

TAHOE TRANSPORTATION DISTRICT (TTD)

US 50 SOUTH SHORE COMMUNITY REVITALIZATION PROJECT  
BUSINESS REVIEW COMMITTEE

Meeting Agenda

Lake Tahoe Visitors Authority/Tahoe Chamber Building  
169 Highway 50  
Stateline, NV 89449

February 27, 2013  
11:30 a.m.

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- I. Call To Order And General Matters
- II. Roll Call
- III. Public Interest Comments  
*At this time, members of the public shall have the opportunity to directly address the Committee. All comments are to be limited to no more than five minutes per person. The Committee is prohibited by law from taking immediate action on or discussing issues raised by the public that are not listed on this agenda.*
- IV. Overview and Acceptance of Business Review Committee Roles, Objectives, Process, and Ground Rules *Page 1*
- V. Presentation on Draft Economic Analysis and Discussion on Initial Findings *Page 7*
- VI. Public Interest Comments  
*At this time, members of the public shall have the opportunity to directly address the Committee. All comments are to be limited to no more than five minutes per person. The Committee is prohibited by law from taking immediate action on or discussing issues raised by the public that are not listed on this agenda.*
- VII. Adjournment

## **COMPLIANCE WITH PUBLIC NOTICE REQUIREMENTS**

This notice and agenda has been posted at the TTD office, the Lake Tahoe Visitors Authority/ Tahoe Chamber Building, and the Stateline, Nevada post office. The notice and agenda has also been posted at the North Tahoe Conference Center in Kings Beach, the Incline Village GID office and the North Tahoe Chamber of Commerce and on the TTD website: [www.tahoetransportation.org](http://www.tahoetransportation.org).

For those individuals with a disability who require a modification or accommodation in order to participate in the public meeting, please contact Judi White at (775) 589-5502.

### **California Open Meeting Law Compliance**

Notice of this meeting was posted at least 72 hours prior to the meeting in a location that is freely accessible to members of the public.

In addition, the Committee has caused this agenda and all documents constituting the agenda packet to be mailed to all persons requesting such materials, and such mailing occurred at the time the agenda was posted or upon distribution to all, or a majority of all, of the members of the Committee, which occurred first.

### **Nevada Open Meeting Law Compliance**

Written notice of this meeting has been given at least three working days before the meeting by posting a copy of this agenda at the principal office of the District and at three other separate, prominent places within the jurisdiction of the District not later than 9 a.m. of the third working day before the meeting.

Written notice of this meeting has been given by providing a copy of this agenda to any person who has requested notice of the meetings of the Committee. Such notice was delivered to the postal service used by the District not later than 9 a.m. of the third working day before the meeting for transmittal to the requester by regular mail, or if feasible for the District and the requester has agreed to receive the public notice by electronic mail, transmitted to the requester by electronic mail sent not later than 9 a.m. of the third working day before the meeting.

Supporting materials were provided to any person requesting such materials and were made available to the requester at the time the material was provided to the members of the Committee or, if provided to the members of the Committee at the meeting, were made available to the requester at the meeting.



MEMORANDUM

Date: February 22, 2013

To: US 50/South Shore Community Revitalization Project Business Review Committee

From: TTD Staff

Subject: Overview and Acceptance of Business Review Committee Roles, Objectives, Process, and Ground Rules

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**Action Requested:**

It is requested the US 50/South Shore Community Revitalization Project Business Review Committee (BRC) receive and accept an overview of BRC roles, objectives, process, and ground rules.

**Background:**

At the June 8, 2012 meeting of the TTD Board of Directors, Staff provided an update on the US 50/South Shore Community Revitalization Project, including the outcome of the May 29, 2012 City of South Lake Tahoe (CSLT) City Council workshop and approaches to project management support as it relates to public process and engagement. As part of this update, Staff presented an approach for additional project management support that would be specific to assisting in public engagement, including the management and oversight of a community committee. It was agreed upon by the Board that these efforts would be delayed until the solicitation and procurement of additional project management support. Shortly thereafter, the CSLT City Council held meetings on June 19, 2012 and July 3, 2012, at which the US 50/South Shore Community Revitalization Project was also discussed. As an outcome of these meetings, the City Council prepared and submitted a comment letter dated July 5, 2012 to the TTD Board requesting the implementation of the specific measures, "without delay."

