other resort products indicate that the North Lake Tahoe/Truckee area is primarily a drive-to destination pulling tourist traffic from a number of in-state metropolitan areas. The most prevalent feeder markets have traditionally included the major population centers, or metropolitan areas, of Sacramento, San Francisco, San Jose, and Southern California. All of these areas are within less than a day's drive to North Lake Tahoe and have historically been top producers for visitor origination, especially during the winter ski season. Secondary markets include Phoenix and Las Vegas, given their proximity and typically hot summer weather; North Lake Tahoe provides weather-based demand from visitors seeking a cooler climate during the summer.

These studies and profiles also indicate that approximately two-thirds of North Lake Tahoe resort customers have a household income greater than \$100,000. These visitors are likely to stay overnight, as visitor profiles suggest that 65% of visitors spend at least one night, 15% stay only for the day, and the other 20% are local area residents.

Confirming this visitor research, EPS notes in its November 2014 report that most visitors to the North Lake Tahoe/Truckee area originate from the regional drive-up markets of the San Francisco Bay Area and Sacramento/Central Valley. Southern California is also a

sizable and growing market segment. The North Lake Tahoe Visitor Survey, administered during the summer of 2012 by RRC Associates, indicated that 21% of visitors came from the San Francisco-Oakland/San Jose metropolitan area, 12% traveled from international locations, 10% originated from the Los Angeles area, and 8% came from the Sacramento/Central Valley area.<sup>3</sup> Visitors from other parts of California and from other states comprise the remaining 49%.

The VSVSP Draft EIR compiles the results of four different in-person and web-based surveys of Squaw Valley guests conducted at various times during 2011. These results are generally consistent with the data from other surveys and research described above. Winter and summer overnight guests came from the same points of origin as noted above. Overnight guest lodging pattern data for various peak, non-holiday, five-day periods from 2010 through 2012 is also analyzed in the VSVSP Draft EIR. The average length of stay is fairly consistently in the two- to three-day range.

Also of note, 43% of winter guests and 78% of summer guests took from one to six trips outside Squaw Valley during their stay, and a significant percentage of visitors engaged in dining, drinking, and shopping activities. According to the VSVSP Draft EIR, a variety of transit service options are available to the Project to further facilitate these outside trips, including the following:

- ***Tahoe Area Regional Transit (TART)***, which connects Squaw Valley with Truckee and Tahoe City. The SR 89 route operates year-round on a daily basis from approximately 6am to 6pm. TART also provides other transit services, including the TART Mainline, which operates along SR 28 and SR 89 between Incline Village and Tahoma. This route offers connections with the SR 89 route at the Tahoe City Transit Center.
- ***Night Rider***, which provides evening service connecting Squaw Valley with North Shore and West Shore locations in both summer and winter.

In addition, the Project would implement a Transportation Management Plan (TMP), which, among other things, would consist of the following elements:

- On-going traffic management along Squaw Valley Road
- Preferred parking for carpoolers
- Centrally located transit center and transit services
- Real-time traffic communication systems

In its November 2013 report, Runyan states that tourism is the primary economic driver of the North Lake Tahoe/Truckee area. According to Runyan, visitors traveling just for the day (not staying overnight) constitute approximately 42% of the trips to the North Lake Tahoe/Truckee area. However, Runyan also reports that these day travelers produce only 14% of the visitor spending in the study area; the remaining 86% of the visitor spending is generated by overnight travelers who stay at a variety of lodging types.<sup>5</sup>

Based on average daily spending derived from visitor survey data provided by RRC Associates and adjusted for annual price changes, Runyan's Regional Travel Impact Model estimate for total visitor spending, and further analysis conducted by Runyan, it is estimated that

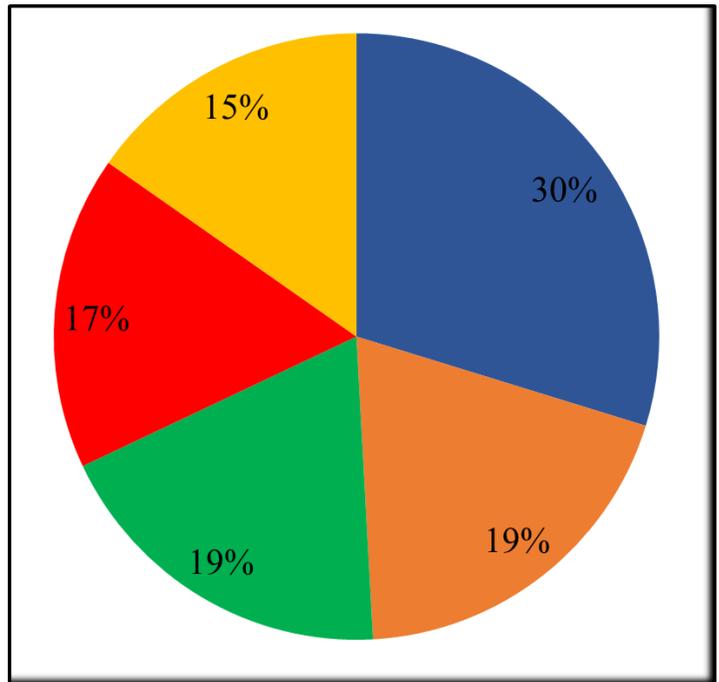
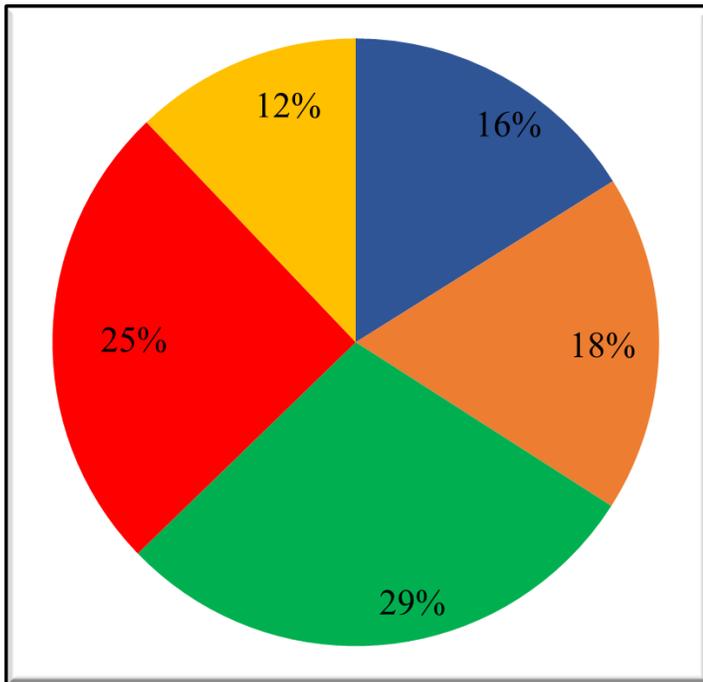
approximately 2,707,000 overnight visitor-days generated \$432 million in overnight visitor spending in 2012, or an average of \$160 per person. Day travelers who did not spend any nights during their visit to the North Lake Tahoe area added roughly 436,000 visitor-days in 2012 and spent \$126 per person for another \$55 million in total visitor spending. Overnight and daytime visitor-days combined amounted to 3,143,000 in 2012, and produced \$487 million in total spending for an average of \$155 per visitor-day. Runyan also tracked overnight visitor-day accommodations by type of accommodation, and noted that, for the short-term rental units from which a transient occupancy tax is collected, “occupancy rates of roughly 60 and 45 percent are reasonable for commercial lodging establishments and rented condominiums in North Lake Tahoe.”<sup>5</sup>

It is impossible to precisely ascribe overnight visitor-days between each retail/lodging cluster, but since transient occupancy tax (TOT) rates are the same throughout the North Lake Tahoe/Truckee area (i.e., 10%), the TOT revenue adjusted for average daily room rates can provide a reasonable estimate of the visitation relationships between clusters. For instance, since the North Shore’s average daily room rate (ADR) is low relative to the other areas, its 16% share of TOT nearly doubles to a 30% share of visitor-days.

**FIGURE 3-1  
ALLOCATION OF VISITOR DAYS BY RETAIL CLUSTER**

*TOT Revenues by Retail Cluster*

*Allocation of Visitor Days by Retail Cluster*



■ North Shore ADR=\$97 ■ West Shore ADR=\$166 ■ Squaw/Alpine ADR=\$273 ■ Northstar ADR=\$269 ■ Truckee ADR=\$142

Total visitor spending was also broken down by Runyan into four major categories, including lodging, recreation, food and beverage, and other retail. Other retail includes groceries,

miscellaneous goods and services, gasoline, and other retail purchases. The data presented by Runyan is shown in Table 3-1 below.<sup>5</sup>

**TABLE 3-1  
VISITOR SPENDING IN 2012**

Visitor Spending Category	Amount	Percent of Total
Lodging	\$113 million	23%
Recreation	\$167 million	34%
Food & Beverage	\$118 million	24%
Other Retail	\$89 million	19%
Total	\$487 million	100%

The EPS November 2014 report shows the performance of visitor spending in the North Lake Tahoe/Truckee area over the past 10 years, which reveals steady growth at an average annual rate of 4%. The report maintains that such “constant growth is quite remarkable, considering major declines in spending and economic activity associated with the Great Recession in 2007, and points to the North Lake Tahoe area’s popularity, strength, and resiliency as a visitor destination.”<sup>3</sup> In its earlier December 2013 study, EPS concludes that visitor-day counts in the North Lake Tahoe/Truckee area are “very strong” and, specifically, that:

- Visitation in the North Lake Tahoe area is expected to grow at an average annual rate of approximately 3% to 5%.
- Future increases in visitor spending will likely be similar to previous rates of 3% to 5% per year.
- As the North Lake Tahoe/Truckee area evolves, its ability to compete for future visitation should improve even beyond where it is now. This evolution could facilitate a short-term “spike” in visitation growth ranging from 5% to 7% per year.<sup>4</sup>

Runyan categorizes and quantifies traveler accommodations according to the following four types:

- **Hotel/Motel/B&B** – approximately 2,000 rooms or units exist within hotels, motels, and bed & breakfast accommodations in the North Lake Tahoe/Truckee area. Transient occupancy tax is collected on the rental of these units.
- **Rented Condo/Home** – it is estimated that 1,540 condominiums and related properties are available for rent in the North Lake Tahoe/Truckee area. Transient occupancy tax is also collected from these units for rental periods of less than 30 days.

- ***Private/Vacation Home*** – owner-occupied homes not available for short-term rental amount to approximately 14,560. These units are not subject to a transient occupancy tax levy.
- ***Campgrounds*** – there are approximately 500 campground sites available; these campsites are not subject to the transient occupancy tax.<sup>5</sup>

In its November 2014 report, EPS confirms that there are approximately 2,000 hotel rooms in the North Lake Tahoe/Truckee area. The updated list presented in Table B-1 generally confirms that room inventory. There are approximately 461 hotel rooms in the North Shore, 324 in the West Shore, 727 in Squaw/Alpine, 170 in the Northstar Area, and 478 in the Truckee Area, for a total of 2,160 rooms. The hotels containing these rooms span the full range of price and quality, from generally lower-priced and lower-quality budget hotels with a small roadside motel format in North Shore and West Shore (excluding Granlibakken Resort) to higher-priced and higher-quality luxury hotels geared for well-heeled travelers in Squaw Valley and Northstar. Although some hotels in the North Shore and West Shore have been updated, many have not been renovated since their original construction in the 1950s through 1970s (or earlier), and some of the renovations are now decades old; EPS characterized the lodging market in these two areas as “abysmal.”<sup>6</sup> Recent photos of a sample of lodging and retail properties in each of the five clusters are presented in Appendix C.

According to EPS, a large portion “of the existing hotel stock has become outdated, especially in the Tahoe Basin. There has not been a new hotel developed in the Tahoe Basin since the 1960s. Truckee and the Martis Valley area have experienced an additional 321 hotel rooms within the past decade, and the Olympic Village has not had a new hotel developed since the 178 room Village at Squaw Valley resort was completed in 2002.

The commercial lodging properties account for less than 25 percent of visitor trips, reflecting the relatively large supply of rental condominium properties and vacation homes in the rental pool in the area. The existing inventory of lodging properties includes a number of older, outdated properties in need of renovation or replacement to better match the preferences of the destination visitor. Increasing and upgrading commercial lodging, particularly adding full service branded “upscale class” lodging, will be an important component of attracting national and international destination visitors”<sup>3</sup> to the Tahoe Basin.

In its earlier July 2013 report, EPS states that people visit different parts of the North Shore and West Shore “for an array of reasons, such as lodging, shopping, to attend festivals, farmers’ markets, or other events, or (perhaps most significantly) to access or be near the lake itself. Although Tahoe City, Kings Beach, and the other nearby communities have unique and compelling attributes, various opportunities exist to enhance the visitor experience and to increase the annual visitation and visitor spending captured”<sup>6</sup> there. However, these areas “are faced with very powerful competition from nearby areas, such as the walkable village environment with a host of dining, shopping, and recreational amenities at Squaw Valley and Northstar, and the friendly, vibrant, walkable appeal of downtown Truckee.”<sup>6</sup> The North Shore and West Shore communities “generally lack a diverse roster of accommodations, a condition that has been well documented. Beyond this, the communities lack the compelling packages of

retail, services, and recreational amenities that make Northstar, Squaw Valley, and Truckee successful.”<sup>6</sup>

The aging tourist accommodation property in North Shore and West Shore “consists of hotels, motels, and resorts/timeshares. The majority of tourist accommodation land is located in Tahoe Vista, followed by Kings Beach and Tahoe City. In Tahoe Vista and Kings Beach tourist accommodations are located along SR 28 and consist of one- and two-story motel type buildings. In Tahoe City tourist accommodations are located along SR 28, clustered near the “Wye” and Granlibakken Resort.”<sup>1</sup>

“Besides the very few upgraded properties, the majority of hotels/motels located around the North Shore of Lake Tahoe was built between the 1950s and the 1970s and are small by today’s hotel standards. With new regulations introduced with the creation of the TRPA, there historically has been less motivation to invest in upgrades of the properties, and while the property owners are enjoying greater property values as the price of land has increased, the profitability of the operation of the hotels/motels has become marginal. Clearly, increased supply of good quality accommodations is an essential component to inject activity on the shore communities.”<sup>6</sup>

The North Shore and West Shore areas, together, “exist among a very competitive environment for accommodations, as new and compelling products have been constructed in the nearby resort areas of Squaw Valley and Northstar. These resorts have been very successful in creating “village” atmospheres in which visitors can come to experience the high-quality recreational amenities while offering a variety of high-quality dining, shopping, and lodging opportunities in close proximity. The Ritz-Carlton Hotel at Northstar is the preeminent lodging property in the Lake Tahoe Region, offers the only AAA Five Diamond mountain resort in California, and is located among some of the best shopping and dining options in the entire Lake Tahoe Region. Other compelling hotel options such as the Plumpjack Inn at Squaw Valley offer unique, high-end accommodations located adjacent to primary tourism amenities. The town of Truckee presents further competition for lodging and is a compelling draw for visitors who are drawn to its compact, walkable, and vibrant downtown environment, as well as its host of recreational and cultural options nearby. The award-winning Cedar Sport Hotel in Truckee has been cited as an example of a small-scale boutique hotel that caters to the “adventure traveler.” This hotel has been very successful and is forging a new niche among mountain travelers to the Sierra Nevada mountain region.

These lodging properties in Northstar, Squaw Valley, and Truckee have been more apt to upgrade or develop new products because they do not have to contend with the additional regulatory layers and other constraints imposed on properties in the basin.”<sup>6</sup> However, the area comprising the North Shore and West Shore “offers several amenities these competing resort areas do not, ***most important of which is access to the lake shore itself.*** Other studies have estimated the “premium” that adjacency to Lake Tahoe offers can be three- to four-times the value of properties not located on the lake. [South Shore Vision Destination Economic Impact Analysis prepared by Strategic Marketing Group, 2012] However, it is apparent from the lack of investment in existing hotel properties that this premium is not being captured.

As demonstrated above, most hotel product within the ... area is aged and of marginal quality, and while some of these lodging properties are viable and maintain passable occupancy rates, most are mired in a gradual decline toward obsolescence. Meanwhile, the nearby competitors for these properties in areas like Squaw Valley, Northstar, and Truckee have been aggressive in rebuilding and revamping their hotel offerings and adding new hotels with the most contemporary amenities in an all-inclusive resort environment. The [area] does offer many excellent amenities of its own, including an authentic mountain community atmosphere and access to the lake shore itself. However, in order to truly capitalize on these assets, hotel property owners will need to reinvest in their properties (often at substantial expense) in order to bring them up to the standards of today's hotel traveler. Regional amenities such as shopping/dining options within walking distance and a highly functional transit program will also be critical to their success.

Beyond the existing hotel properties, demand is likely to exist for new hotel products located in key premium locations .... The addition of a large-scale flagged hotel would be a major benefit and could be feasible with appropriate public participation. However, a variety of boutique products are potentially feasible, with a minimum size in the range of 75 to 100 rooms, and may be easier to implement given omnipresent concerns regarding massing, visibility, etc. Tahoe City, Kings Beach, and the surrounding areas are well positioned for smaller scale boutique hotels along the lake shore. Indeed, some investment in this arena already is occurring and the fact that existing properties already possess the required development commodities (TAUs) can help defray their cost to develop.

