

6 ECONOMIC DEVELOPMENT ELEMENT

The Economic Development Element of the General Plan is directed toward fostering a healthy, balanced year-round economy in Truckee in order to provide a broad range of economic opportunity for all Truckee residents. It supports the Vision for Truckee by providing a framework of guiding principles, goals, policies and actions that encourage a diverse and sustainable year-round economy in Truckee while maintaining the Town's community character and high quality of life, and ability to maintain superior community services.

Although economic development is not a topic required to be addressed in a General Plan, its inclusion in the Truckee General Plan reflects the Town's commitment to maintaining a balanced mix of economic sectors, encouraging high-wage jobs, and supporting businesses and commercial activities that build upon and enhance Truckee's unique character and natural environment.

The guiding principles of the Economic Development Element are shown on the following page, and goals, policies and actions in Section C at the end of the Element.

A. Introduction

This Economic Development Element incorporates the policy framework of the 2001 *Economic Development Strategic Plan* and the results of the 2004 General Plan Update process. The goals, policies and actions in this Element are intentionally broad, providing guidance for implementation initiatives and strategies that the Town can utilize over the 20-year life of the General Plan to respond to changes in economic conditions. The Element is also intended to help guide the Town's activities in its annual budgeting process and in the development of work programs for departments engaged in economic and community development-related activities.

Economic Development Element Guiding Principles

- ❖ Build upon the Town’s existing assets to diversify and strengthen the local economy in ways that are appropriate and responsive to Truckee’s context and natural environment.
- ❖ Develop high-wage jobs in Truckee that enable the local workforce to both live and work in the Town.
- ❖ Focus business attraction, retention, and expansion efforts on key economic sectors that have the greatest likelihood of success in Truckee.
- ❖ Maintain and enhance community quality of life as a key competitive advantage.
- ❖ Promote and enhance the Town’s role as a year-round tourist destination.

As a component of the General Plan, this Element will guide policy and decision-making as the Town moves forward with more detailed strategies and programs aimed at strengthening and improving the Town’s economic base. It also has a strong interrelationship with other elements of the General Plan, in particular the Land Use, Community Character, and Conservation and Open Space Elements, and is supportive of and supported by the guiding principles, goals, policies and actions of these and other elements.

B. Background Information

Truckee's outstanding mountain environment, plentiful recreation opportunities, and strategic location along key transportation routes have contributed to the town's desirability as a place to live, work and visit. These assets have allowed Truckee to sustain strong growth in residential development and tourism, even as other communities in California have suffered from declining economic fortunes.

However, broader economic development in Truckee has lagged behind residential and tourist development. While local employment conditions and the economic vitality of the Downtown has shown improvement since the Town prepared the *Economic Development Strategic Plan* in 2001, Truckee continues to face economic challenges. These challenges stem in large part from the character of the local economy, which is dominated by the retail and service sectors and by seasonal recreation-based tourism.

Figure ED-1 shows the employment make-up in Truckee in 2000. As shown in the figure, the services and retail sectors employ the most people in Truckee, accounting for 31 percent and 27 percent of local jobs, respectively. These sectors are followed by the government sector, accounting for 18 percent of total employment, and mining and construction, accounting for 15 percent of total employment. The high number of employees in the mining and construction category can be attributed to the amount of housing construction in and around Truckee.

Truckee's visitor-based economy is highly seasonal in nature, which generates large annual fluctuations in demand for goods and services and in the staffing requirements of local employers. Annual retail business sales patterns reflect the highly seasonal nature of the Truckee economy: approximately 48 percent of retail sales are earned during the summer, 39 percent during the winter, and only 13 percent during the spring and fall seasons combined. This creates challenges for employers in sustaining a viable business on a year-round basis, and in managing human resources. Local residents that desire full-time