In an effort to address the request of the CSLT and comments received from the public, Staff requested authorization to solicit and receive Requests for Approach (RFA) related to project management support for public planning process assistance. While it was agreed that additional public outreach efforts were warranted, the Board directed Staff to postpone the solicitation of RFA and meet with a south shore ad-hoc group of the Board and project partners to consult with them on an approach that honors the request of the CSLT, while taking into consideration project schedule and work completed to date. Consistent with the direction of the Board, Staff met with ad hoc members and project partners on several occasions, which resulted in concurrence on an approach that would address the CSLT request and best serve the project development process.

AK/jw

AGENDA ITEM: IV.

To initiate these efforts, Staff presented a revised approach that included the following project development activities:

- Item 1: Organized facilitated community outreach to solicit input on existing and potential additional alternatives via workshops with the general public, and work sessions with the community review committee and project delivery team (PDT).
- Item 2: Additional technical and environmental studies to provide for environmental analysis and preliminary engineering of up to two additional alternatives, in addition to the two currently under consideration.
- Item 3: Analysis developed by a qualified consultant to objectively study the short- and long-term economic analysis of the project, and consult with representative businesses.

This approach and associated budget and scope amendment were approved by the Board at the September 2012 meeting of the TTD Board of Directors. Following this approval, Staff and the consultant team scheduled three public workshops/open houses to provide an overview of the planning context for the project; inform the public of the previous planning efforts and associated alternatives developed throughout the life of the project; input on existing, past, and new potential alternatives; as well as the distribution of additional outreach materials, including a complete project briefing package. In addition to the public workshops included in the revised scope approved by the Board, more robust public and business outreach efforts were also approved. These efforts included the establishment and facilitation of a BRC, as well as business owner surveys and personal interviews to inform the development of the economic analysis.

**Discussion:**

As discussed above, numerous additional public outreach efforts have been undertaken in advance of the establishment of a BRC. To assist in the solicitation and establishment of the BRC, Staff and the consultant team enlisted the Tahoe Prosperity Center (TPC) which issued an invitation in January 2013 to a variety of business owners, commercial landlords, recreation providers, and hotel owners, within and adjacent to the project area, to participate in the BRC. An orientation for potential BRC members was held on January 31, 2013, in which information was provided regarding an overview of the project, project status, the role of the BRC, and required commitments should they be willing to participate. This information is included as Attachment A.

As a result of this solicitation and orientation meeting, staff recommended and received approval in appointing the following members and associated representatives:

<b>Business/Property</b>	<b>Representative</b>
986 Park Hotel	Chris Minnes
Heavenly Mountain Resort	Pete Sonntag
Lake Tahoe Chamber of Commerce	B Gorman
Tahoe Prosperity Center- Carson City Representative	Lee Plemel
Sidestreet Boutique	Barbara Parina/Tara Parina
Edgewood Companies	Mitchell Mize
Tahoe Beach Club	Bob Mecay
Naked Fish Landlord (property)	Michael McKeen
Crescent V Center Landlord (property)	Terry Hackett

Dog Dog Cat	George Richter
Duck Tours	Shawn Kerney
Holiday Inn Express	John House/Pete McRoberts
Raley's	TBD
Stateline Brewery	Debbie Brown
Pacific Crest Gallery	Rosemary Wood
Basecamp Pizza	Ted Kennedy/Ray Villaman
Harrah's/Harvey's	John Packer
7/11 – Subway Landlord (property)	Glyn Burge

In addition to appointing the representatives identified above, the Board also recommended and approved the inclusion of a commercial real estate professional, which will be represented by Deb Howard of Deb Howard and Co. In addition to the inclusion of a commercial real estate representative, the TTD Board outlined additional expectations, which are articulated in a letter from TTD Board Chairman, Steve Teshara, which is included as Attachment B.

A more detailed overview of the BRC roles, objectives, process, and ground rules will be discussed at the February 27, 2013 meeting, which will be facilitated by Gladys Cornell of AIM Consulting. Aim Consulting is a Sacramento, CA based communications and public outreach consulting practice, “specializing in transportation, transit, water, waste-water, and land use projects and provides public engagement, communication, strategic planning, public information and education, and community relations consulting services to both public and private clients throughout Northern California.”