Overall, every effort should be made to improve this sector and bring some highly sought-after accommodations to market, as it produces multiple public benefits including TOT, sales tax, and ability to integrate other commercial space (retail and office) as part of a diversification strategy for investors.”<sup>6</sup>

In fact, according to a Sacramento Business Journal article entitled, “Potential Hotel Development Swap Causing Ire Around Lake Tahoe,” dated December 11, 2014, Placer County is considering the purchase of two hotel properties from private owners in the City of South Lake Tahoe; one property is a 34-room hotel and the other is a 59-room hotel. On February 24, 2015, Placer County approved the acquisition of the 34-room Lake Tahoe Inn.

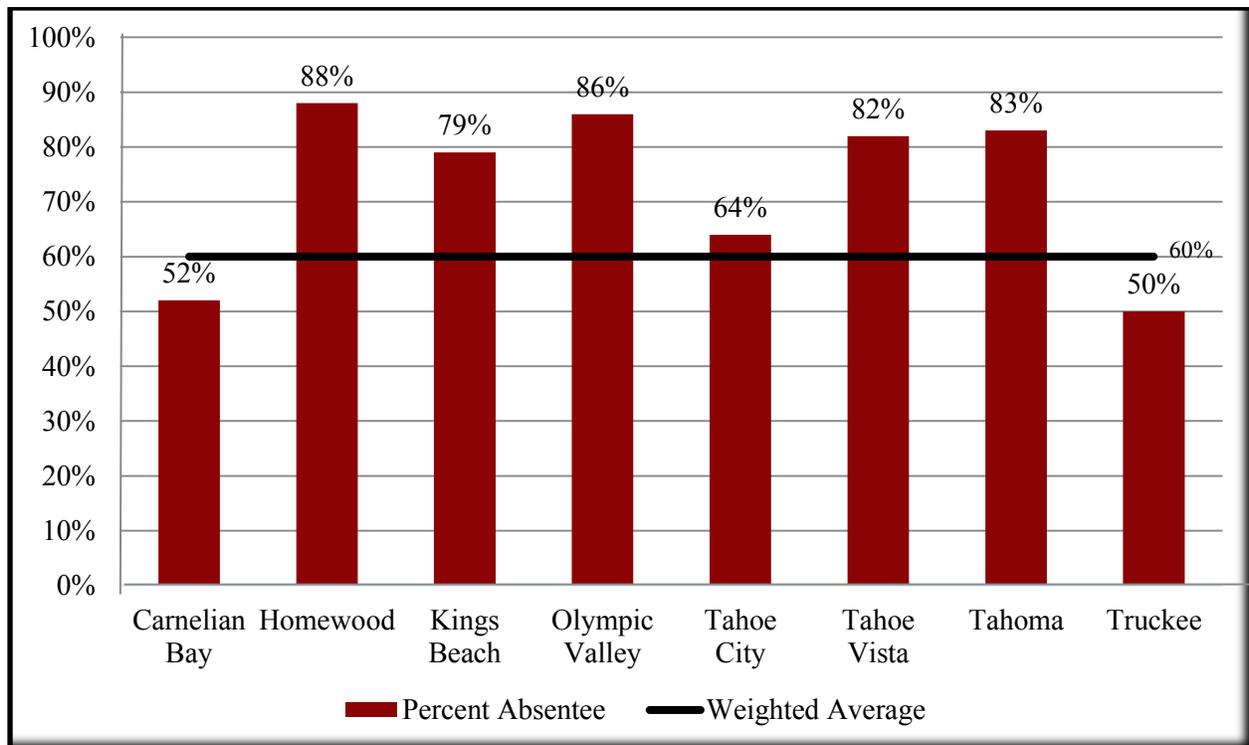
TRPA controls the number of hotel rooms in the Tahoe basin, which has been capped since 1987. TRPA encourages the removal of existing blighted hotel stock, offering two bonus units to public agencies for each unit removed from fragile stream zones and placed instead into town center areas around the lake. Although Placer County has approved the acquisition of the 34-room Lake Tahoe Inn only, the analysis conservatively assumes that Placer County could ultimately purchase and demolish the equivalent of two hotels comprising 93 rooms, located in the Bijou Creek watershed near Zephyr Cove; the properties are assumed to be placed into a restoration conservancy. Placer County would then be authorized to approve development of 279 hotel rooms in town centers such as Tahoe City and Kings Beach. The latest update to the TRPA Regional Plan, adopted by the TRPA Governing Board on December 12, 2012, notes that, at the time of adoption, 342 tourist bonus units were available for allocation.

## RESIDENTIAL MARKET

The residential real estate market in the North Lake Tahoe/Truckee area can be bifurcated into two distinct types of uses. As described by EPS in its July 2013 report, there “are local, full-time residents who occupy residential buildings, work at local businesses (including those at office industrial properties, retail stores, and lodging accommodations), and patronize businesses located across all building classifications. Second are visitors to the area who use residential real estate on a part-time basis, occupy lodging properties, and exert their spending power at businesses located at local, commercial properties (primarily retail) and in other nearby areas.

The North Lake Tahoe area (and the Tahoe Region in general) is characterized by a high degree of absentee owners who hold real estate assets but do not use them on a full-time basis.”<sup>6</sup> Some of these units are rented to local residents on a full-time basis, while others are used only sporadically and sit vacant for a substantial portion of the year. Figure 3-2 below illustrates the absentee ownership rates for most of the communities in the North Lake Tahoe/Truckee area, as well as the average for the entire area combined. Even accounting for the lower rates in the table, “these rates are still extremely high compared to what would be found in a “typical” residential area. Of note, local business owners repeatedly cite the importance of this market segment, as these residents are typically well-heeled and provide substantial support for local restaurants and high-end boutiques.”<sup>6</sup>

**FIGURE 3-2**  
**ABSENTEE OWNERSHIP RATES IN 2012**



Kings Beach, located around the intersection of SR 267 and SR 28, and Tahoe City, located around the intersection of SR 89 and SR 28, account for more than 60% of the permanent resident population located within the North Shore and West Shore areas combined. The permanent resident population in these areas has declined over the last decade, while the demand for second homes has intensified.

Resident population levels in the entire study area declined by 17% overall between 2000 and 2010, but “have been stable in more recent years and growth restrictions in the Tahoe Basin will prevent substantial increases. However, in portions of the study area beyond the Basin, there remains substantial residential development capacity.”<sup>3</sup>

“The Town of Truckee does have some proposed tourism amenities that are likely to enhance the town’s visitor appeal ... [and] to strengthen the already very popular downtown area, which is slowly and organically filling the “gaps” in the marketplace that may exist and is consistently strengthening its tourism offerings. In addition, there are several development projects that will serve to further strengthen its tourism potential. One prominent proposed development project is known as the Truckee Railyard Master Plan, which, once constructed, is likely to significantly impact the livability and visitor appeal of the town. The Railyard project proposes to add various classes of residential development, office space, retail, a large cinema complex, lodging, and other uses. Although the Railyard Master Plan was approved in 2009, additional entitlements are necessary for construction to commence.”<sup>3</sup>

With respect to the Tahoe Basin, “residential unit allocations for communities located in the Tahoe Region are outlined in Chapter 50 of the TRPA Code of Ordinances. For 2013, TRPA released up to 130 residential allocations to local governments. After applying Placer County’s percent allocation of 22.45 percent, Placer County’s maximum allocation for 2013 is 29 units. Assuming this allocation remains constant over the next 20 years, Placer County could expect to see a maximum of 580 new units by December 2032. This represents the total estimated amount of residential development that the Plan Area could see over the next 20 years.”<sup>1</sup> Projecting to 2040 at the same rate allow for another approximately 250 total units in the North Shore and West Shore areas combined.

## **COMMERCIAL RETAIL MARKET**

EPS comments in its July 2013 report that commercial real estate submarkets located in the North Lake Tahoe/Truckee area are “unique because they cater to a much more transient population than is typical in a non-tourism area. Traditionally, retail centers serve the surrounding area and are categorized into super-regional, regional, community, and neighborhood centers according to the size of the store, the products they offer, and the size of the geographic radius they serve. However, retail in the Tahoe Basin is much more heavily geared to tourist patrons and does not fit standard classifications or rules of thumb.”<sup>6</sup> Recent photos of several lodging and retail properties in each of the five clusters are presented in Appendix C.

Almost one half of the commercial land in the North and West Shore areas is located in Tahoe City, with Tahoe Vista and Kings Beach also having large amounts of commercial land.

“Commercial land uses are generally located adjacent to the SR 28 and SR 89 corridors and consist of office, retail, church, and service commercial uses. Within Tahoe City the majority of commercial land is located near the “Wye” intersection, generally to the west of SR 28 and SR 89. However a few large commercial parcels are located along the shoreline of Lake Tahoe. The majority of retail development in Tahoe City is clustered in “mini-centers” east of SR 28 adjacent to Lake Tahoe. Smaller pockets of commercial land are also located in Dollar Point, Carnelian Bay and Homewood.”<sup>1</sup>

The North Shore and West Shore areas are “characterized by a large amount of small “strip” retail buildings in the range of 5,000 to 10,000 square feet. Although these types of smaller retail buildings comprise the majority of the retail space ... there are three “traditional” grocery-anchored shopping centers, two of which are located in Tahoe City and one in Kings Beach. The quantity of neighborhood shopping centers exceeds what would be found in a typical residential area, supported by spending from outside residents.”<sup>6</sup>

An analysis of retail spending conducted in earlier studies indicated that the amount of retail in the North Shore and West Shore is approximately adequate to service demand in those areas. “Although the *amount* of retail appears to be sufficient to serve the [area], the *character* of much of the retail stock is substandard and does not capture a large portion of resident spending.... The ability to stem this leakage completely is limited, since large-scale big-box retailers are not a preferred building typology for the Basin. However, the notion of an expanded drug/convenience store, expanded grocery prototypes, or other types of small-format retail centers that include a broader range of products may help to provide expanded options for basic goods that are desired by local residents.”<sup>6</sup>

Currently, the entire North Lake Shore/Truckee area is maintaining a fairly healthy market for leasable retail space, with relatively few vacancies and slightly increasing asking rents. Based on research with local commercial brokers and available listing channels such as LoopNet, the vacancy rate appears to fall within a range of 5% to 10%. In Truckee, for example, reports indicated that the vacancy rate was 11% in 2010, but expectations were that it would fall to approximately 5% by 2014, and that appears to be exactly what happened. Also, the average lease rate in the Tahoe Basin area hovers right around \$2.00 per square foot per month, and in the Truckee area is approximately 10% higher than that at roughly \$2.20.

## **APPLICABLE RETAIL ANALYSIS**

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### **RETAIL SALES LEAKAGE AND CAPTURE**

In order to understand the trade area in which the Project will operate, it is important to first look at the major components of the relevant retail clusters. As described above, five retail clusters are defined for purposes of this analysis, which include the North Shore, West Shore, Alpine/Squaw, Northstar Area, and Truckee Area retail clusters. The supply and demand dynamics occurring in the North Lake Tahoe/Truckee trade area, as well as in each of the retail clusters, reveal information about the flow of retail dollars. The analysis evaluates only three Applicable Retail categories. Applicable Retail refers to only land uses proposed in the Project, which, as described above, include the following:

1. ***Grocery/Market:*** Includes grocery stores and convenience markets.
2. ***Limited Retail Group:*** Includes clothing and clothing accessories stores as well as the California State Board of Equalization (SBOE) Other Retail group, which comprises categories such as sporting goods, health and personal care, music, and gift stores.
3. ***Restaurant & Drinking Places:*** Includes restaurants, bars, and cafes.

### **Major Assumptions and Sources**

Many sources of data and projections were utilized to develop assumptions and to calculate potential impacts. Major assumptions and their sources include the following:

- Planned residential and non-residential developments within each retail cluster are based on a list of development projects from VSVSP Draft EIR and information subsequently extrapolated from applicable planning documents for each development project (e.g., EIRs, planning studies, master plans), as well as key source materials described above.
- Current data regarding the number of households and number of visitor days in each retail cluster are based on data provided by Claritas, the Census Bureau, Placer County, and reports prepared by EPS and Runyan.
- The projected number of households and number of visitor days in each retail cluster are based on data provided by Claritas, the Census Bureau, Placer County, and reports prepared by EPS and Runyan.
- Current and projected household income estimates for each retail cluster are averages based on data provided by Claritas, the Census Bureau, Placer County, and reports prepared by EPS and Runyan. These income estimates are presented in 2014 dollars.

- Current and projected average daily visitor spending estimates are based on data from Runyan’s November 2013 study.
- Annual expenditures per household are based on the percentage of household income spent on retail goods and services pursuant to the U.S. Department of Labor Consumer Expenditure Survey and the Claritas Consumer Spending Patterns Report for each retail cluster. The percentage of household income spent on certain goods was adjusted to reflect the fact that: (i) consumers purchase goods in various retail categories from merchants other than those in the three Applicable Retail categories discussed above; and (ii) consumers purchase goods outside of the five retail clusters included in this analysis.
- Current retail sales data for each retail cluster within Placer County are estimated based on sales tax data provided by Placer County, while current retail sales data for the Truckee Area retail cluster are estimated based on taxable sales data provided by SBOE.
- Annual retail sales per square foot estimates for the Applicable Retail categories described above are provided by the Urban Land Institute (ULI).

### **Retail Cluster Analysis**

By defining retail clusters within the larger trade area, an analysis of the supply and demand dynamics within each retail cluster, as well as the North Lake Tahoe/Truckee trade area, can be conducted. Each cluster generally provides a variety of retail offerings similar to those included in the Project. A map of each retail cluster is shown in Figure 2-2 at the end of Chapter 2. As mentioned above, transportation corridors play an important determinant in drawing a retail cluster. Each retail cluster is connected through Interstate 80, SR 89, SR 28, and/or SR 267. The North Shore cluster is approximately 14 miles southeast of the Project and can be accessed via SR 89 and SR 28. The West Shore cluster is approximately 12 miles southwest of the Project and is reachable via SR 89. The Northstar Area cluster is approximately 19 miles northeast of the Project and can be accessed via SR 89, SR 28, and SR 267, or SR 89, Interstate 80, and SR 267. Finally, the Truckee Area cluster is approximately 12 miles north of the Project and is reachable via SR 89.

### **Demand-Side Analysis**

The VSVSP Draft EIR compiles a list of future projects that are likely to occur within the projected 25-year buildout horizon of the Project. These projects are located within the North Lake Tahoe/Truckee area and have the potential to interact with the proposed Project, and they fall within one or more of the following four categories:

- Partially occupied or under construction
- Received final discretionary approvals
- Applications have been accepted as complete by local agencies and are currently undergoing environmental review

- Considered likely to be developed, based on historic development patterns (including the rate of development)

The Cumulative Project List, as it is referred to in the VSVSP Draft EIR, includes proposed development projects or development areas, but also includes plans and programs to improve ski lifts and various mountain recreation facilities, develop energy production, facilitate habitat preservation, construct or repair transportation improvements, and establish a cross-lake ferry. Only the residential, commercial, and lodging development projects/areas from that list are incorporated into the EIA.

Table A-1 in Appendix A presents the revised list, which organizes future development projects by retail cluster. Each project on the list has a corresponding map number, and the location map from the VSVSP Draft EIR showing each project is included on the page following Table A-1. Numerous planning and environmental documents were also reviewed to obtain detailed development projections, including anticipated residential, hotel, and Applicable Retail growth within the five retail clusters. Table A-2 summarizes the projected residential development estimates from Table A-1 and includes additional development anticipated in the North Lake Tahoe/Truckee area based on information from key source materials and the planning and environmental documents that were reviewed.

Table A-2 also estimates the number of occupied households by applying existing absentee ownership rates to the number of anticipated housing units. The data suggest that the North Lake Tahoe/Truckee area can expect approximately 10,279 additional housing units through 2040, which will produce approximately 3,896 occupied households. Although the proposed project is anticipated to include up to 900 housing units, it is not expected to generate any occupied households due to the specific type of units proposed (i.e., hotel condo, time share, fractional, and seasonal employee housing).

Table A-3 presents current households for each retail cluster as well as cumulative households at buildout of the proposed Project and at buildout of all planned development projects. The number of current households, which totals approximately 13,272, is estimated based on an average of household estimates from Claritas and household estimates from the Census Bureau. In addition to current estimates, two buildout scenarios are evaluated in this analysis. Scenario 1 assumes only the Project is developed (i.e., no other projects are added to current conditions), while Scenario 2 assumes all planned projects, including the proposed Project, are developed and added to current conditions. As discussed above, the Project is not anticipated to produce any occupied households; therefore, the number of households at buildout under Scenario 1 is equal to the number of current households. Scenario 2 is anticipated to produce approximately 3,896 new households, which results in approximately 17,168 households at buildout.