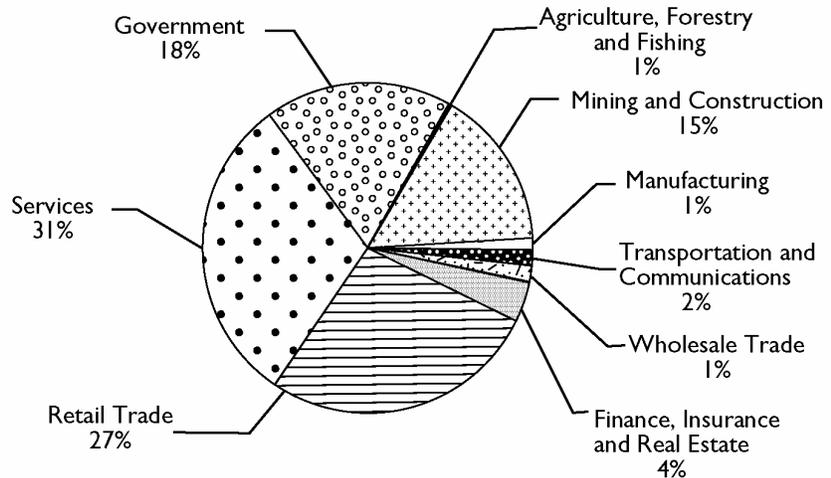


FIGURE ED-1 EMPLOYMENT IN TRUCKEE BY SECTOR, 2000

permanent employment can experience a shortage of such jobs locally. Further, many of the jobs associated with the recreation, retail, and service employment sectors that dominate the local economy do not provide wages at levels commensurate with local housing costs, contributing to the growing disparity between the cost of housing and its affordability to the local workforce.

This Economic Development Element includes a number of strategies that seek to address the issues described above. Foremost among them is the expansion of key non-tourism related economic sectors that will help to stabilize the fluctuations in the Town's business environment, increase year-round employment opportunities, and provide higher-wage skilled jobs.

Specifically, it addresses the following sectors:

- ◆ Light-industrial development that can provide high density, relatively high-wage employment in skilled trades. Many such businesses are small

scale enterprises that generate minimal environmental impacts compared to more traditional industrial uses, focusing on production of specialized items, such as woodworking and cabinetry, custom work, and artisan and craft products.

- ◆ “New economy” business, which include high-tech, computer and information-based enterprises. The type of employment reflects a growing sector in the California economy, offering “clean”, high-wage and skilled employment opportunities. Such businesses are also appropriate for Truckee in that they have fewer locational constraints than many other industries, relying on remote telecommunications instead of geographic proximity to their customer base.
- ◆ Healthcare and healthcare-related industries, including medical facilities and auxiliary industries that support healthcare. Truckee is established as a center for healthcare in the North Tahoe region, which is a rapidly-growing sector nationwide. Medical employment also offers higher-wage and skilled job opportunities in an industry that brings few environmental impacts to a community.



Tahoe Forest Medical Office Building

Photo: Darin Dinsmore

Other strategies address the expansion of Truckee’s role as a tourist destination, with a focus on capturing a larger proportion of regional visitor spending and increasing tourism during the traditional “off-seasons” in the spring and fall.

C. Goals, Policies and Actions

Goal ED-1 Foster high-quality economic development.

Policies

- P1.1 Work with Sierra College, Tahoe Truckee Unified School District, 49er Regional Occupation Program and Truckee Workforce Connection to expand programs that offer low-cost computer training and vocational training in high-wage fields for Truckee residents.
- P1.2 Continue to support the efforts of the Truckee Donner Chamber of Commerce to promote Truckee as a place to visit, live, and do business.
- P1.3 In reviewing development projects, consider a project’s ability to fulfill economic development guiding principles and goals for the Town, such as fostering desired industries, providing living wage jobs, and upholding Truckee’s small-town, mountain character as a key competitive advantage.

Actions

- A1.1 Allocate staffing to oversee, coordinate and promote all economic development efforts for the Town.

- A1.2 Review and update the *Economic Development Strategic Plan* on a regular basis, to ensure that it is reflective of and responsive to changing economic conditions in Truckee.
- A1.3 Adopt a policy which establishes some degree of preference for locally-owned and operated businesses to provide goods and services to the Town of Truckee.
- A1.4 Study ways in which the Town can streamline its processes or alter its fee structures so as to encourage small, locally-owned or desired types of businesses to establish themselves in Truckee.