**Additional Information:**

If you have any questions or comments regarding this item, please contact Alfred Knotts at [aknotts@tahoetransportation.org](mailto:aknotts@tahoetransportation.org) or (775) 589-5503.

**Attachments:**

- A. BRC Orientation Information
- B. TTD Board Letter of Expectations



*Connecting our communities*

## FACT SHEET

### Business Review Committee (BRC) Member Expectations

- The BRC is a collaborative advisory group made up of various business sizes and types in the South Shore community in and around the Project area.
- The BRC seeks to engage local businesses to gain their insights into the potential US 50/South Shore Revitalization Project to determine how best the project can assist in accomplishing their business' goals.
- Members are expected to be considerate of differing opinions and seek to be constructive with their comments with the goal of developing solutions.
- Information presented to the BRC is not confidential, however members of the committee must feel that their opinions and comments can be expressed safely and met with respect. The committee members shall maintain discretion when discussing the information of the group within the community to develop trust amongst the committee membership as a whole.
- BRC meetings will be noticed public meetings.
- Members can expect to spend upwards of eight hours per month on BRC activities which includes review of materials and meeting preparation.

### Contact Information

Tahoe Transportation District  
Alfred Knotts  
[aknotts@tahoetransportation.org](mailto:aknotts@tahoetransportation.org)  
775-589-5503

128 Market Street Suite 3F Stateline, Nevada 89449 | PO Box 499 Zephyr Cove, Nevada 89448  
775.589.5500 Fax 775.588.0917 [tahoetransportation.org](http://tahoetransportation.org)

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**Board of Directors** City of South Lake Tahoe El Dorado County Placer County Washoe County Douglas County Carson City CalTrans  
Truckee-North Tahoe Transportation Management Association South Shore Transportation Management Association Member At Large NDOT

# US 50/South Shore Revitalization Project

## PURPOSE AND NEED STATEMENT

### Purpose:

The purpose of this project is to make improvements to the corridor consistent with the Loop Road System concept, reduce congestion; improve vehicle, pedestrian, and bicycle safety; advance multi-modal transportation opportunities; improve the environmental quality of the area; enhance visitor and community experience; and promote the economic vitality of the area.

### Need:

- A. Article V(2) of the Tahoe Regional Planning Compact (Public Law 96-551), 1980 (the Compact), requires a transportation plan for the integrated development of a regional system of transportation within the Tahoe Region. The Compact requires the transportation plan to include consideration of the completion of the Loop Road System in the States of California and Nevada. Improvements are required to the corridor to meet the intent of the Loop Road System concept.
- B. Ongoing and proposed resort redevelopment in the project area has increased pedestrian traffic, creating a need for improved pedestrian safety, mobility, multi-modal transportation options. Improvements to pedestrian facilities, bicycle lanes, and mass transit are needed to connect the outlying residential and retail-commercial uses with employment and entertainment facilities, including hotels and gaming interests. Currently, there are no bike lanes on US 50 through the project area, and sidewalks are either not large enough to meet the increased demand, or do not exist. These issues impact the visitor and community experience within the area.
- C. Environmental improvements are needed in the area to help achieve the Tahoe Regional Planning Agency's (TRPA's) environmental thresholds, including water quality and air quality. Improvements to stormwater runoff collection and treatment facilities are needed to meet TRPA and Lahontan Regional Water Quality Control Board regulations and requirements. Reduction of vehicle congestion and reducing the number of vehicles on the roadway through enhanced pedestrian and multi-modal opportunities is needed to provide for improved air quality. Landscape improvements are needed to enhance the scenic resource element of the project area to facilitate compliance with TRPA's Scenic Threshold and to enhance the community and tourism experience.
- D. The project is needed to mitigate severe summer and winter peak period traffic congestion along US 50 in the project area. During peak hours, traffic often operates at Level of Service "F" (breakdown) when tourism is at its peak during the summer and winter months.



**Tahoe Transportation**  
DISTRICT

*Connecting our communities*

February 20, 2013

Dear BRC Members:

On behalf of the District Board of Directors, thank you for your commitment to serve and contribute as a member of the Business Review Committee for the U.S. Highway 50 South Shore Community Revitalization Project.

The Board has established the following expected outcomes for your work.