Table A-3 also summarizes existing and buildout estimates regarding the number of daily visitors to the North Lake Tahoe/Truckee area. Data provided by Runyan suggest the North Lake Tahoe/Truckee area attracted approximately 3.4 million visitors days in 2014. Current daily visitors are allocated to each retail cluster based on transient occupancy tax collections that have been adjusted for the average daily room rate in each retail cluster, as outlined above. The number of daily visitors to the North Lake Tahoe area is assumed to increase 4% per year, which

results in approximately 0.8 million new visitor days under Scenario 1 for a total of nearly 4.2 million visitor days. Scenario 2 generates approximately 6.0 million new visitor days, or a total of approximately 9.4 million visitor days at buildout. Future visitor days to the Squaw/Alpine retail cluster are allocated between visitors to the Project area and those to the balance of the Squaw/Alpine cluster based on the anticipated number of lodging rooms. The Project includes approximately 1,323 lodging rooms and the remainder of the Squaw/Alpine cluster includes 620 lodging rooms for a total of 1,946 rooms. As a result, the Project is ascribed approximately 68%, or 0.8 million new visitor days, of the total 1.1 million new visitor days anticipated within the Squaw/Alpine cluster.

Table A-4 shows current average household income and visitor spending for each retail cluster and the estimated average household income and visitor spending at buildout. Real income growth is estimated to increase 1.6% per year based on historical wage and Consumer Price Index (CPI) data for the San Francisco Consolidated Metropolitan Statistical Area (CMSA). Average daily spending is conservatively assumed to remain constant for purposes of this analysis. Table A-5 then multiplies the values from the previous two tables together with the appropriate capture rate and percentage of income and visitor spending expended on each Applicable Retail category (i.e., grocery/market, limited retail group, and restaurant & drinking places) to determine the amount of income and visitor spending captured by the North Lake Tahoe/Truckee area.

Of the income captured, nearly 18% is estimated to be spent on the three Applicable Retail categories evaluated in this analysis according to the US Department of Labor's Consumer Expenditure Survey and Claritas' Consumer Spending Patterns Report. In addition, over 40% of visitor spending is assumed to be expended on the three Applicable Retail categories evaluated in this analysis based on data from the key source materials. Table A-5 estimates the current retail demand broken down by Applicable Retail category as well as the growing demand for the two buildout scenarios. As shown in Table A-5, Applicable Retail demand totals approximately \$373.4 million currently, but is expected to grow to \$509.2 million under Scenario 1 and \$880.5 million under Scenario 2.

### **Supply-Side Analysis**

The estimated supply of Applicable Retail space, expressed in terms of Applicable Retail sales, is shown in Table A-6. Current Applicable Retail sales are delineated by retail cluster and are based on: (i) sales tax data provided by Placer County for the North Shore, West Shore, Alpine/Squaw, and Northstar Area retail clusters; and (ii) taxable sales data provided by SBOE for the Truckee Area retail cluster. During the course of translating sales tax and taxable sales into retail sales, an adjustment is made for grocery purchases. This adjustment reflects a 35% factor for taxable purchases at grocery stores due to the fact that a majority of grocery purchases are non-taxable. In addition, Applicable Retail sales for the Truckee area assume 10% of non-retail sales are attributable to retail and food spending at hotels. Finally, retail and food spending at hotels for all five retail clusters are assumed to be split 80/20, with 80% at hotel restaurants and bars and the remaining 20% at hotel retail stores, based on hotel industry statistics. Total existing Applicable Retail sales for all five retail clusters are estimated to equal approximately \$375.2 million, as shown in Table A-6.

### **Leakage Analysis**

The summary of existing retail market conditions provides some perspective against which to compare the results of the retail demand analysis. A sales capture and leakage analysis assesses the relative strength of the local Applicable Retail sectors by determining whether “leakage” or “capture” of retail sales is occurring in the North Lake Tahoe/Truckee area. Leakage would occur if there were insufficient retail space to meet the shopping needs of local residents and visitors, which would result in retail dollars “leaking” outside the trade area as shoppers go elsewhere to consume the goods and services they demand. On the contrary, capture would occur if there is an excessive amount of retail space to meet the shopping needs of trade area residents and visitors, combined with a lack of retail space in surrounding areas, which would result in retail dollars being “captured” from areas outside the trade area as shoppers from surrounding areas come to the North Lake Tahoe/Truckee area to consume the goods and services they demand.

Table A-7 summarizes results of the demand-side analysis for each retail cluster and compares the total current demand for Applicable Retail against the current supply of Applicable Retail. The expected total purchasing power for Applicable Retail goods generated by residents and visitors of the North Lake Tahoe/Truckee area is generally equal to the estimated sales of Applicable Retail goods in the area. Specifically, current supply totals approximately \$375.2 million and current demand totals approximately \$373.3 million, which produces a net capture of approximately \$1.9 million, or less than one percent of total supply. In other words, the amount of Applicable Retail space in the North Lake Tahoe/Truckee area can generally be considered to be in equilibrium. While Table A-7 compares current supply against current demand by retail cluster, Table A-8 compares current supply against current demand by Applicable Retail category.

### **Trade Area Supportable Sales**

The results of the analysis to determine supportable square footage for Applicable Retail sales in the trade area are presented in Tables A-9.1 through A-9.3. These three tables itemize the existing retail sales for each Applicable Retail category by retail cluster and compare the overall supply against current demand as well as buildout demand under Scenarios 1 and 2. The two buildout scenarios are examined to provide an indication of how supportable sales may change with the Project. As Tables A-9.1 through A-9.3 show, the total purchasing power currently generated in the North Lake Tahoe area for the three Applicable Retail categories evaluated in these tables nearly equals Applicable Retail sales in the North Lake Tahoe area. Due to demographic changes that include real increases in household income above inflation, a growing population that translates into more households, and more visitors, demand for all Applicable Retail sales in the North Lake Tahoe area is projected to exceed the supply for Applicable Retail at buildout under both Scenarios 1 and 2, assuming no new additions to supply.

## **POTENTIAL IMPACTS FROM FUTURE SUPPLY ON APPLICABLE RETAIL**

The retail cluster analysis estimated the amount of Applicable Retail sales that can be supported over time assuming no additions to the supply of existing Applicable Retail categories. This section of the study accounts for the introduction of Applicable Retail from the Project as well as those from other planned development projects in the North Lake Tahoe/Truckee area and presents the potential impacts at buildout for Scenarios 1 and 2 on existing Applicable Retail categories. Table A-10 summarizes the amount of planned Applicable Retail development from Table A-1. The data suggest the North Lake Tahoe/Truckee area can expect approximately 362,000 square feet of new Applicable Retail uses through 2040, which includes approximately 57,000 square feet in the Project and approximately 305,000 square feet outside of the Project.

### **Trade Area Retail Sales Impacts**

Table A-11 incorporates the results of Tables A-9.1 through A-9.3 and the planned development from Table A-10, presenting the net supportable square feet for the different categories. By adding the estimated amount of new Applicable Retail at buildout of Scenarios 1 and 2, which Applicable Retail category may cause, or add to, an oversupply situation can be determined.

None of the Applicable Retail categories are anticipated to produce an oversupply condition at buildout of either Scenario 1 or Scenario 2. However, an oversupply condition may occur in the interim, prior to buildout, if a disproportionate amount of Applicable Retail is developed in the near term because two of the Applicable Retail categories (i.e., Grocery/Market and Restaurant & Drinking Places) are currently in slight oversupply. However, any potential oversupply condition is anticipated to be temporary and not permanent.

### **Impacts on Competing Retail**

Evaluations regarding the structure of retail market areas and impacts on existing retailers due to the entrance of a new store in a trade area are often based on a gravity model originally developed by William Reilly. Essentially, the gravity model suggests that the relative volume of purchases by consumers at a store (or the frequency of trips, or attraction, to the store) equates directly to the size of the store and inversely to the distance (in terms of driving time) between the store and the consumer.

Although the gravity model has become widely used in retail analysis, it has some major weaknesses. First, it was developed in 1929 for rural trade areas where consumers had few opportunities for comparison shopping. Second, by concentrating on floor space and accessibility, the model overlooks price, store image, advertising, shopping ambiance, and other factors that may be equally or nearly as important in selecting a shopping destination. Third, the model does not differentiate between varying types of retail expenditures (e.g., groceries vs. furniture) or the nature of the proposed store (e.g., located in a neighborhood shopping center vs. a super-regional mall). Fourth, the model is based on the notion that shopping trips are generated only from a consumer's residence, which clearly is not the case, especially for convenience goods such as groceries. Fifth, the model is limited to understanding the relationship between a

maximum of only two retail establishments. [John McMahan, *Property Development*, McGraw-Hill, 1989, pp. 163-164.]

After some modifications to Reilly's gravity model had been proposed, David Huff formulated a probability model in 1964 that can handle the interaction among three or more retail establishments. The Huff model is generally considered the most advanced in the evolution of gravity-oriented models. [Neil Carn, et al, *Real Estate Market Analysis*, Prentice Hall, 1988, pp. 191-2.]

In addition to employing mathematical techniques, an economic impact study inherently must involve a certain degree of judgment based on experience and the specific facts regarding the proposed facility and the marketplace in which it will operate. Rather than rely on the unpredictable results of the original gravity model or even a more advanced version, two straightforward, common-sense methodologies are also used in this study to estimate the economic impacts associated with the Project and all planned development projects.

Four models, or approaches, are utilized to estimate the economic impacts on competing retail. These models encompass the four primary factors in determining sales success for the three Applicable Retail categories, and the competitive impacts of one type of store on another:

- The relationship between supply and demand of competitive stores
- The sales of competitive stores
- The strengths and weaknesses of competitive stores
- The distances between competitive stores

The proportional demand model shown in Tables A-12.1 through A-12.3 utilizes the relationship between supply and demand for each retail cluster to estimate net supportable Applicable Retail sales at buildout of Scenarios 1 and 2. For example, in Table A-12.1, net supportable grocery and market retail sales in the Alpine/Squaw retail cluster total approximately \$16.9 million at buildout of Scenario 1. Accounting for approximately \$2.1 million in additional sales at buildout of Scenario 1 reduces net supportable sales to \$14.8 million at buildout of Scenario 1, which translates to an equal amount of additional grocery and market sales to the Squaw/Alpine retail cluster.

Tables A-13.1 through A-13.3 present the estimated impacts on Applicable Retail in the five clusters based on the proportional sales model. This model allocates the current net supportable Applicable Retail sales as well as the anticipated sales at buildout of Scenarios 1 and 2 based on the current sales in each retail cluster. For example, in Table A-13.1, grocery and market retail sales in the North Shore retail cluster total approximately \$30.0 million, or 22% of the \$138.3 million total grocery and market sales in the North Lake Tahoe area. This percentage of the \$54.4 million in net supportable sales at buildout of Scenario 1 is allocated to North Shore grocery and market stores, resulting in an estimated increase in sales of approximately \$11.8 million. Potential new sales are estimated to rise to approximately \$28.3 million at buildout of Scenario 2.

The competitive ranking model illustrated in Tables A-14.1 through A-14.3 translates the qualitative competitive advantages and disadvantages of each category's stores into a

quantitative ranking. A competitive ranking of 10 indicates that a store cannot do any better, while a ranking of 1 suggests that a retailer cannot do any worse. Based on site inspections and feedback from others, including retail organizations, several criteria as outlined below were used to formulate the rankings:

### ***External Factors***

1. Is the signage clearly visible from major streets?
2. Is ample parking provided?
3. Is the site located at a major intersection and in an area experiencing high traffic counts?
4. How old is the store and what is its outward appearance?

### ***Internal Factors***

5. Does the store offer a wide selection of products and competitive prices?
6. Is the store clean and the ambiance inviting?
7. How effective is the store's customer service?
8. What is the level of marketing and merchandising?

As shown in Tables A-14.1 through A-14.3, the new Project retail is assumed to rate highly on all factors, which is a conservative approach that results in more retail sales impact being spread to existing competition. For this reason, all Project stores received a competitiveness ranking of 9. The retail sales impacts are allocated based on the relative competitive rankings. For example, North Shore grocery and market retail is rated a 5 (Table A-14.1). This is a lower ranking than that of West Shore grocery and market retail, so the impact on North Shore grocery and market retail is calculated to be more than the impact on West Shore grocery and market retail.

The distance model is presented in Tables A-15.1 through A-15.3. This model estimates the impacts on each type of Applicable Retail category in the clusters based on their average proximity to the new Project retail. Since the North Shore and West Shore retail clusters include several smaller communities, the average proximity is calculated using the distance between the Project to each smaller community as well as the amount of taxable sales for each community. For example, the "weighted" average distance between the Project and the North Shore retail cluster is derived by multiplying the distance between the Project and each community (i.e., Carnelian Bay, Dollar Point, Tahoe Vista, and Kings Beach) within the North Shore retail cluster by the proportionate share of taxable sales for each community.

First, estimated impacts on the Project's stores are calculated based on the average retail sales impacts estimated in the prior three models for the Squaw/Alpine cluster. Then, impacts on other retail are calculated based on their relative distance from the Project. A competitor closer to the Project is likely to experience greater impacts than a competitor farther away. For example, North Shore grocery and market retail is on average approximately 15.7 miles from the Project, approximately 1.6 times the distance that West Shore grocery and market retail is from the Project; North Shore grocery and market retail impacts are approximately 60% that of West Shore grocery and market retail (Table A-15.1).

### Average Impacts on Existing Retail and the Project

The four models described above in Tables A-12 through A-15 estimate that North Shore grocery and market retail may experience increases in retail sales of 2%, 39%, 50%, or 32% at buildout of Scenario 1; retail sales would rise to 69%, 94%, 120%, or 81% at buildout of Scenario 2. Tables A-16.1 through A-16.3 calculate the assumed impacts on the Project and the retail clusters by utilizing an average of the results from the four models.

$$\begin{array}{rcl} \text{Average Impacts} & = & (\text{Impacts due to proportional demand} \\ & + & \text{Impacts due to proportional sales} \\ & + & \text{Impacts due to competitive rankings} \\ & + & \text{Impacts due to distance}) \\ & \div & 4 \end{array}$$

Consequently, average impacts are based 25% on distance, 25% on competitive rankings, 25% on proportional demand, and 25% on proportional sales. This formula yields a positive impact on total retail sales for North Shore grocery and market retail of approximately 31% at buildout of Scenario 1, increasing to 91% at buildout of Scenario 2 (Table A-16.1).

### **ECONOMIC IMPACT SUMMARY**

Table A-17 summarizes the effects, which are expressed as the average percentage impacts, calculated in Tables A-16.1 through A-16.3, of each of the three Applicable Retail categories on the five retail clusters at buildout of the proposed Project as well as at buildout of all planned development projects through 2040. As shown in Table A-17, all Applicable Retail sales impacts are positive, which suggest that sales for each Applicable Retail category in all five retail clusters are anticipated to increase beyond future demand. At buildout of both Scenario 1 (i.e., Project alone) and Scenario 2 (i.e., all planned development including the Project), demand for Applicable Retail will exceed cumulative supply. It does not appear that any negative impacts, even minor adverse impacts, will result in the North Lake Tahoe/Truckee study area due to buildout of additional Project retail or total planned Applicable Retail.

Finally, Table A-18 compares the total demand for Applicable Retail at buildout of all planned developments, including the Project, against the total supply of Applicable Retail at buildout. The expected total purchasing power for Applicable Retail goods generated by residents and visitors of the North Lake Tahoe/Truckee area is expected to exceed the estimated sales of Applicable Retail goods in the North Lake Tahoe area at buildout of all planned development projects. Specifically, buildout supply of Applicable Retail sales is estimated to equal approximately \$486.9 million and buildout demand is estimated to total approximately \$880.5 million, which produces a net leakage of approximately \$393.6 million, or 80% of total supply. In other words, the amount Applicable Retail space planned in the North Lake Tahoe/Truckee area is not anticipated to be sufficient to meet future demand. It should be noted that an oversupply condition may occur in the interim, prior to buildout, if a disproportionate amount of Applicable Retail is developed in the near term prior to sufficient demand being established. However, any potential oversupply condition is anticipated to be temporary and not permanent.

Nonetheless, it is possible that individual merchants could be affected. Each business must be careful to address changing customer requirements over time and to operate as efficiently as possible in order to succeed in a competitive retail market. It may be necessary in the future for certain individual retailers within some of the retail clusters to adjust their operations or make new investments in their properties. Nevertheless, there should be sufficient market demand to support all of the existing and planned Applicable Retail development in the study area.

## HOTEL AND CONDO HOTEL ANALYSIS

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### HISTORICAL AND CURRENT LODGING CONDITIONS

The North Lake Tahoe/Truckee area currently has approximately 36 lodging facilities containing approximately 2,160 rooms with an average room rate of \$190 per night, as shown on Table B-1 in Appendix B. Detailed information on lodging facilities is provided by Smith Travel Research, Inc. (STR) and Placer County, including a count of all hotel rooms in the trade area, average historical occupancy rates for the trade area, and average historical daily room rates for the trade area. Additional information regarding specific hotel ratings and daily room rates are based on a survey of existing hotels. A summary of the lodging facilities for each retail cluster is provided in Table 5-1 below:

**TABLE 5-1**  
**EXISTING HOTEL/MOTEL STATISTICS \***

<b>Retail Cluster</b>	<b>Number of Hotels</b>	<b>Number of Rooms</b>	<b>Average Daily Rate</b>
North Shore	12	416	\$97
West Shore	11	324	\$166
Squaw/Alpine	4	727	\$273
Northstar Area	1	170	\$269
Truckee Area	8	478	\$142
<b>Hotel Totals/Average</b>	<b>36</b>	<b>2,160</b>	<b>\$190</b>

\* Excludes approximately 1,453 rented condos with an estimated 2,179 rooms.