Goal ED-2 Encourage high wage light industrial development in Truckee.

Policies

- P2.1 Provide sufficient business park and light industrial space to allow for the attraction and expansion of quality employers within Truckee.
- P2.2 Encourage uses consistent with high wage and high density employment in business parks and light industrial areas, as opposed to services or low employment density uses such as warehouse space.
- P2.3 Ensure that land designated Industrial is used primarily for industrial, rather than general commercial/retail uses.

Actions

- A2.1 Create and maintain an inventory of available business park and light industrial space. Evaluate the availability of business park and light industrial space at least every three years, and adjust the land use plan accordingly.

- A2.2 Establish procedures to be included in the discretionary review process to evaluate proposed commercial and industrial projects for their potential to create quality jobs.
- A2.3 Work with the local Chamber of Commerce to develop a program that actively promotes Truckee as a location for light industrial business investment that supports the goals and policies of this element.

Goal ED-3 Encourage the development of knowledge-based “new economy” businesses.

Policies

- P3.1 Support the creation of new office space that is well-designed and offers amenities and telecommunications infrastructure attractive to new economy business enterprises.
- P3.2 Encourage the expansion of telecommunications infrastructure throughout Truckee, including adoption of new technologies as they are developed in the future.
- P3.3 Encourage and support office and professional home-based micro-enterprises.
- P3.4 Support the expansion of local higher education and continuing education institutions to meet workforce training needs of new economy businesses.

Actions

- A3.1 Conduct a study to identify the needs of local new economy businesses and develop tools to use locally for business attraction, retention, and expansion assistance.

- A3.2 Establish a business incubator program to provide support services and financial support to start-up new economy businesses. As part of this program, pursue State and federal funding for small-business loans, and grants for publicly-owned infrastructure and micro-enterprise assistance.
- A3.3 Review the Development Code to ensure that it provides adequate latitude for home-based office and professional businesses, and amend the Code as necessary.

Goal ED-4 Expand health-related services in Truckee to enhance the Town’s position as a center for health care services for the North Lake Tahoe area.

Policies

- P4.1 Provide adequate land, zoned appropriately, to provide expansion sites for the local health services sector near existing concentrations of such businesses.
- P4.2 Support the development of industries in Truckee that support healthcare services, such as diagnostic laboratories, billing support and insurance, and long-term care facilities.

Actions

- A4.1 Convene a focus group with representatives of Tahoe Forest Hospital and other local medical providers to identify the health sector’s expansion needs and opportunities and work with local developers to accommodate those needs in pending commercial development projects.

Goal ED-5 Promote and enhance Truckee’s role as a sustainable year-round tourist destination.

Policies

- P5.1 Continue to invest Transient Occupancy Tax (TOT) revenues in support of the local tourism sector, including support for the Truckee Visitor’s Center.
- P5.2 Continue to build on Truckee’s historic and natural assets to expand Truckee’s appeal as a tourist destination, focusing on Downtown and riverfront revitalization as a priority.
- P5.3 Support new visitor-oriented restaurants, lodging, and services to meet tourist needs and capture expenditures locally.
- P5.4 Continue to support Town-wide events and festivals, such as the Fourth of July Parade, Truckee Railroad Days and Lake Tahoe Summer Music Festival.
- P5.5 Support the development of a conference center, educational institute, or other similar facility in Truckee, particularly one with an environmental or ecological focus.

Actions

- A5.1 Work with the Truckee Visitor’s Center to develop and establish new initiatives to promote and bolster tourism activity in the spring and fall seasons.
- A5.2 Work with the Truckee Visitors Center to develop and sponsor a new Town-wide arts festival, music or sporting event to be held in the spring or fall “off-season,” with the potential to attract a large number of tourist visitors.

- A5.3 Identify an appropriate site to support the development of a conference center or other similar facility in Truckee.
- A5.4 Develop a funding and management plan, including grant funding sources and shared use opportunities, to support the creation of a conference center or similar facility.

