

Study: SLT economy on positive trajectory

By Kathryn Reed

South Lake Tahoe isn't the same city it was just a few years. And that's a good thing.

Economic indicators point to a rebirth of sorts, but there is still plenty of room for improvement. That was the message delivered Oct. 18 by David and Jamie Orr to the City Council.

The Orrs, who own the Tahoe Mountain Lab, were part of the economic development task force the city convened in 2014. They were then hired to study the economic situation in the city.

"Leadership must be able to make bold investments in the future," Jamie Orr said.

Partnerships will be key – whether it's the city working closer with Lake Tahoe Community College or the private and public sectors collaborating more. It's about being better connected – as in reliable cell and Internet service. Millennials take it for granted that they can reach whoever they want 24/7 and not at dial-up speeds.

Enticing businesses to move here is getting easier. To keep this up there needs to be a consistent message.

"We need to market our strengths. We need to tell authentic stories," David Orr said.

South Lake Tahoe hasn't always had a great reputation. At the height of the recession the boarded up, rundown buildings were more prevalent than thriving businesses. That has turned around. And it's not just restaurants, questionable massage parlors and T-shirt shops opening.

Now more young professionals are calling the area home instead of just the transient liftie. They are helping define the types of businesses that are opening – like breweries, and Internet based firms.

While some people are doing well, Heidi Hill Drum with the Tahoe Prosperity Center, said per capita income in the city is just less than \$25,000/year.

Small businesses are usually the backbone of most towns and South Lake Tahoe is no different. The Orrs pointed to their own business as an example of the burgeoning entrepreneurial spirit. Within their walls on Harrison Avenue are a multitude of workers – some more traditional, some just getting started, but all sharing a work space.

“Their presentation (Tuesday) made it perfectly clear, the city’s investment of \$20,000 is an excellent return on the investment. The business incubator idea is blossoming at Tahoe Mountain Lab and looks to be an idea they have launched on their own; the relationships working with regional and national partners to bring attention to entrepreneurs to South Lake Tahoe is clearly been successful and resulted business start-ups coming to town – as well as helping South Lake Tahoe gain attention from other mountain communities promoting small entrepreneur businesses,” City Manager Nancy Kerry told *Lake Tahoe News*. “They’ve expanded business into the field of workforce education, an area needing attention in South Lake Tahoe and they are reaching local youth to inspire and encourage interest in creative entrepreneurship business. They’ve done a great job at developing regional partnerships.”

The cost of this study was much less than other expenditures the city has made in the name of economic development. More than a decade ago the city had two staff members whose job was to grow the economy. Basically they studied other people’s numbers and did nothing to spur growth, all at cost of about \$250,000/year.

The Orrs noticed that access to capital is a real issue, especially for small entrepreneurs. A micro loan program might be the solution.

The couple looked at what is going on throughout the basin, as well as Truckee and Reno. Truckee is ahead of the South Shore when it comes to the arts, especially by creating shared spaces. Reno is bursting with businesses, which is apt to have a ripple effect in the basin as that area grows.

The council is expected delve further into the Orrs' recommendations at the February strategic focus workshop.

"We will work with the 2016-18 City Council to shape the next two years of the city's work plan, develop a clear set of priorities, goals and expectations and performance measures to ensure we stay focused on all that we can do to improve the business climate on the South Shore," Kerry said.

And if ultimately the goal is to attract more people to the area, housing is going to become an even greater problem. Today it's hard for the average worker to find a decent place to live. But the fact that 70 percent of the housing stock is not occupied by full-time residents is a 20-plus-year-old issue with no solution, especially when there is a limit to new construction.