In addition, the North Lake Tahoe/Truckee area includes approximately 1,453 condos that are available for rent that potentially adds another 2,179 rooms. The total number of available rooms in the North Lake Tahoe/Truckee study area is estimated to equal 4,339 rooms.

Table B-2 presents hotel/motel historical monthly and annual occupancy rates for the North Lake Tahoe/Truckee area for calendar years 2010 through 2014. Average annual occupancy rates for the study area have ranged from 47% in 2010 to 51% in 2014, with an average occupancy rate of 49% for the 5-year period, as summarized in Figure 5-1 on the following page. Hotel demand in the North Lake Tahoe/Truckee area can fluctuate significantly depending on the season and on the day of the week, with winter and summer seasons and weekends typically being considered peak periods. Table B-3 shows average occupancy rates by day of the week for February, August, and full calendar year 2014. Average occupancy rates range from a low of 41% on Sunday for calendar year 2014 to a high of 89% for a Saturday in August.

**FIGURE 5-1  
HISTORICAL HOTEL/MOTEL OCCUPANCY RATES**

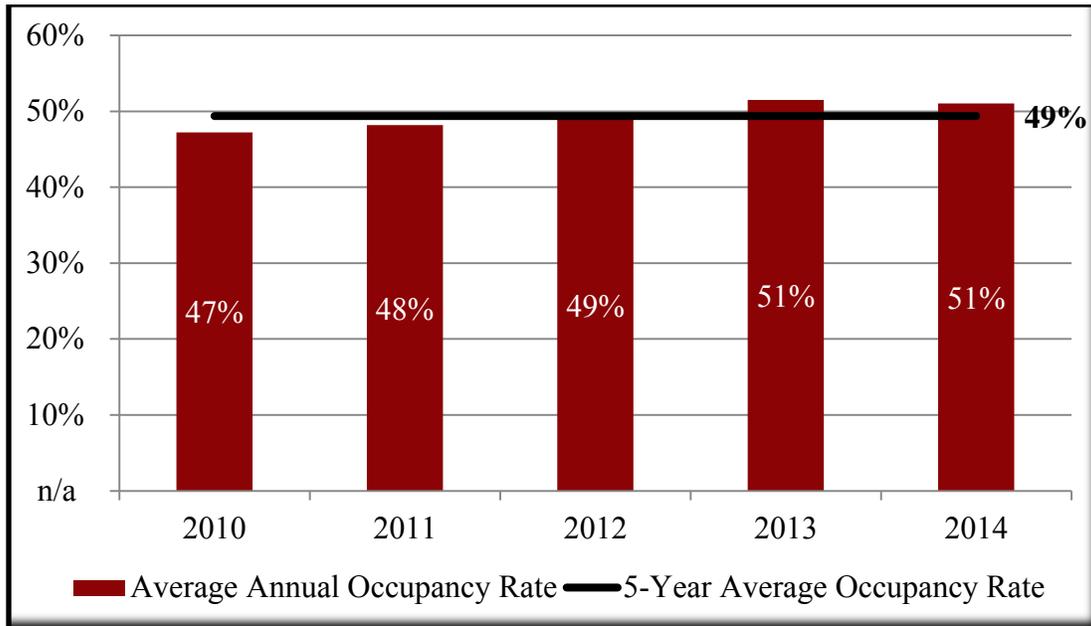
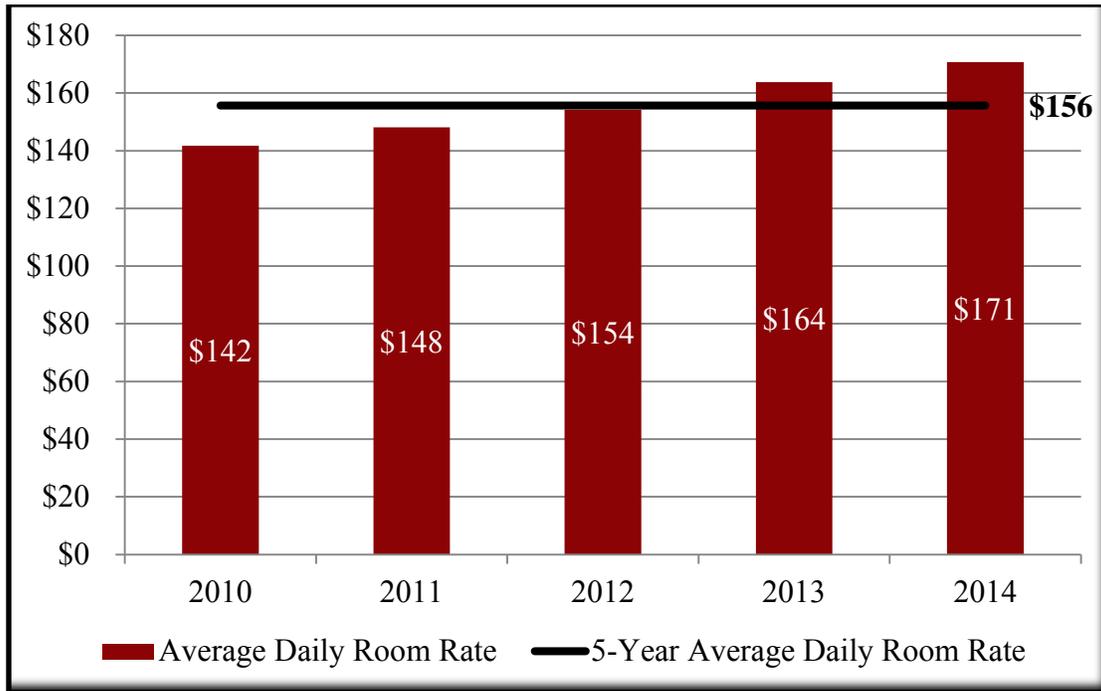


Table B-4 presents hotel/motel average monthly and annual daily room rates for the North Lake Tahoe/Truckee area for calendar years 2010 through 2014. Average daily room rates for the study area have ranged from \$142 per night in 2010 to \$171 per night in 2014 with an average rate of \$156 per night for the 5-year period, as summarized in Figure 5-2 on the following page.

Table B-5 summarizes planned lodging projects based on information from Table A-1. Lodging projects are delineated between traditional hotel developments and condo/resort developments for each retail cluster. The Project is estimated to augment current lodging facilities by approximately 1,323 rooms at buildout. Buildout of all planned developments, including the Project, is anticipated to add approximately 3,856 rooms. The analysis conservatively assumes that all of the proposed condo hotel rooms will participate in a rental program; however, the project proponent is anticipating a 75% participation rate in the rental program. A 75% participation rate would reduce the number of condo hotel rooms available to be rented to visitors and, consequently, reduce the overall supply in the trade area.

Over the 2010 to 2015 period, transient occupancy tax (TOT) collections have fluctuated for the North Lake Tahoe/Truckee area. A breakdown of actual and projected TOT collections in the North Lake Tahoe area of Placer County, which includes the North Shore, West Shore, Squaw/Alpine, and Northstar Area retail clusters, and in the Town of Truckee, for fiscal years 2009-10 through 2014-15 is identified in Table B-6. The total hotel and condo room revenue is shown on Table B-7, which is calculated by applying the 10% TOT rate levied in each area to the TOT revenues collected for each fiscal year.

**FIGURE 5-2  
HISTORICAL HOTEL/MOTEL AVERAGE DAILY ROOM RATES**



## LODGING PROJECTIONS

Table B-8 identifies future hotel and condo demand by first projecting total lodging room revenues in the North Lake Tahoe/Truckee area at the two buildout scenarios. Hotel and condo room revenue is assumed to increase 4% per year, which corresponds to the annual percentage increase in the number of visitor days anticipated in the North Lake Tahoe/Truckee area. Total hotel and condo room revenue is anticipated to equal approximately \$319.4 million at buildout of all planned development projects, or an increase of approximately \$199.6 million over current estimates. This incremental increase is allocated between revenues attributable to the Project and those to the rest of the North Lake Tahoe/Truckee area based on the anticipated number of lodging rooms. The Project includes approximately 1,323 lodging rooms, assuming 100% participation in the rental program, and the remainder of the study area includes 2,533 lodging rooms, for a total of 3,856 rooms. As a result, the Project is ascribed approximately 34%, or \$68 million in incremental room revenues, of the total \$199.6 million in new room revenues anticipated within the North Lake Tahoe area.

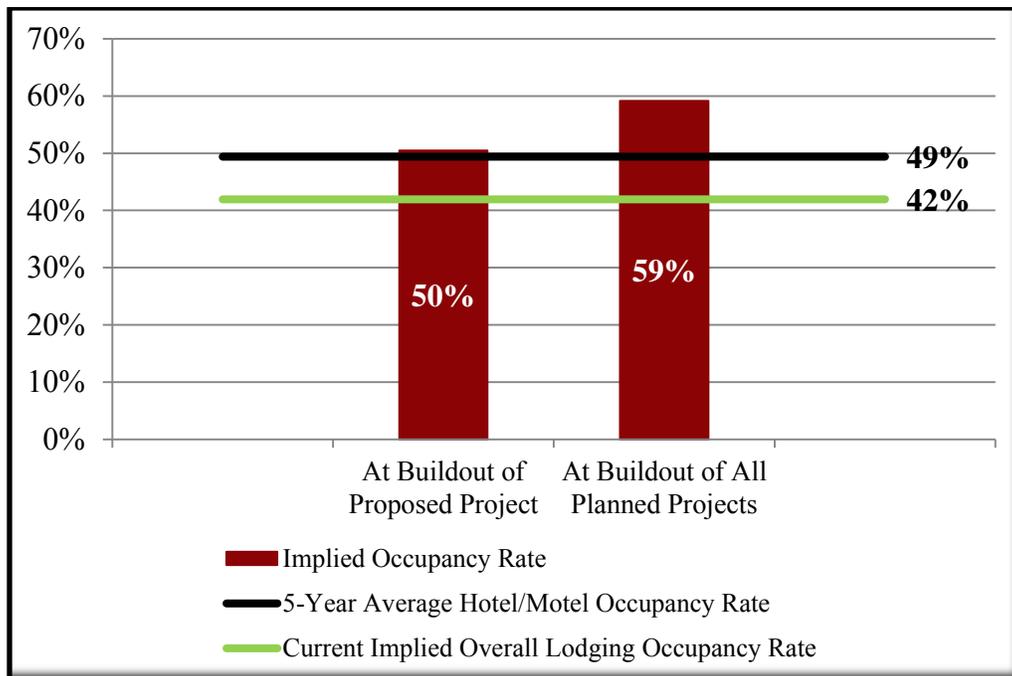
An average daily room rate of \$180 per night is derived using an average rate of \$190 per night from the individual hotel/motel survey and an average rate of \$171 for calendar year 2014 from STR. Applying the \$180 average daily room rate to the existing and projected lodging room revenues under both buildout scenarios produces an estimate of the number of rooms demanded in the North Lake Tahoe/Truckee area. Dividing demand, expressed in terms of the number of supportable rooms, by the current and future supply of hotel and condo rooms in the North Lake Tahoe/Truckee area generates an implied occupancy rate.

## ECONOMIC IMPACT SUMMARY

The analysis suggests that the proposed project would not create an overbuilt lodging market. Based on projected supply and anticipated demand, there would be a 50% overall lodging (hotel/motel plus condo rooms) occupancy rate within the North Lake Tahoe/Truckee area at buildout of Scenario 1 (i.e., only the Project is developed). Buildout of Scenario 2 results in an even higher overall occupancy rate of 59%. As discussed above, a 75% participation rate in the rental program would reduce the overall supply of hotel rooms in the trade area and result in a higher implied occupancy rate for each scenario.

Since short-term rental condos typically experience much lower occupancy rates than traditional hotels, and because buildout of both scenarios would not increase the supply to a level that would lower occupancy rates to below the current 42% overall average or the 5-year hotel/motel average of 49%, buildout of both scenarios should not create long-term structural vacancies that could lead to urban decay. These results are illustrated in Figure 5-3 below. This does not mean that individual hotels will not be affected. Each business must be well-run and work to satisfy customer needs in order to capture a sustainable share of the hospitality market. Some trade area hotels may need to adjust their operations or make new investments in their properties. Nevertheless, there should be sufficient market demand to support all of the existing and planned hotel rooms in the trade area.

**FIGURE 5-3**  
**TRADE AREA LODGING OCCUPANCY RATES AT BUILDOUT**



## **APPENDIX A**

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### **APPLICABLE RETAIL ANALYSIS**

*General Assumptions, Methodology, and Summary Tables*

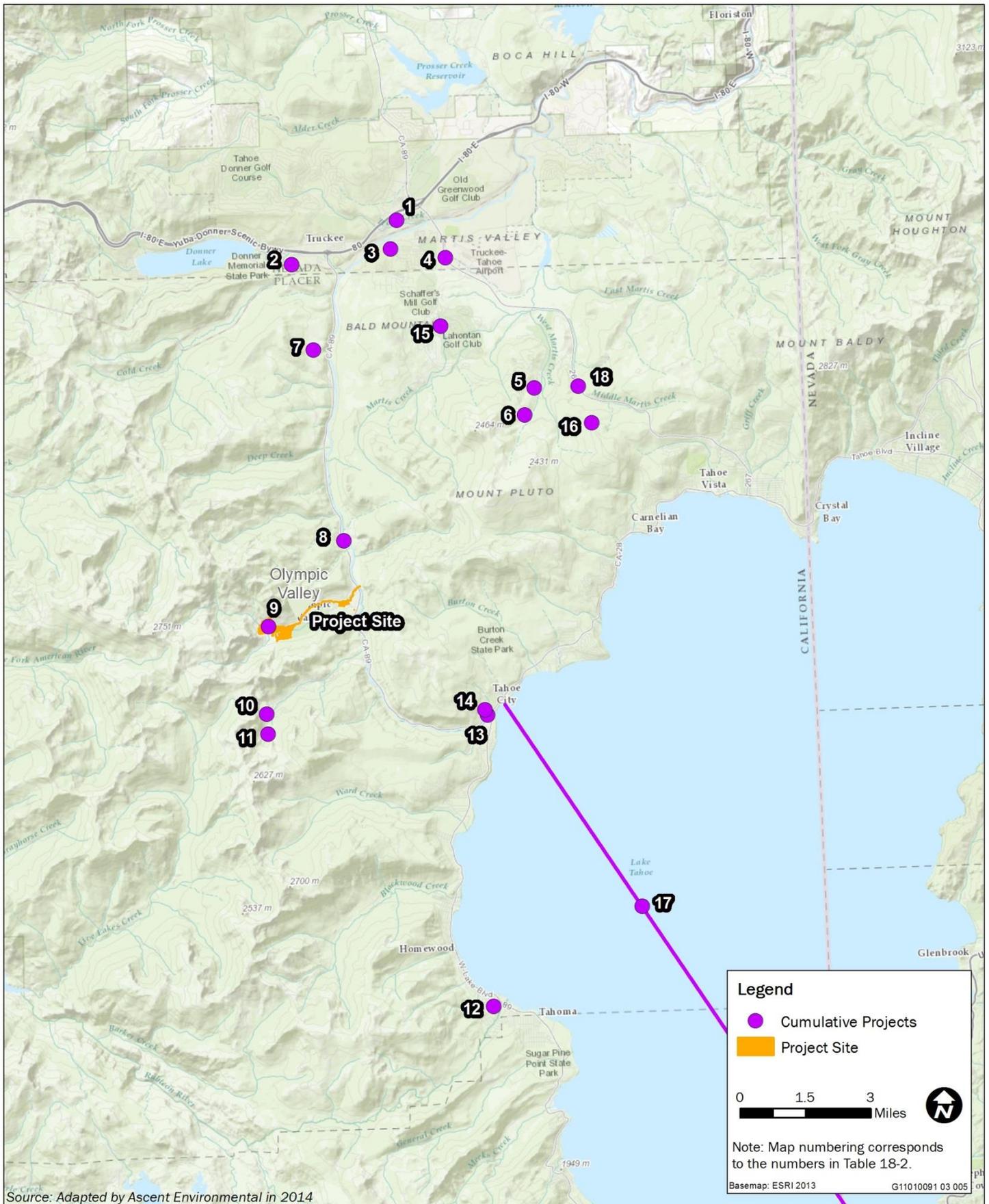
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**Table A-1  
Village at Squaw Valley Specific Plan  
Economic Impact and Urban Decay Analysis  
Draft EIR Cumulative Development List**