Goal ED-6 Foster a local environment that attracts and develops a skilled workforce through educational opportunities, cultural facilities and availability of affordable housing.

Policies

- P6.1 Work with educational institutions to site new facilities in Truckee and forge links to ensure that educational institutions address the business community's ongoing worker training and continuing education needs.
- P6.2 Support the inclusion of cultural facilities as a component of new mixed-use developments proposed within the Town as an amenity that makes Truckee attractive to a vibrant, innovative business community.
- P6.3 Continue to work with the Truckee Donner Recreation and Parks District to support its arts and recreation programs.
- P6.4 Support community-based arts organizations in Truckee.
- P6.5 Support the TDRPD's efforts to develop a community recreation, visual and/or performing arts center on the PC-2 Triangle site, or at another location if that site is found to be unsuitable.

Cultural facilities that might be included in new mixed use development include gallery or exhibition space, or a small performing arts venue.

Actions

- A6.1 Create and maintain a workforce development coordination group that connects key education and job training representatives with local employers and focuses on linking education and job training curriculum with local employment needs.
- A6.2 Allocate a portion of Downtown Truckee’s tax increment revenue towards the promotion, support, or development of community based art in Downtown Truckee.
- A6.3 Among other factors, rate mixed-use projects pursuing public subsidies for their inclusion of cultural facilities.

Goal ED-7 Leverage Truckee’s “natural capital” in implementing economic development strategies.

Truckee’s “natural capital” includes its mountain setting, natural scenic beauty, and abundant recreation opportunities, all of which make it an attractive location for residents, visitors, and businesses.

Policies

- P7.1 Land use, urban design, open space and community facilities in Truckee shall reinforce the preservation and enhancement of the Town’s natural capital.
- P7.2 Continue the improvement and redevelopment of the Riverfront that promotes public access and activity near Downtown Truckee while enhancing the natural features of the Truckee River.
- P7.3 Support the establishment of businesses and industries that draw upon Truckee’s natural assets and environment.

Actions

- A7.1 Conduct a study to determine the aspects of Truckee’s natural capital that are most attractive to businesses and determine how

best to market these local assets to prospective businesses. Industries that could be a potential focus of the study include specialty outdoor equipment manufacturers or distributors, publishers of books and magazines with an outdoor or environmental focus, and other industries for whom proximity to a world center for outdoor recreation would be a significant factor.

Goal ED-8 Maintain the vitality of Downtown Truckee.

Policies

- P8.1 Encourage new retail to locate in the Downtown.
- P8.2 Continue redevelopment and improvement efforts in Downtown Truckee, including programs to preserve the unique historic character of the Downtown, to expand upon the downtown's vibrant mixed-use character, and to develop projects that differentiate Downtown Truckee from other commercial areas within the Town and the surrounding trade area.
- P8.3 Support public activities and community events in Downtown Truckee.
- P8.4 Provide opportunities for industrial uses currently located along the Truckee River in the Downtown to relocate to other, more suitable locations.
- P8.5 Support a mixed use development in the Railyard Master Plan area and consider implementing the economic diversification strategies of this element as part of the Master Plan.

The Land Use Element contains an extensive series of policies and actions for the Downtown area that also support Goal ED-8.

Actions

- A8.1 Provide staffing for a Redevelopment Coordinator to oversee, coordinate, and promote all redevelopment efforts.
- A8.2 Review all proposed commercial projects outside of Downtown Truckee for their potential to draw retail sales revenue away from Downtown retail businesses and, if necessary, work with developers to re-configure projects so that they are complementary to, not competitive with, Downtown commercial activity. Establish a strategy to attract new retail establishments to Downtown Truckee.
- A8.3 Study the feasibility of forming a business improvement district as a means to fund joint marketing, improved public services, and public events Downtown.
- A8.4 Identify suitable sites outside of Downtown Truckee for existing Downtown industrial uses and assist with relocation in order to free up Downtown sites for retail, entertainment, and cultural activities.