1. A community peer review of the economic analysis prepared for the project, including:
  - a. Feedback on the accuracy of the report
  - b. The meaning of the report to the project area and the broader South Shore community
  - c. Feedback on the recommended strategies to achieve economic goals and objectives.
2. Based on the economic analysis, your development of up to three pros and cons for each alternative being considered, as well as input on the design features of each.
3. A final report on your outcomes is due April 4 for review and discussion at the April 12 District Board meeting.

In addition to these expected outcomes, the District would like reinforce that the goal of this effort is to encourage open, respectful, and constructive dialogue to assist in the development and refinement of project alternatives and elements that benefit the environment, improve transportation, and revitalize the South Shore economy.

Sincerely,

Steve Teshara  
Chair, Board of Directors

128 Market Street Suite 3F Stateline, Nevada 89449 | PO Box 499 Zephyr Cove, Nevada 89448  
775.589.5500 Fax 775.588.0917 [tahoetransportation.org](http://tahoetransportation.org)

**Board of Directors** City of South Lake Tahoe El Dorado County Placer County Washoe County Douglas County Carson City CalTrans  
Truckee-North Tahoe Transportation Management Association South Shore Transportation Management Association Member At Large NDOT





MEMORANDUM

Date: February 22, 2013

To: US 50/South Shore Community Revitalization Project Business Review Committee

From: TTD Staff

Subject: Presentation on Draft Economic Analysis and Discussion on Initial Findings

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**Action Requested:**

It is requested the US 50/South Shore Community Revitalization Project Business Review Committee receive a presentation on the Draft Economic Analysis of the US 50/South Shore Community Revitalization Project and discuss initial findings and provide a possible recommendation to TTD staff.

**Background:**

As part of the project development process and at the request of the City of South Lake Tahoe and business community, TTD initiated a focused economic analysis for the US 50/South Shore Community Revitalization Project, in addition to the legally required technical and special studies required by the National Environmental Policy Act, California Environmental Quality Act, and the Tahoe Regional Planning Agency Code of Ordinances and Rules of Procedure. This effort was undertaken by TTD in November 2012, with assistance from Economic Planning Systems, Inc. (EPS), a "land economics consulting firm experienced in the full spectrum of services related to real estate development market analysis, public/private partnerships, and the financing of government services and public infrastructure. EPS's practice emphasizes fiscal, economic and environmental 'sustainability,' drawing on its primary practice areas, as well as its integrated vision of places and collaborative approach to problem-solving."

**Discussion:**

As part of developing the economic analysis, EPS conducted face to face interviews with several commercial property owners in and around the US 50/South Shore Community Revitalization Project project area over the last few months. Additionally, EPS also distributed surveys to business owners, collected local economic and socio-economic data, and analyzed similar resort communities, including communities that have evaluated and/or implemented highway realignments to achieve similar economic, environmental, and community goals. These efforts are now complete with the Draft Economic Analysis scheduled for release on or around March 1, 2013. Although the Draft Economic Analysis is not presently available for review and consideration by the BRC, initial findings in the form of an Executive Summary are available and are included as Attachment A. These findings will be reviewed in detail and discussed by the BRC at the February 27, 2013 meeting. The Draft Economic Analysis will be made available to the BRC at the earliest possible date, as a peer review of the report by the BRC is one of the primary roles and responsibilities of this committee and will be the main topic of discussion for the second BRC meeting.

AGENDA ITEM: V.

**Additional Information:**

If you have any questions or comments regarding this item, please contact Alfred Knotts at [aknotts@tahoetransportation.org](mailto:aknotts@tahoetransportation.org) or (775) 589-5503.

**Attachment:**

- A. Draft Executive Summary of the Economic Analysis of the US 50/South Shore Community Revitalization Project

## Draft Executive Summary

# Economic Analysis of the US 50/South Shore Community Revitalization Project

*The Economics of Land Use*



Prepared for:  
Tahoe Transportation District

Prepared by:  
Economic & Planning Systems, Inc.