EIR Map Number	Project Name	Proposed Residential/Hotel Development Dwelling Units (rooms for hotels)	Proposed Restaurant/Retail/Grocery Development (square feet)	Notes
1	Truckee Railyard Master Plan Source: Draft Master Plan EIR, November 2008	20 single family 460 multi-family 100 live/work 60 hotel	35,000 Restaurant 35,000 Retail 20,000 Grocery	The project includes 70,000 sf of restaurant and retail, of which 50% is assumed to be restaurant and 50% retail.
2	Coldstream Specific Plan Source: Final EIR, March 2014	300 single family 45 affordable housing 100 room hotel	5,000 Restaurant 5,000 Retail	The project includes potential for 30,000 sf of retail, office, and lodging. One third is assumed to be restaurant and retail uses, of which 50% is assumed to be restaurant and 50% retail.
3	Pollard Station -- A Senior Neighborhood Source: Notice of Planning Application Submittal, February 2013	86 lodge 40 2-bdr condos	None	
4	Joerger Ranch Specific Plan Source: Final EIR, January 2015	80 multi-family	22,250 Restaurant 22,250 Retail 44,500 Grocery 25,500 Restaurant 25,500 Retail	The project includes 178,000 sf of regional commercial. Buildings larger than 5,000 sf will be grocery, home furnishings/appliances, casual dining, large floor plate general merchandise, and large floor plate office. One half is assumed to be applicable restaurant and retail uses, of which 25% is assumed to be restaurant, 25% retail, and 50% grocery. The project also includes 51,000 sf of lifestyle commercial which may include home furnishings, wine tasting and beverage garden, casual dining, and garden supplies. Approximately 50% is assumed to be restaurant and 50% retail.
15	Martis Camp and Lahontan Area Source: Placer County Assessor's Data	856 upscale home unbuilt lots	None	
<b>Total Truckee Area</b>		<b>2,147</b>	<b>240,000</b>	
6	Northstar Highlands Phase II Source: Initial Study & Checklist, July 2013	10 single family units 50 townhomes 386 condos 32 employee housing units	1,000 Restaurant 1,000 Retail	The project includes 4,000 sf zoned for commercial uses. One half is assumed to be restaurant and retail uses, of which 50% is assumed to be restaurant and 50% retail.
16	Martis Valley West Parcel Source: Draft Specific Plan, August 2014	760 single family, townhome, cabin, and condo resort units 112 resort recreation units	8,625 Restaurant 8,625 Retail	The project includes 34,500 sf of commercial uses. One half is assumed to be restaurant and retail uses, of which 50% is assumed to be restaurant and 50% retail.
<b>Total Northstar Area</b>		<b>1,350</b>	<b>19,250</b>	
12	Homewood Mountain Resort Master Plan Source: Final EIR/EIS, September 2011	221 residential, fractional, and hotel condo 16 townhouse 75 five-star hotel 13 workforce housing	6,250 Restaurant 6,250 Retail	The project includes 25,000 sf of commercial uses. One half is assumed to be restaurant and retail uses, of which 50% is assumed to be restaurant and 50% retail.
<b>Total West Shore Area</b>		<b>325</b>	<b>12,500</b>	

**Table A-1**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Draft EIR Cumulative Development List Continued**

EIR Map Number	Project Name	Proposed Residential/Hotel Development Dwelling Units (rooms for hotels)	Proposed Restaurant/Retail/Grocery Development (square feet)	Notes
10	Alpine Sierra Subdivision Source: Notice of Preparation, April 2014	33 single family 28 14 halfplex units	None	
	Resort at Squaw Creek Phase 2	441 resort condo	None	
	Olympic Estates	16 single family	None	
	Squaw Valley Ranch Estates	4 single family	None	
	Mancuso	4 single family	None	
	PlumpJack Redevelopment	104 hotel/condo	2,500 Restaurant 2,500 Retail	] The project includes 10,000 sf zoned for commercial uses. One half is assumed to be restaurant and retail uses, of which 50% is assumed to be restaurant and 50% retail.
	Forecast Development	66 single family 34 resort hotel/condo	14,000 Restaurant 14,000 Retail	
	<b>Total Squaw/Alpine Area</b> <i>(not incl Village at Squaw Valley)</i>	730	33,000	
	Village at Squaw Valley	850 hotel, condo, fractional, and timeshare 50 employee housing	29,525 Restaurant 22,692 Retail 5,000 Grocery	
	Total Village at Squaw Valley	900	57,217	
	<b>Total Squaw/Alpine Area</b> <i>(incl Village at Squaw Valley)</i>	<b>1,630</b>	<b>90,217</b>	
	<b>Total Study Area</b>	<b>5,452</b>	<b>361,967</b>	



Source: Adapted by Ascent Environmental in 2014

**Exhibit 18-1**

**Locations of Cumulative Projects**



**Table A-2  
Placer County  
Village at Squaw Valley Specific Plan  
Economic Impact and Urban Decay Analysis  
Projected Residential Development by Retail Cluster**

Project	Projected Buildout	Proposed Units	Absentee Rate	Estimated Owner-Occupied Households
<b>Tahoe Basin</b>				
Homewood Mountain Resort	N/A	250	88%	30
North Shore /1	2032	290	61%	113
West Shore /1	2032	290	64%	104
Subtotal		<u>830</u>	70%	<u>248</u>
<b>Squaw / Alpine /2</b>				
Alpine Sierra Subdivision	N/A	61	0%	61
Resort at Squaw Creek Phase 2	N/A	441	100%	0
Olympic Estates	N/A	16	0%	16
Squaw Valley Ranch Estates	N/A	4	0%	4
Mancuso	N/A	4	0%	4
Forecast Development				
Single Family	N/A	66	0%	66
Resort Hotel/Condo	N/A	34	100%	0
PlumpJack Redevelopment	N/A	104	100%	0
Subtotal		<u>730</u>	79%	<u>151</u>
<b>Northstar Area</b>				
Northstar /3	N/A	620	60%	248
Martis Valley West Parcel	N/A	872	60%	349
Highlands Phase II	N/A	478	87%	62
Subtotal		<u>1,970</u>	67%	<u>659</u>
<b>Truckee Area</b>				
Town of Truckee /4	2025	4,993	50%	2,497
Martis Camp/Lahontan	N/A	856	60%	342
Subtotal		<u>5,849</u>	51%	<u>2,839</u>
<b>Subtotal</b>		<b>9,379</b>		<b>3,896</b>
<b>Proposed Project</b>	2040	<u>900</u>	100%	<u>0</u>
<b>Total</b>		<b>10,279</b>	<b>62%</b>	<b>3,896</b>

- /1 Assumes 50% of estimated future units are developed in the North Shore, while the remaining 50% are assumed to be developed in the West Shore. These 580 units are assumed to be in addition to the Homewood Mountain Resort units if projected to 2040.
- /2 Does not include the proposed project.
- /3 Includes affordable housing, Northstar Village, and Northside projects.
- /4 Reflects all future residential development, including the specific projects identified in Table A-1, based on the Town of Truckee 2025 General Plan adopted November 2006.

**Table A-3**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Retail Cluster Occupied Households & Visitors**

	Current	Project Buildout /1	
		Proposed Project	All Planned Projects /3
<u>Occupied Households</u>			
North Shore	2,212	2,212	2,325
West Shore	2,884	2,884	3,018
Squaw / Alpine	447	447	598
Northstar Area	264	264	923
Truckee Area	7,465	7,465	10,304
<b>Total Households</b>	<b>13,272</b>	<b>13,272</b>	<b>17,168</b>
<u>Daily Visitors /2</u>			
North Shore	1,011,525	1,011,525	2,804,424
West Shore	658,576	658,576	1,825,882
Squaw / Alpine	640,725	1,414,006	1,776,390
Northstar Area	568,971	568,971	1,577,454
Truckee Area	519,672	519,672	1,440,776
<b>Total Daily Visitors</b>	<b>3,399,469</b>	<b>4,172,750</b>	<b>9,424,926</b>

/1 Visitors to the North Lake Tahoe area are estimated to equal 3,143,000 visitor days in 2012, which are assumed to increase, on average, 4% per year. The number of visitor days in 2014 is estimated to equal 3,399,469 and grow to 9,424,926 in 2040 (i.e., buildout of the proposed project).

/2 Visitors for each retail cluster are based on the ratio of Transient Occupancy Tax collections, adjusted by the average daily room rate in each retail cluster.

/3 Includes the proposed project.

Source: Claritas; Dean Runyan Associates; NLTRA; Placer County; EPS; Census; Goodwin Consulting Group, Inc.

04/15/2015

**Table A-4**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Retail Cluster Mean Household Income & Average Daily Visitor Spending**

	Current	Project Buildout /1
<u>Mean Household Income</u>		
North Shore	\$74,500	\$111,200
West Shore	\$95,400	\$142,400
Squaw / Alpine	\$89,600	\$133,700
Northstar Area	\$124,800	\$186,200
Truckee Area	\$99,900	\$149,100
<u>Average Daily Visitor Spending</u>		
North Shore	\$155	\$155
West Shore	\$155	\$155
Squaw / Alpine	\$155	\$155
Northstar Area	\$155	\$155
Truckee Area	\$155	\$155

/1 Mean household income is estimated to increase, on average, 1.61% per year in real terms.

Source: Claritas; Placer County; Bureau of Labor Statistics; Dean Runyan Associates; 04/15/2015  
 Goodwin Consulting Group, Inc.

**Table A-5**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Demand by Applicable Retail Sales Category**

Applicable Retail Sales Category			Current	Project Buildout	
				Proposed Project	All Planned Projects
<b>Occupied Household Spending</b>					
	<i>Capture Rate</i>	<i>% of Total Income</i>			
Grocery / Market	90%	8.9%	\$100,820,228	\$150,476,517	\$198,366,593
Limited Retail Group /1	80%	4.3%	\$43,298,575	\$64,624,122	\$85,191,146
Restaurant & Drinking Places	80%	4.8%	\$47,930,515	\$71,537,400	\$94,304,617
<b>Subtotal</b>	<b>85%</b>	<b>18.0%</b>	<b>\$192,049,318</b>	<b>\$286,638,039</b>	<b>\$377,862,356</b>
<b>Visitor Spending</b>					
	<i>Capture Rate</i>	<i>% of Total Spending</i>			
Grocery / Market	100%	6.9%	\$36,169,499	\$44,397,017	\$100,278,853
Limited Retail Group /1	90%	9.2%	\$43,403,399	\$53,276,420	\$120,334,624
Restaurant & Drinking Places	80%	24.1%	\$101,728,744	\$124,869,099	\$282,039,895
<b>Subtotal</b>	<b>86%</b>	<b>40.1%</b>	<b>\$181,301,642</b>	<b>\$222,542,537</b>	<b>\$502,653,372</b>
<b>Total Household and Visitor Spending</b>			<b>\$373,350,960</b>	<b>\$509,180,576</b>	<b>\$880,515,727</b>

/1 Includes clothing and clothing accessories stores as well as the BOE Other Retail group, which includes categories such as sporting goods, health and personal care, music, and gift stores.

**Table A-6**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Estimated Applicable Retail Sales by Retail Cluster**

Applicable Retail Sales Category	Retail Cluster					Total
	North Shore	West Shore	Squaw / Alpine	Northstar Area	Truckee Area	
Grocery / Market	\$29,958,857	\$45,596,857	\$2,893,429	\$141,300	\$59,693,451	\$138,283,894
Limited Retail Group	\$5,671,936	\$20,961,350	\$6,696,661	\$7,501,642	\$45,027,809	\$85,859,398
Restaurant & Drinking Places	\$23,789,363	\$32,488,941	\$20,565,439	\$28,858,168	\$45,383,413	\$151,085,324
<b>Total</b>	<b>\$59,420,155</b>	<b>\$99,047,149</b>	<b>\$30,155,529</b>	<b>\$36,501,110</b>	<b>\$150,104,674</b>	<b>\$375,228,616</b>

Source: California State Board of Equalization; Claritas; Placer County; Goodwin Consulting Group, Inc.

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**Table A-7**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Existing (2014) Applicable Retail Leakage Analysis by Retail Cluster**

Demand vs. Supply	Retail Cluster					Total
	North Shore /1	West Shore /2	Squaw / Alpine /3	Northstar Area	Truckee Area /4	
<b>Demographics</b>						
Number of Occupied Households	2,212	2,884	447	264	7,465	13,272
Mean Household Income	\$74,500	\$95,400	\$89,600	\$124,800	\$99,900	\$94,837
Blended Capture Rate	85%	85%	85%	85%	85%	85%
Income Expenditure on Applicable Retail Categories	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Number of Visitor Days per Year	1,011,525	658,576	640,725	568,971	519,672	3,399,469
Average Daily Spending per Visitor	\$155	\$155	\$155	\$155	\$155	\$155
Blended Capture Rate	86%	86%	86%	86%	86%	86%
Spending Expenditure on Applicable Retail Categories	40.1%	40.1%	40.1%	40.1%	40.1%	40.1%
<b>Total Demand for Applicable Retail</b>	<b>\$79,091,287</b>	<b>\$77,103,292</b>	<b>\$40,282,356</b>	<b>\$35,371,619</b>	<b>\$141,502,406</b>	<b>\$373,350,960</b>
<b>Supply of Applicable Retail</b>	<b>\$59,420,155</b>	<b>\$99,047,149</b>	<b>\$30,155,529</b>	<b>\$36,501,110</b>	<b>\$150,104,674</b>	<b>\$375,228,616</b>
<b>Capture/(Leakage)</b>	<b>(\$19,671,132)</b>	<b>\$21,943,857</b>	<b>(\$10,126,828)</b>	<b>\$1,129,491</b>	<b>\$8,602,268</b>	<b>\$1,877,657</b>
<b>Ratio of Supply vs. Demand</b>	<b>0.75</b>	<b>1.28</b>	<b>0.75</b>	<b>1.03</b>	<b>1.06</b>	<b>1.01</b>

/1 Includes the communities of Dollar Point, Carnelian Bay, Tahoe Vista, and Kings Beach.

/2 Includes the communities of Tahoe City, Sunnyside, Homewood, and Tahoma Meadows.

/3 Includes Squaw Valley and Alpine Meadows.

/4 Includes the Town of Truckee and surrounding communities in unincorporated Nevada County and Placer County.

**Table A-8**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Estimated Current Supply vs. Estimated Current Demand**

<b>Applicable Retail Sales Category</b>	<b>Estimated Supply</b>	<b>Estimated Demand</b>	<b>Demand vs. Supply</b>	<b>Demand as % of Supply</b>
Grocery / Market	\$138,283,894	\$136,989,727	(\$1,294,167)	99.1%
Limited Retail Group /1	\$85,859,398	\$86,701,974	\$842,576	101.0%
Restaurant & Drinking Places	\$151,085,324	\$149,659,259	(\$1,426,065)	99.1%
<b>Total</b>	<b>\$375,228,616</b>	<b>\$373,350,960</b>	<b>(\$1,877,657)</b>	<b>99.5%</b>

/1 Includes clothing and clothing accessories stores as well as the BOE Other Retail group, which includes categories such as sporting goods, health and personal care, music, and gift stores.

Source: California State Board of Equalization; Claritas; Placer County; Goodwin Consulting Group, Inc.

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**Table A-9.1**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Analysis of Trade Area Supportable Sales**  
**Grocery / Market**

Demand vs. Supply	Current	Project Buildout	
		Proposed Project	All Planned Projects
<b><u>Demand for Grocery / Market Store Sales</u></b>			
Total Annual Sales Potential	\$136,989,727	\$194,873,534	\$298,645,446
<b><u>Existing Supply of Grocery / Market Sales</u></b>			
North Shore	\$29,958,857	\$29,958,857	\$29,958,857
West Shore	\$45,596,857	\$45,596,857	\$45,596,857
Squaw / Alpine	\$2,893,429	\$2,893,429	\$2,893,429
Northstar Area	\$141,300	\$141,300	\$141,300
Truckee Area	\$59,693,451	\$59,693,451	\$59,693,451
Total Existing Supply	\$138,283,894	\$138,283,894	\$138,283,894
<b>Net Supportable Sales</b>	<b>(\$1,294,167)</b>	<b>\$56,589,640</b>	<b>\$160,361,551</b>

Source: California State Board of Equalization; Placer County; Goodwin Consulting Group, Inc.

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**Table A-9.2**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Analysis of Trade Area Supportable Sales**  
**Limited Retail Group**

Demand vs. Supply	Current	Project Buildout	
		Proposed Project	All Planned Projects
<b><u>Demand for Limited Retail Store Sales</u></b>			
Total Annual Sales Potential	\$86,701,974	\$117,900,543	\$205,525,769
<b><u>Existing Supply of Limited Retail Space</u></b>			
North Shore	\$5,671,936	\$5,671,936	\$5,671,936
West Shore	\$20,961,350	\$20,961,350	\$20,961,350
Squaw / Alpine	\$6,696,661	\$6,696,661	\$6,696,661
Northstar Area	\$7,501,642	\$7,501,642	\$7,501,642
Truckee Area	\$45,027,809	\$45,027,809	\$45,027,809
Total Existing Supply	\$85,859,398	\$85,859,398	\$85,859,398
<b>Net Supportable Sales</b>	<b>\$842,576</b>	<b>\$32,041,145</b>	<b>\$119,666,372</b>

Source: California State Board of Equalization; Placer County; Goodwin Consulting Group, Inc.

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**Table A-9.3**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Analysis of Trade Area Supportable Sales**  
**Restaurant & Drinking Places**

Demand vs. Supply	Current	Project Buildout	
		Proposed Project	All Planned Projects
<b><u>Demand for Restaurant &amp; Drinking Places Sales</u></b>			
Total Annual Sales Potential	\$149,659,259	\$196,406,499	\$376,344,512
<b><u>Existing Supply of Restaurant &amp; Drinking Sales</u></b>			
North Shore	\$23,789,363	\$23,789,363	\$23,789,363
West Shore	\$32,488,941	\$32,488,941	\$32,488,941
Squaw / Alpine	\$20,565,439	\$20,565,439	\$20,565,439
Northstar Area	\$28,858,168	\$28,858,168	\$28,858,168
Truckee Area	\$45,383,413	\$45,383,413	\$45,383,413
Total Existing Supply	\$151,085,324	\$151,085,324	\$151,085,324
<b>Net Supportable Sales</b>	<b>(\$1,426,065)</b>	<b>\$45,321,175</b>	<b>\$225,259,188</b>

Source: California State Board of Equalization; Placer County; Goodwin Consulting Group, Inc.

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**Table A-10**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Planned Applicable Retail Square Footage by Retail Cluster**

<b>Retail Cluster</b>	<b>Grocery / Market</b>	<b>Limited Retail</b>	<b>Restaurant / Drinking</b>	<b>Total</b>
North Shore	0	0	0	0
West Shore	0	6,250	6,250	12,500
Squaw / Alpine /1	0	16,500	16,500	33,000
Northstar Area	0	9,625	9,625	19,250
Truckee Area	64,500	87,750	87,750	240,000
Subtotal	64,500	120,125	120,125	304,750
Proposed Project	5,000	22,692	29,525	57,217
<b>Total Square Feet</b>	<b>69,500</b>	<b>142,817</b>	<b>149,650</b>	<b>361,967</b>

/1 Excludes proposed project.

Source: Town of Truckee; Placer County; Goodwin Consulting Group, Inc.

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**Table A-11  
Placer County  
Village at Squaw Valley Specific Plan  
Economic Impact and Urban Decay Analysis  
Introduction of Retail into the Trade Area  
Retail Sales Impacts**

	Current	Project Buildout	
		Proposed Project	All Planned Projects /1
<b><u>Grocery / Market</u></b>			
Net Supportable Sales	(\$1,294,167)	\$56,589,640	\$160,361,551
Future Estimated Retail Square Feet	0	5,000	69,500
Estimated Future Retail Sales per Square Foot	--	\$430	\$430
Future Sales	\$0	\$2,150,000	\$29,885,000
Net Supportable Sales with Future Development	(\$1,294,167)	\$54,439,640	\$130,476,551
<b><u>Limited Retail Group</u></b>			
Net Supportable Sales	\$842,576	\$32,041,145	\$119,666,372
Future Estimated Retail Square Feet	0	22,692	142,817
Estimated Future Retail Sales per Square Foot	--	\$250	\$250
Future Sales	\$0	\$5,673,000	\$35,704,250
Net Supportable Sales with Future Development	\$842,576	\$26,368,145	\$83,962,122
<b><u>Restaurant &amp; Drinking Places</u></b>			
Net Supportable Sales	(\$1,426,065)	\$45,321,175	\$225,259,188
Future Estimated Retail Square Feet	0	29,525	149,650
Estimated Future Retail Sales per Square Foot	--	\$328 /2	\$308
Future Sales	\$0	\$9,695,124	\$46,092,200
Net Supportable Sales with Future Development	(\$1,426,065)	\$35,626,051	\$179,166,988

/1 Includes the proposed project.

/2 Weighted average assuming 21% of the proposed square footage related to restaurant and drinking places is a coffee/tea store with average retail sales of \$405 per square foot, and the remaining 79% is a restaurant with a liquor license with average retail sales of \$308 per square foot.

**Table A-12.1**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Impacts on Competing Grocery / Market**  
**Proportional Demand Model**

	Current	Project Buildout	
		Proposed Project	All Planned Projects
<b><u>Net Supportable Sales</u></b>			
North Shore	(\$5,996,481)	\$506,069	\$20,589,457
West Shore	(\$16,551,571)	(\$5,694,176)	\$8,258,665
Squaw / Alpine	\$7,131,822	\$16,938,327	\$22,411,120
Northstar Area	\$8,551,476	\$9,849,864	\$30,407,715
Truckee Area	\$5,570,586	\$34,989,554	\$78,694,595
Total	(\$1,294,167)	\$56,589,640	\$160,361,551
<b><u>Future Sales</u></b>			
North Shore		\$0	\$0
West Shore		\$0	\$0
Squaw / Alpine		\$2,150,000	\$2,150,000
Northstar Area		\$0	\$0
Truckee Area		\$0	\$27,735,000
Total		\$2,150,000	\$29,885,000
<b><u>Net Supportable Sales with Future Development</u></b>			
North Shore		\$506,069	\$20,589,457
West Shore		(\$5,694,176)	\$8,258,665
Squaw / Alpine		\$14,788,327	\$20,261,120
Northstar Area		\$9,849,864	\$30,407,715
Truckee Area		\$34,989,554	\$50,959,595
Total		\$54,439,640	\$130,476,551
Net Supportable with Future Development as % of Future Sales		2,532%	437%
<b><u>Annual Sales Impacts</u></b>			
North Shore	(\$5,996,481)	\$506,069	\$20,589,457
West Shore	(\$16,551,571)	(\$5,694,176)	\$8,258,665
Squaw / Alpine	\$7,131,822	\$14,788,327	\$20,261,120
Northstar Area	\$8,551,476	\$9,849,864	\$30,407,715
Truckee Area	\$5,570,586	\$34,989,554	\$50,959,595
Total	(\$1,294,167)	\$54,439,640	\$130,476,551
<b><u>Impact as % of Total Sales</u></b>		<b><i>Estimated Annual Sales</i></b>	
North Shore	\$29,958,857	2%	69%
West Shore	\$45,596,857	-12%	18%
Squaw / Alpine	\$2,893,429	511%	700%
Northstar Area	\$141,300	6,971%	21,520%
Truckee Area	\$59,693,451	59%	85%

**Table A-12.2**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Impacts on Competing Limited Retail Group**  
**Proportional Demand Model**

	Current	Project Buildout	
		Proposed Project	All Planned Projects
<b><u>Net Supportable Sales</u></b>			
North Shore	\$12,911,831	\$15,704,436	\$39,028,266
West Shore	(\$3,088,252)	\$1,574,599	\$17,136,776
Squaw / Alpine	\$2,861,679	\$13,412,818	\$18,734,122
Northstar Area	\$896,188	\$1,453,798	\$18,550,506
Truckee Area	(\$12,738,870)	(\$104,506)	\$26,216,702
Total	\$842,576	\$32,041,145	\$119,666,372
<b><u>Future Sales</u></b>			
North Shore		\$0	\$0
West Shore		\$0	\$1,562,500
Squaw / Alpine		\$5,673,000	\$9,798,000
Northstar Area		\$0	\$2,406,250
Truckee Area		\$0	\$21,937,500
Total		\$5,673,000	\$35,704,250
<b><u>Net Supportable Sales with Future Development</u></b>			
North Shore		\$15,704,436	\$39,028,266
West Shore		\$1,574,599	\$15,574,276
Squaw / Alpine		\$7,739,818	\$8,936,122
Northstar Area		\$1,453,798	\$16,144,256
Truckee Area		(\$104,506)	\$4,279,202
Total		\$26,368,145	\$83,962,122
Net Supportable with Future Development as % of Future Sales		465%	235%
<b><u>Annual Sales Impacts</u></b>			
North Shore	\$12,911,831	\$15,704,436	\$39,028,266
West Shore	(\$3,088,252)	\$1,574,599	\$15,574,276
Squaw / Alpine	\$2,861,679	\$7,739,818	\$8,936,122
Northstar Area	\$896,188	\$1,453,798	\$16,144,256
Truckee Area	(\$12,738,870)	(\$104,506)	\$4,279,202
Total	\$842,576	\$26,368,145	\$83,962,122
<b><u>Impact as % of Total Sales</u></b>			
	<i>Estimated Annual Sales</i>		
North Shore	\$5,671,936	277%	688%
West Shore	\$20,961,350	8%	74%
Squaw / Alpine	\$6,696,661	116%	133%
Northstar Area	\$7,501,642	19%	215%
Truckee Area	\$45,027,809	0%	10%

**Table A-12.3**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Impacts on Competing Restaurant & Drinking Places**  
**Proportional Demand Model**

	Current	Project Buildout	
		Proposed Project	All Planned Projects
<b><u>Net Supportable Sales</u></b>			
North Shore	\$12,755,782	\$15,847,132	\$69,978,350
West Shore	(\$2,304,034)	\$2,857,634	\$38,517,933
Squaw / Alpine	\$133,326	\$24,024,341	\$35,637,436
Northstar Area	(\$10,577,155)	(\$9,959,893)	\$24,891,075
Truckee Area	(\$1,433,985)	\$12,551,962	\$56,234,395
Total	(\$1,426,065)	\$45,321,175	\$225,259,188
<b><u>Future Sales</u></b>			
North Shore		\$0	\$0
West Shore		\$0	\$1,925,000
Squaw / Alpine		\$9,695,124	\$14,777,124
Northstar Area		\$0	\$2,964,500
Truckee Area		\$0	\$27,027,000
Total		\$9,695,124	\$46,693,624
<b><u>Net Supportable Sales with Future Development</u></b>			
North Shore		\$15,847,132	\$69,978,350
West Shore		\$2,857,634	\$36,592,933
Squaw / Alpine		\$14,329,217	\$20,860,311
Northstar Area		(\$9,959,893)	\$21,926,575
Truckee Area		\$12,551,962	\$29,207,395
Total		\$35,626,051	\$178,565,564
Net Supportable with Future Development as % of Future Sales		367%	389%
<b><u>Annual Sales Impacts</u></b>			
North Shore	\$12,755,782	\$15,847,132	\$69,978,350
West Shore	(\$2,304,034)	\$2,857,634	\$36,592,933
Squaw / Alpine	\$133,326	\$14,329,217	\$20,860,311
Northstar Area	(\$10,577,155)	(\$9,959,893)	\$21,926,575
Truckee Area	(\$1,433,985)	\$12,551,962	\$29,207,395
Total	(\$1,426,065)	\$35,626,051	\$178,565,564
<b><u>Impact as % of Total Sales</u></b>			
	<i>Estimated Annual Sales</i>		
North Shore	\$23,789,363	67%	294%
West Shore	\$32,488,941	9%	113%
Squaw / Alpine	\$20,565,439	70%	101%
Northstar Area	\$28,858,168	-35%	76%
Truckee Area	\$45,383,413	28%	64%

**Table A-13.1**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Impacts on Competing Grocery / Market**  
**Proportional Sales Model**

	Current	Project Buildout	
		Proposed Project	All Planned Projects
Net Supportable Sales	(\$1,294,167)	\$56,589,640	\$160,361,551
Future Sales		\$2,150,000	\$29,885,000
Net Supportable Sales with Future Development	(\$1,294,167)	\$54,439,640	\$130,476,551
Net Supportable with Future Development as % of Future Sales		2,532%	437%
<b><u>Annual Sales Impacts</u></b>			
	<i>Estimated Annual Sales</i>		
North Shore	\$29,958,857 (\$280,378)	\$11,794,211	\$28,267,416
West Shore	\$45,596,857 (\$426,731)	\$17,950,583	\$43,022,513
Squaw / Alpine	\$2,893,429 (\$27,079)	\$1,139,086	\$2,730,069
Northstar Area	\$141,300 (\$1,322)	\$55,627	\$133,322
Truckee Area	\$59,693,451 (\$558,657)	\$23,500,134	\$56,323,231
Total	\$138,283,894 (\$1,294,167)	\$54,439,640	\$130,476,551
<b><u>Impact as % of Total Sales</u></b>			
	<i>Estimated Annual Sales</i>		
North Shore	\$29,958,857	39%	94%
West Shore	\$45,596,857	39%	94%
Squaw / Alpine	\$2,893,429	39%	94%
Northstar Area	\$141,300	39%	94%
Truckee Area	\$59,693,451	39%	94%

Source: Goodwin Consulting Group, Inc.

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**Table A-13.2  
Placer County  
Village at Squaw Valley Specific Plan  
Economic Impact and Urban Decay Analysis  
Impacts on Competing Limited Retail Group  
Proportional Sales Model**

	Current	Project Buildout	
		Proposed Project	All Planned Projects
Net Supportable Sales	\$842,576	\$32,041,145	\$119,666,372
Future Sales		\$5,673,000	\$35,704,250
Net Supportable Sales with Future Development	\$842,576	\$26,368,145	\$83,962,122
Net Supportable with Future Development as % of Future Sales		465%	235%
<b><u>Annual Sales Impacts</u></b>			
	<i>Estimated Annual Sales</i>		
North Shore	\$5,671,936	\$55,661	\$1,741,899
West Shore	\$20,961,350	\$205,703	\$6,437,407
Squaw / Alpine	\$6,696,661	\$65,717	\$2,056,601
Northstar Area	\$7,501,642	\$73,617	\$2,303,817
Truckee Area	\$45,027,809	\$441,878	\$13,828,420
Total	\$85,859,398	\$842,576	\$26,368,145
			\$83,962,122
<b><u>Impact as % of Total Sales</u></b>			
	<i>Estimated Annual Sales</i>		
North Shore	\$5,671,936	31%	98%
West Shore	\$20,961,350	31%	98%
Squaw / Alpine	\$6,696,661	31%	98%
Northstar Area	\$7,501,642	31%	98%
Truckee Area	\$45,027,809	31%	98%

Source: Goodwin Consulting Group, Inc.

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**Table A-13.3**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Impacts on Competing Restaurant & Drinking Places**  
**Proportional Sales Model**

	Current	Project Buildout	
		Proposed Project	All Planned Projects
Net Supportable Sales	(\$1,426,065)	\$45,321,175	\$225,259,188
Future Sales		\$9,695,124	\$46,092,200
Net Supportable Sales with Future Development	(\$1,426,065)	\$35,626,051	\$179,166,988
Net Supportable with Future Development as % of Future Sales		367%	389%
<b><u>Annual Sales Impacts</u></b>			
	<i>Estimated Annual Sales</i>		
North Shore	\$23,789,363 (\$224,543)	\$5,609,552	\$28,211,002
West Shore	\$32,488,941 (\$306,657)	\$7,660,921	\$38,527,539
Squaw / Alpine	\$20,565,439 (\$194,113)	\$4,849,348	\$24,387,860
Northstar Area	\$28,858,168 (\$272,387)	\$6,804,781	\$34,221,928
Truckee Area	\$45,383,413 (\$428,365)	\$10,701,448	\$53,818,658
Total	\$151,085,324 (\$1,426,065)	\$35,626,051	\$179,166,988
<b><u>Impact as % of Total Sales</u></b>			
	<i>Estimated Annual Sales</i>		
North Shore	\$23,789,363	24%	119%
West Shore	\$32,488,941	24%	119%
Squaw / Alpine	\$20,565,439	24%	119%
Northstar Area	\$28,858,168	24%	119%
Truckee Area	\$45,383,413	24%	119%

Source: Goodwin Consulting Group, Inc.

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**Table A-14.1**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Impacts on Competing Grocery / Market**  
**Competitive Ranking Model**

	Current	Project Buildout	
		Proposed Project	All Planned Projects
Net Supportable Sales	(\$1,294,167)	\$56,589,640	\$160,361,551
Future Sales		\$2,150,000	\$29,885,000
Net Supportable Sales with Future Development	(\$1,294,167)	\$54,439,640	\$130,476,551
Net Supportable with Future Development as % of Future Sales		2,532%	437%
<b><u>Annual Sales Impacts</u></b>	<b><i>Competitive Ranking</i></b>		
North Shore	5 (\$355,649)	\$14,960,512	\$35,856,151
West Shore	6 (\$296,374)	\$12,467,093	\$29,880,126
Squaw / Alpine	9 (\$197,583)	\$8,311,395	\$19,920,084
Northstar Area	8 (\$222,281)	\$9,350,320	\$22,410,095
Truckee Area	8 (\$222,281)	\$9,350,320	\$22,410,095
Total	(\$1,294,167)	\$54,439,640	\$130,476,551
<b><u>Impact as % of Total Sales</u></b>	<b><i>Estimated Annual Sales</i></b>		
North Shore	\$29,958,857	50%	120%
West Shore	\$45,596,857	27%	66%
Squaw / Alpine	\$2,893,429	287%	688%
Northstar Area	\$141,300	6,617%	15,860%
Truckee Area	\$59,693,451	16%	38%

Source: Goodwin Consulting Group, Inc.

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**Table A-14.2**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Impacts on Competing Limited Retail Group**  
**Competitive Ranking Model**

	Current	Project Buildout	
		Proposed Project	All Planned Projects
Net Supportable Sales	\$842,576	\$32,041,145	\$119,666,372
Future Sales		\$5,673,000	\$35,704,250
Net Supportable Sales with Future Development	\$842,576	\$26,368,145	\$83,962,122
Net Supportable with Future Development as % of Future Sales		465%	235%
<b><u>Annual Sales Impacts</u></b>			
	<b><i>Competitive Ranking</i></b>		
North Shore	5	\$231,548	\$7,246,208
West Shore	6	\$192,956	\$6,038,506
Squaw / Alpine	9	\$128,638	\$4,025,671
Northstar Area	8	\$144,717	\$4,528,880
Truckee Area	8	\$144,717	\$4,528,880
Total		\$842,576	\$26,368,145
			\$83,962,122
<b><u>Impact as % of Total Sales</u></b>			
	<b><i>Estimated Annual Sales</i></b>		
North Shore	\$5,671,936	128%	407%
West Shore	\$20,961,350	29%	92%
Squaw / Alpine	\$6,696,661	60%	191%
Northstar Area	\$7,501,642	60%	192%
Truckee Area	\$45,027,809	10%	32%

Source: Goodwin Consulting Group, Inc.

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**Table A-14.3**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Impacts on Competing Restaurant & Drinking Places**  
**Competitive Ranking Model**

	Current	Project Buildout	
		Proposed Project	All Planned Projects
Net Supportable Sales	(\$1,426,065)	\$45,321,175	\$225,259,188
Future Sales		\$9,695,124	\$46,092,200
Net Supportable Sales with Future Development	(\$1,426,065)	\$35,626,051	\$179,166,988
Net Supportable with Future Development as % of Future Sales		367%	389%
<b><u>Annual Sales Impacts</u></b>			
	<b>Competitive Ranking</b>		
North Shore	5 (\$391,896)	\$9,790,365	\$49,236,730
West Shore	6 (\$326,580)	\$8,158,638	\$41,030,608
Squaw / Alpine	9 (\$217,720)	\$5,439,092	\$27,353,739
Northstar Area	8 (\$244,935)	\$6,118,978	\$30,772,956
Truckee Area	8 (\$244,935)	\$6,118,978	\$30,772,956
Total	(\$1,426,065)	\$35,626,051	\$179,166,988
<b><u>Impact as % of Total Sales</u></b>			
	<b>Estimated Annual Sales</b>		
North Shore	\$23,789,363	41%	207%
West Shore	\$32,488,941	25%	126%
Squaw / Alpine	\$20,565,439	26%	133%
Northstar Area	\$28,858,168	21%	107%
Truckee Area	\$45,383,413	13%	68%

Source: Goodwin Consulting Group, Inc.

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**Table A-15.1**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Impacts on Competing Grocery / Market**  
**Distance Model**

	Current	Project Buildout	
		Proposed Project	All Planned Projects
Net Supportable Sales	(\$1,294,167)	\$56,589,640	\$160,361,551
Future Sales		\$2,150,000	\$29,885,000
Net Supportable Sales with Future Development	(\$1,294,167)	\$54,439,640	\$130,476,551
Net Supportable with Future Development as % of Future Sales		2,532%	437%
<b><u>Annual Sales Impacts</u></b>	<b><i>Miles from Project Center</i></b>		
North Shore	15.7 (\$750,095)	\$9,668,820	\$24,228,924
West Shore	9.5 (\$1,244,250)	\$16,038,538	\$40,190,688
Squaw / Alpine	0.0 \$2,302,387 /1	\$8,079,603	\$14,303,758
Northstar Area	19.0 (\$620,210)	\$7,994,585	\$20,033,490
Truckee Area	12.0 (\$981,999)	\$12,658,094	\$31,719,692
Total	(\$1,294,167)	\$54,439,640	\$130,476,551
<b><u>Impact as % of Total Sales</u></b>	<b><i>Estimated Annual Sales</i></b>		
North Shore	\$29,958,857	32%	81%
West Shore	\$45,596,857	35%	88%
Squaw / Alpine	\$2,893,429	279%	494%
Northstar Area	\$141,300	5,658%	14,178%
Truckee Area	\$59,693,451	21%	53%

/1 Based on the average retail sales impacts estimated in the Proportional Demand, Proportional Supply, and Competitive Ranking models.

**Table A-15.2**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Impacts on Competing Limited Retail Group**  
**Distance Model**

	Current	Project Buildout		
		Proposed Project	All Planned Projects	
Net Supportable Sales	\$842,576	\$32,041,145	\$119,666,372	
Future Sales		\$5,673,000	\$35,704,250	
Net Supportable Sales with Future Development	\$842,576	\$26,368,145	\$83,962,122	
Net Supportable with Future Development as % of Future Sales		465%	235%	
<b><u>Annual Sales Impacts</u></b>	<b><i>Miles from Project Center</i></b>			
North Shore	15.7	(\$36,728)	\$4,538,415	\$15,543,437
West Shore	9.5	(\$60,924)	\$7,528,275	\$25,783,292
Squaw / Alpine	0.0	\$1,018,678 /1	\$4,607,363	\$9,434,483
Northstar Area	19.0	(\$30,368)	\$3,752,552	\$12,851,965
Truckee Area	12.0	(\$48,083)	\$5,941,540	\$20,348,945
Total		\$842,576	\$26,368,145	\$83,962,122
<b><u>Impact as % of Total Sales</u></b>	<b><i>Estimated Annual Sales</i></b>			
North Shore	\$5,671,936		80%	274%
West Shore	\$20,961,350		36%	123%
Squaw / Alpine	\$6,696,661		69%	141%
Northstar Area	\$7,501,642		50%	171%
Truckee Area	\$45,027,809		13%	45%

/1 Based on the average retail sales impacts estimated in the Proportional Demand, Proportional Supply, and Competitive Ranking models.

Source: Goodwin Consulting Group, Inc.

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**Table A-15.3**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Impacts on Competing Restaurant & Drinking Places**  
**Distance Model**

	Current	Project Buildout		
		Proposed Project	All Planned Projects	
Net Supportable Sales	(\$1,426,065)	\$45,321,175	\$225,259,188	
Future Sales		\$9,695,124	\$46,092,200	
Net Supportable Sales with Future Development	(\$1,426,065)	\$35,626,051	\$179,166,988	
Net Supportable with Future Development as % of Future Sales		367%	389%	
<b><u>Annual Sales Impacts</u></b>	<b><i>Miles from Project Center</i></b>			
North Shore	15.7	(\$320,200)	\$6,011,144	\$34,570,336
West Shore	9.5	(\$531,144)	\$9,971,223	\$57,344,915
Squaw / Alpine	0.0	\$109,227 /1	\$6,803,830	\$13,409,213
Northstar Area	19.0	(\$264,754)	\$4,970,266	\$28,584,203
Truckee Area	12.0	(\$419,195)	\$7,869,588	\$45,258,321
Total		(\$1,426,065)	\$35,626,051	\$179,166,988
<b><u>Impact as % of Total Sales</u></b>	<b><i>Estimated Annual Sales</i></b>			
North Shore	\$23,789,363		25%	145%
West Shore	\$32,488,941		31%	177%
Squaw / Alpine	\$20,565,439		33%	65%
Northstar Area	\$28,858,168		17%	99%
Truckee Area	\$45,383,413		17%	100%

/1 Based on the average retail sales impacts estimated in the Proportional Demand, Proportional Supply, and Competitive Ranking models.

**Table A-16.1**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Impacts on Competing Grocery / Market**  
**Estimated Average Impacts**

	Current	Project Buildout	
		Proposed Project	All Planned Projects
Net Supportable Sales	(\$1,294,167)	\$56,589,640	\$160,361,551
Future Sales		\$2,150,000	\$29,885,000
Net Supportable Sales with Future Development	(\$1,294,167)	\$54,439,640	\$130,476,551
Net Supportable with Future Development as % of Future Sales		2,532%	437%
<b>Annual Sales Impacts</b>			
<i>(Proportional Demand + Proportional Sales + Competitive Ranking + Distance) ÷ 4</i>			
North Shore	(\$1,845,651)	\$9,232,403	\$27,235,487
West Shore	(\$4,629,731)	\$10,190,509	\$30,337,998
Squaw / Alpine	\$2,302,387	\$8,079,603	\$14,303,758
Northstar Area	\$1,926,916	\$6,812,599	\$18,246,155
Truckee Area	\$951,912	\$20,124,525	\$40,353,153
Total	(\$1,294,167)	\$54,439,640	\$130,476,551
<b>Impact as % of Total Sales</b>		<b>Estimated Annual Sales</b>	
North Shore	\$29,958,857	31%	91%
West Shore	\$45,596,857	22%	67%
Squaw / Alpine	\$2,893,429	279%	494%
Northstar Area	\$141,300	4,821%	12,913%
Truckee Area	\$59,693,451	34%	68%

Source: Goodwin Consulting Group, Inc.

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**Table A-16.2**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Impacts on Competing Limited Retail Group**  
**Estimated Average Impacts**

	Current	Project Buildout	
		Proposed Project	All Planned Projects
Net Supportable Sales	\$842,576	\$32,041,145	\$119,666,372
Future Sales		\$5,673,000	\$35,704,250
Net Supportable Sales with Future Development	\$842,576	\$26,368,145	\$83,962,122
Net Supportable with Future Development as % of Future Sales		465%	235%
<b>Annual Sales Impacts</b>			
<i>(Proportional Demand + Proportional Sales + Competitive Ranking + Distance) ÷ 4</i>			
North Shore	\$3,290,578	\$7,307,739	\$20,797,966
West Shore	(\$687,629)	\$5,394,697	\$20,270,923
Squaw / Alpine	\$1,018,678	\$4,607,363	\$9,434,483
Northstar Area	\$271,038	\$3,009,762	\$12,688,268
Truckee Area	(\$3,050,089)	\$6,048,583	\$20,770,482
Total	\$842,576	\$26,368,145	\$83,962,122
<b>Impact as % of Total Sales</b>		<b>Estimated Annual Sales</b>	
North Shore	\$5,671,936	129%	367%
West Shore	\$20,961,350	26%	97%
Squaw / Alpine	\$6,696,661	69%	141%
Northstar Area	\$7,501,642	40%	169%
Truckee Area	\$45,027,809	13%	46%

Source: Goodwin Consulting Group, Inc.

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**Table A-16.3**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Impacts on Competing Restaurant & Drinking Places**  
**Estimated Average Impacts**

	Current	Project Buildout	
		Proposed Project	All Planned Projects
Net Supportable Sales	(\$1,426,065)	\$45,321,175	\$225,259,188
Future Sales		\$9,695,124	\$46,092,200
Net Supportable Sales with Future Development	(\$1,426,065)	\$35,626,051	\$179,166,988
Net Supportable with Future Development as % of Future Sales		367%	389%
<b>Annual Sales Impacts</b>			
<i>(Proportional Demand + Proportional Sales + Competitive Ranking + Distance) ÷ 4</i>			
North Shore	\$2,954,786	\$9,314,548	\$45,499,105
West Shore	(\$867,104)	\$7,162,104	\$43,373,999
Squaw / Alpine	(\$42,320)	\$7,855,372	\$21,502,781
Northstar Area	(\$2,839,808)	\$1,983,533	\$28,876,416
Truckee Area	(\$631,620)	\$9,310,494	\$39,764,333
Total	(\$1,426,065)	\$35,626,051	\$179,016,632
<b>Impact as % of Total Sales</b>		<b>Estimated Annual Sales</b>	
North Shore	\$23,789,363	39%	191%
West Shore	\$32,488,941	22%	134%
Squaw / Alpine	\$20,565,439	38%	105%
Northstar Area	\$28,858,168	7%	100%
Truckee Area	\$45,383,413	21%	88%

Source: Goodwin Consulting Group, Inc.

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**Table A-17**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Summary of Retail Sales Impacts /1**

Retail Cluster	Grocery / Market		Limited Retail Group		Restaurant & Drinking Places	
	Project Buildout		Project Buildout		Project Buildout	
	Proposed Project	All Planned Projects	Proposed Project	All Planned Projects	Proposed Project	All Planned Projects
North Shore	+31%	+91%	+129%	+367%	+39%	+191%
West Shore	+22%	+67%	+26%	+97%	+22%	+134%
Squaw / Alpine	+279%	+494%	+69%	+141%	+38%	+105%
Northstar Area	+4,821%	+12,913%	+40%	+169%	+7%	+100%
Truckee Area	+34%	+68%	+13%	+46%	+21%	+88%

/1 A positive result indicates the amount that sales are expected to increase; a negative result indicates the amount that sales are expected to decrease.

Source: Goodwin Consulting Group, Inc.

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**Table A-18**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Applicable Retail Leakage Analysis by Retail Cluster at Project Buildout**

Demand vs. Supply	Project Buildout
<hr/>	
<b><u>Demographics</u></b>	
Number of Occupied Households	17,168
Mean Household Income	\$144,247
Blended Capture Rate	85%
Income Expenditure on Applicable Retail Categories	18.0%
Local Demand	<hr/> \$377,862,356
Number of Visitor Days per Year	9,424,926
Average Daily Spending per Visitor	\$155
Blended Capture Rate	86%
Spending Expenditure on Applicable Retail Categories	40.1%
Visitor Demand	<hr/> \$502,653,372
<b>Total Demand for Applicable Retail</b>	<b>\$880,515,727</b>
<b>Supply of Applicable Retail (Including Existing and Proposed)</b>	<b>\$486,910,066</b>
<hr/>	
<b>Capture/(Leakage)</b>	<b>(\$393,605,661)</b>
<b>Ratio of Supply vs. Demand</b>	<b>0.55</b>

Source: California State Board of Equalization; Claritas; Placer County; Dean Runyan Associates;  
 NLTRA; Census; Town of Truckee; EPS; Goodwin Consulting Group, Inc.

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## **APPENDIX B**

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### **HOTEL AND CONDO HOTEL ANALYSIS**

*General Assumptions, Methodology, and Summary Tables*

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**Table B-1**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Trade Area Hotel, Motel, and Rented Condo Supply**

	Location	Type	Open/ Renovation Date	Star Rating	Rooms	Average Daily Rates	
<b>North Shore</b>							
	Big 7 Motel	Kings Beach	Economy	Jun 1976	3.3	22	\$69
	Carnelian Woods Lodge	Carnelian Bay	Luxury	Jun 1972	3.5	32	\$125
	Cedar Glen Lodge	Tahoe Vista	Economy	Sep 2010	4.3	31	\$179
	Ferrari's Crown Resort	Kings Beach	Upper Midscale	Jun 1956	4.0	71	\$89
	Firelite Lodge	Tahoe Vista	Upper Midscale	Jun 1950	4.0	27	\$88
	Franciscan Lakeside Lodge	Tahoe Vista	Upscale	Jun 1980	4.5	60	\$119
	Mourelatos Lake Resort	Tahoe Vista	Upscale	Jun 1993	4.0	32	\$155
	Rustic Cottage Resort	Tahoe Vista	Upscale	Jun 1925	4.5	20	\$99
	Stevenson's Holliday Inn	Kings Beach	Economy	Jun 1978	2.0	22	\$57
	Sun N Sand Lodge	Kings Beach	Upper Midscale	Jun 1997	2.0	26	\$54
	Tahoe Inn	Kings Beach	Upper Midscale	Jun 1965	2.0	90	\$45
	Tahoe Vistana Inn	Tahoe Vista	Upscale	Jun 1962	3.5	28	\$149
	Subtotal/Wtg Average				3.4	461	\$97
<b>West Shore</b>							
	Americas Best Value Inn	Tahoe City	Economy	May 2007	4.0	46	\$118
	Cottage Inn @ Lake Tahoe	Tahoe City	Upscale	Jun 1938	4.5	22	\$160
	Granlibakken Resort	Tahoe City	Upper Upscale	Jun 1975	3.8	50	\$378
	Lake Of The Sky Motor Inn	Tahoe City	Upper Midscale	Jun 1960	--	23	\$189
	Meeks Bay Resort & Marina	Tahoma	Upscale	Feb 1932	3.3	20	\$125
	Pepper Tree Inn	Tahoe City	Upscale	Jun 1997	3.5	51	\$155
	River Ranch Lodge	Tahoe City	Upscale	Jun 1960	3.0	19	\$115
	Sunnyside Resort	Tahoe City	Upscale	Jun 1907	3.8	23	\$150
	Tahoe City Inn	Tahoe City	Upscale	Jun 1981	2.8	33	\$59
	Tahoma Meadows B&B Cottages	Tahoma	Upscale	--	4.5	16	\$119
	Tamarack Lodge Motel	Tahoe City	Economy	Jun 1930	4.0	21	\$84
	Subtotal/Wtg Average				3.4	324	\$166
<b>Squaw/Alpine</b>							
	Plump Jack Squaw Valley Inn	Squaw/Alpine	Luxury	Jun 1960	3.8	61	\$318
	Resort @ Squaw Creek	Squaw/Alpine	Luxury	Dec 1990	4.0	357	\$279
	Squaw Valley Lodge	Squaw/Alpine	Luxury	--	4.0	131	\$275
	Village @ Squaw Valley	Squaw/Alpine	Luxury	Jun 2002	3.5	178	\$246
	Subtotal/Wtg Average				3.9	727	\$273
<b>Northstar</b>							
	Ritz-Carlton Lake Tahoe	Northstar	Luxury	Dec 2009	4.3	170	\$269
	Subtotal/Wtg Average				4.3	170	\$269
<b>Truckee</b>							
	Donner Lake Village	Truckee	Upper Midscale	Jun 1978	3.8	64	\$169
	Hampton Inn Suites Tahoe	Truckee	Upper Midscale	Jun 2005	4.3	109	\$154
	Hotel Truckee Tahoe	Truckee	Upscale	May 2013	3.5	100	\$175
	Inn @ Truckee	Truckee	Midscale	Jun 1999	3.0	42	\$155
	Sunset Inn	Truckee	Economy	Jun 1963	5.0	20	--
	The Cedar House Sport Hotel	Truckee	Upscale	May 2006	4.5	42	\$190
	Truckee Donner Lodge	Truckee	Upscale	Jun 2010	3.8	64	\$84
	Truckee Hotel	Truckee	Economy	--	3.0	37	\$79
	Subtotal/Wtg Average				3.8	478	\$142
<b>Total Hotel/Motel Rooms</b>						<b>2,160</b>	
<b>Wtg Average Daily Rate</b>							<b>\$190</b>
<b>Rented Condo Rooms /1</b>		<b>Various</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2,179</b>	<b>--</b>
<b>Total Hotel/Motel &amp; Rented Condo</b>						<b>4,339</b>	

/1 Assumes 1,540 gross units, which are subsequently adjusted to exclude condo units at the Squaw Valley Lodge. The adjusted condo count totals approximately 1,453 rented condos at 1.5 bedrooms per unit.

**Table B-2**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Historical Hotel/Motel Monthly Occupancy Rates within Trade Area**

	2010	2011	2012	2013	2014	Average
<b>January</b>	46%	47%	40%	52%	44%	46%
<b>February</b>	51%	53%	49%	58%	50%	52%
<b>March</b>	49%	54%	53%	53%	49%	52%
<b>April</b>	39%	48%	43%	35%	42%	41%
<b>May</b>	33%	37%	39%	44%	42%	39%
<b>June</b>	46%	44%	53%	58%	58%	52%
<b>July</b>	62%	65%	65%	69%	71%	67%
<b>August</b>	59%	63%	64%	69%	71%	65%
<b>September</b>	51%	55%	52%	57%	56%	54%
<b>October</b>	45%	40%	42%	46%	50%	45%
<b>November</b>	35%	32%	37%	33%	35% /1	35%
<b>December</b>	49%	40%	50%	43%	46% /1	46%
<b>Average</b>	<b>47%</b>	<b>48%</b>	<b>49%</b>	<b>51%</b>	<b>51%</b>	<b>49%</b>

/1 Estimated based on data from prior periods.

**Table B-3**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Daily Hotel/Motel Occupancy Rates within Trade Area**

	<b>Full Year</b>	<b>February 2014</b>	<b>August 2014</b>
<b>Sunday</b>	41%	42%	65%
<b>Monday</b>	45%	41%	63%
<b>Tuesday</b>	48%	43%	64%
<b>Wednesday</b>	48%	47%	64%
<b>Thursday</b>	50%	52%	66%
<b>Friday</b>	58%	61%	81%
<b>Saturday</b>	65%	66%	89%
<b>Average</b>	<b>51%</b>	<b>50%</b>	<b>70%</b>

Source: Smith Travel Research, Inc.; Goodwin Consulting Group, Inc.

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**Table B-4**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Historical Hotel/Motel Average Daily Room Rates within Trade Area**

	2010	2011	2012	2013	2014	Average
<b>January</b>	\$177	\$178	\$181	\$211	\$225	\$195
<b>February</b>	\$190	\$192	\$206	\$236	\$225	\$210
<b>March</b>	\$157	\$165	\$172	\$193	\$185	\$174
<b>April</b>	\$122	\$142	\$139	\$118	\$140	\$132
<b>May</b>	\$97	\$105	\$115	\$111	\$121	\$110
<b>June</b>	\$115	\$119	\$131	\$130	\$142	\$127
<b>July</b>	\$147	\$156	\$153	\$167	\$178	\$160
<b>August</b>	\$140	\$147	\$150	\$166	\$177	\$156
<b>September</b>	\$123	\$131	\$135	\$144	\$140	\$135
<b>October</b>	\$118	\$107	\$114	\$120	\$128	\$118
<b>November</b>	\$105	\$111	\$119	\$121	\$127 /1	\$117
<b>December</b>	\$209	\$223	\$235	\$249	\$261 /1	\$235
<b>Average</b>	<b>\$142</b>	<b>\$148</b>	<b>\$154</b>	<b>\$164</b>	<b>\$171</b>	<b>\$156</b>

/1 Estimated based on data from prior periods.

Source: Smith Travel Research, Inc.; Goodwin Consulting Group, Inc.

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**Table B-5**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Planned Lodging Projects by Retail Cluster**

	Hotel Rooms	Condo/Resort Units			Total Condo/ Resort Rooms	Total Rooms
		Total Units	% Condo/ Resort Units	Average Rooms per Unit		
<b>Tahoe Basin</b>						
Homewood Mountain Resort	75	221	50%	1.50	166	241
Placer County /1	279	--			--	279
Subtotal	354	221			166	520
<b>Squaw/Alpine (Excluding Proposed Project)</b>						
Resort at Squaw Creek Phase 2	--	441	100%	1.05	464	464
PlumpJack Redevelopment	--	104	100%	1.00	104	104
Forecast Development	--	34	100%	1.53	52	52
Subtotal	--	579			620	620
<b>Northstar</b>						
Martis Valley West Parcel	--	872	50%	1.50	654	654
Highlands Phase II	--	386	100%	1.50	579	579
Subtotal	--	1,258			1,233	1,233
<b>Truckee</b>						
Truckee Railyard Master Plan	60	--			--	60
Coldstream Specific Plan	100	--			--	100
Subtotal	160	--			--	160
<b>Total (Excluding Proposed Project)</b>	<b>514</b>	<b>2,058</b>			<b>2,019</b>	<b>2,533</b>
<b>Proposed Project</b>	<b>--</b>	<b>772</b>	<b>100%</b>	<b>1.71</b>	<b>1,323</b>	<b>1,323</b>
<b>Total</b>	<b>514</b>	<b>2,830</b>			<b>3,342</b>	<b>3,856</b>

/1 Reflects total rooms from potential swap with the City of South Lake Tahoe, including TRPA bonus units.

**Table B-6**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Trade Area Transient Occupancy Tax Revenues**

<i>Fiscal Year Ending --&gt;</i>	2010	2011	2012	2013	2014	2015 Est.
Placer County North Lake Tahoe Area	\$8,700,662	\$10,054,110	\$9,734,905	\$11,238,343	\$11,585,872	\$10,333,333
Truckee	\$1,431,928	\$1,436,129	\$1,350,699	\$1,718,415	\$1,650,000	\$1,650,000
<b>Total</b>	<b>\$10,132,590</b>	<b>\$11,490,239</b>	<b>\$11,085,604</b>	<b>\$12,956,758</b>	<b>\$13,235,872</b>	<b>\$11,983,333</b>
<b>% Change from Prior Period</b>		<b>13%</b>	<b>-4%</b>	<b>17%</b>	<b>2%</b>	<b>-9%</b>

Source: Placer County; Town of Truckee; Goodwin Consulting Group, Inc.

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**Table B-7  
Placer County  
Village at Squaw Valley Specific Plan  
Economic Impact and Urban Decay Analysis  
Trade Area Room Revenues**

<i>Fiscal Year Ending --&gt;</i>	2010	2011	2012	2013	2014	2015 Est.
Placer County North Lake Tahoe Area	\$87,010,000	\$100,540,000	\$97,350,000	\$112,380,000	\$115,860,000	\$103,330,000
Truckee	\$14,320,000	\$14,360,000	\$13,510,000	\$17,180,000	\$16,500,000	\$16,500,000
<b>Total</b>	<b>\$101,330,000</b>	<b>\$114,900,000</b>	<b>\$110,860,000</b>	<b>\$129,560,000</b>	<b>\$132,360,000</b>	<b>\$119,830,000</b>
<b>% Change from Prior Period</b>		13%	-4%	17%	2%	-9%

Source: Placer County; Town of Truckee; Goodwin Consulting Group, Inc.

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**Table B-8**  
**Placer County**  
**Village at Squaw Valley Specific Plan**  
**Economic Impact and Urban Decay Analysis**  
**Lodging Demand and Absorption**

	Current	Project Buildout /1	
		Proposed Project	All Planned Projects /2
Trade Area Hotel/Condo Room Revenue	\$119,830,000	\$188,320,000	\$319,450,000
<i>Average Annual Increase in Visitor-Days</i>	<i>4.0%</i>		
Trade Area Room Revenue per Day	\$328,301	\$515,945	\$875,205
Estimated Average Daily Room Rate	\$180	\$180	\$180
Total Rooms Supportable at 100% Occupancy Rate	1,819	2,859	4,849
<b>Supply</b>			
Number of Rooms in Existing Hotels/Condos in Trade Area	4,339	4,339	4,339
Number of Rooms in New Hotels/Condos in Trade Area	0	1,323	3,856
Total	4,339	5,662	8,195
<b>Implied Occupancy Rate</b>	<b>42%</b>	<b>50%</b>	<b>59%</b>

/1 Buildout of all planned projects is assumed to occur in 2040.

/2 Includes the proposed project.

## APPENDIX C

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### SAMPLE PHOTOS BY RETAIL CLUSTER

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<i>North Shore</i> .....	<i>Page 1</i>
<i>West Shore</i> .....	<i>Page 12</i>
<i>Squaw/Alpine</i> .....	<i>Page 18</i>
<i>Northstar Area</i> .....	<i>Page 23</i>
<i>Truckee Area</i> .....	<i>Page 26</i>

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## **NORTH SHORE**

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Business: 7 Eleven  
Street: North Lake Boulevard



Business: The Stress Manager; Adventure Smith Explorations; Facial Studio & Wax Bar  
Street: North Lake Boulevard



Business: The Old Post Office Cafe  
Street: North Lake Boulevard



Business: 7 Eleven; Laundroland – Coin of Laundry  
Street: North Lake Boulevard



Business: Jiffy's Pizza; Feeling Vague Vintage; Transformations Salon  
Street: North Lake Boulevard



Business: El Sancho Taqueria  
Street: North Lake Boulevard



Business: Cedar Glen Lodge  
Street: North Lake Boulevard



Business: Tahoe Vistana Inn  
Street: North Lake Boulevard



Business: Kings Beach Liquor; Boneteria Rosita; Hit the Road; Noah's Video & Smoke Shop  
Street: North Lake Boulevard



Business: Taco Bell; Tahoe Central Market & Deli; Tahoe Bike & Ski; China Express Take Out  
Street: North Lake Boulevard



Business: Sun n Sand Lodge  
Street: North Lake Boulevard



Business: Watermans Landing – Beach Cafe  
Street: North Lake Boulevard



Business: Fire Lite Lodge  
Street: North Lake Boulevard



Business: Safeway  
Street: North Lake Boulevard



Business: North Shore Ace Hardware  
Street: Secline Street



Business: Ferrari's Crown Resort  
Street: North Lake Boulevard



Business: Sierra Shirts and Shades  
Street: North Lake Boulevard



Business: Char-Pit  
Street: North Lake Boulevard



Business: Caliente  
Street: North Lake Boulevard

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**WEST SHORE**

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Business: Tahoe City Kayak; Poppy's Frozen Yogurt; Zia Lina Ristorante; L. Massage Spa  
Street: North Lake Boulevard



Business: Tahoe Rug Studio; Tahoe T-Shirtery; Bluestone Jewelry, Glass and Art; Kalifornia  
Jean Bar  
Street: North Lake Boulevard



Business: Pepper Tree Inn Tahoe  
Street: North Lake Boulevard



Business: Tahoe City Inn  
Street: North Lake Boulevard



Business: Save Mart - Supermarket  
Street: West River Road



Business: Tahoe Dave's Skis & Boards; Bove Blow Dry Bar (Hair Salon); Olympic Bike Shop  
Street: North Lake Boulevard



Business: Safeway; Lakeside Pizza; Lighthouse Spa; Gardtman Skiing International  
Street: North Lake Boulevard



Business: North Lake Tahoe Visitor Center; Willard's Sport Shop  
Street: West River Road



Business: Granlibakken  
Street: Granlibakken Road

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**SQUAW/ALPINE**

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Business: Crest Café & Catering; Tahoe Riverfront Realty; Alpine Rental Group  
Street: Alpine Meadows Road



Business: River Ranch Dining Cocktails  
Street: Alpine Meadows Road & River Road



Business: Alpine Meadows Ski Resort  
Street: Alpine Meadows Road



Business: Rocker; The North Face  
Street: Squaw Valley Road



Business: The Villages at Squaw Valley  
Street: Squaw Valley Road



Business: The Village at Squaw Valley  
Street: Squaw Valley Road



Business: High Camp Cable Car  
Street: Squaw Valley Road

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## **NORTHSTAR AREA**

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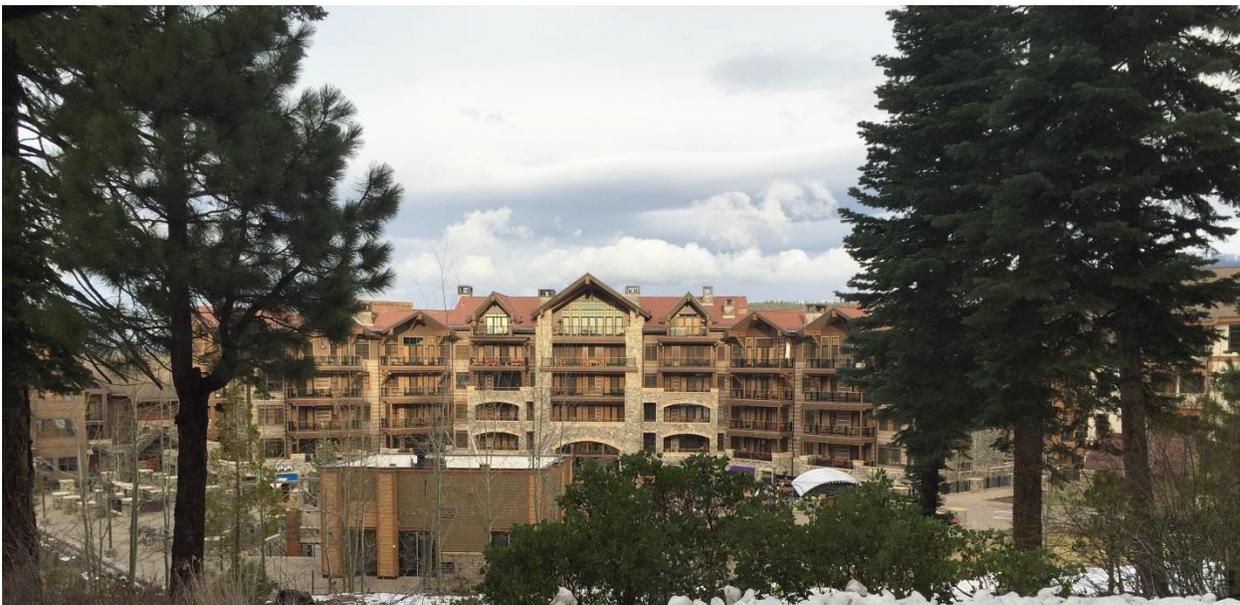
Business: Northstar Lodge by Welk Resorts  
Street: North Shore Road



Business: Tahoe Mountain Resorts Lodging  
Street: Northstar Drive



Business: The Village Cinemas; Euro Gelato Ice Cream, Sorbet & Italian Gelato; Euro Snack; Kalifornia Jean Bar; Starbucks; Patagonia; TC's Pub; Ambassador Toys; Shoe; Rubicon Pizza; Specialty Sports Venture; All Fired Up!; The Chocolate Bar; The North Face; Helly Hansen; Freckles Children's Boutique; Euro Sweets; Mikuni at Northstar; Northstar Logo Company; Ethos Gallery  
Street: Northstar Drive



Business: Tahoe Mountain Resorts Lodging  
Street: Northstar Drive

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## **TRUCKEE AREA**

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Business: Truckee Variety Co.; California Jean Bar; Pianeta Ristorante; Past Time Club  
Street: Donner Pass Road



Business: Jiffy's Pizza; Laundromat; The Back Country; Treat Box Bakery  
Street: Donner Pass Road



Business: Hotel Truckee Tahoe  
Street: Old Brockway Road



Business: JoAnne's Stained Glass & Gallery; Squeeze In (Breakfast)  
Street: Donner Pass Road



Business: Tree House (Toy Store); Cabona's (Women's Clothing Store)  
Street: Donner Pass Road



Business: Lululemon Athletica  
Street: Donner Pass Road



Business: Urban Angels Salon; Coffeebar  
Street: Jibboom Street



Business: Linda's Nails & Spa  
Street: Donner Pass Road



Business: Rite Aid Pharmacy  
Street: Donner Pass Road



Business: Safeway; Verizon Wireless  
Street: Donner Pass Road