February 20, 2013

*Economic & Planning Systems, Inc.  
2295 Gateway Oaks Drive, Suite 250  
Sacramento, CA 95833-4210  
916 649 8010 tel  
916 649 2070 fax*

*Berkeley  
Denver  
Los Angeles  
Sacramento*

**[www.epsys.com](http://www.epsys.com)**

EPS #122112

# 1. INTRODUCTION AND SUMMARY OF FINDINGS

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## Introduction

Economic & Planning Systems, Inc. (EPS) has been retained by the Tahoe Transportation District (TTD) to perform an Economic Analysis, which evaluates the potential economic influence of the proposed US 50/South Shore Community Revitalization Project (Project) on the surrounding South Shore community.<sup>1</sup> Because transportation infrastructure is an important component of economic activity in any area, EPS has been requested to analyze the role of a potential realignment of US 50 in the Stateline area, to assess key trends in retail and tourism development that may be influenced by the Project, and to identify and characterize the potential impact (beneficial or negative) the Project could have on the South Shore economy. It should be noted up front that while it is not practical to quantify the exact economic and financial impact of such a roadway realignment project because of the numerous variables and unforeseen circumstances involved, EPS has conducted a thorough evaluation of the Stateline area in an effort to understand the variables that will affect the economic influence of the Project, under defined conditions, to frame the likely short- and long-term implications of the Project.

## Methodology, Resources, and Limitations

The Economic Analysis first looks at the current and historical conditions prevalent on the South Shore to identify the community's economic drivers and performance trends and its competitive position as a regional, national, and international tourism destination. This portion of the analysis is based on the most current economic data available and outreach to local and national experts.

Next, a more focused look at the Study Area (defined in **Chapter 4**) is provided to assess the influence that the roadway realignment is likely to have on local economic conditions. EPS has assessed the Project's potential influence on visitation, retail sales, and the area's ability to attract future capital investment. The multi-faceted quantitative and qualitative research and analysis conducted for this study also included a survey distributed to business representatives that was used to help characterize the commercial structure of the Study Area, the customer composition of key business types, and the perceived relations to motorized and non-motorized transportation infrastructure. This comprehensive approach allowed EPS to evaluate how various conditions and private-sector responses to the project affect the overall outcomes of the Project realignment.

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<sup>1</sup> The "South Shore" is defined in this memorandum as consisting of the City of South Lake Tahoe and the unincorporated portions of El Dorado County, California, and Douglas County, Nevada, which are located in the Tahoe Basin.

This process resulted in an examination of likely economic benefits, risks, and opportunities related to the Project, for purposes of informing community members, business representatives, public agency staff, elected officials, and other stakeholders.

It should be noted that this Economic Analysis has not been scoped to address the potential relocation of any specific businesses that may be required to accommodate the right-of-way for the roadway realignment. It should also be noted that, although other potential alignments have been evaluated as part of current and past planning efforts, this analysis is predicated on a "mountain-side" alternative under which the roadway realignment generally occurs along the southern portion of the existing commercial district (behind the existing Village Shopping Center along Montreal Avenue/Lake Parkway). This alignment alternative is consistent with the City of South Lake Tahoe (City)'s adopted "Stateline/Ski Run Community Plan," and EPS views these mountain-side alternatives as superior to northern "lake-side" alignments, from an economic perspective, because they will allow the existing Village Center and Heavenly Village Shopping Center to enjoy better visibility by rerouting traffic to their southern edge and avoids the creation of a barrier from existing commercial uses and the new "main street" district to the lake.

Stateline's current lack of connectivity to the lake is considered a significant drawback of this area that should be improved on in future planning efforts. Creating a wide roadway with fast-moving traffic through this key district Under a "lake-side" alignment would not only degrade the appeal its residential and commercial uses, but it would further deter users from venturing toward the lake.

## Key Findings

- 1. The South Shore economy, and that of the greater Lake Tahoe region, is driven by the tourism industry, and although the area possesses many qualities that make it a popular tourism draw, visitation is in decline. The South Shore needs to reinvent itself to more effectively compete with other established and emerging mountain/resort areas.***

The tourism and visitor-services cluster is by far the largest economic driver in the basin and accounts for more than 50 percent of total jobs in the Lake Tahoe Basin. However, visitation and tourism statistics for the South Shore have demonstrated substantial declines for years, which is indicative of the lack of investment in tourism-related infrastructure and amenities. The South Shore's market position among western mountain/resort areas has suffered. If regional stakeholders wish to enhance economic conditions based on its largest and most promising economic driver, strategic opportunities must be evaluated to tap into industry best practices and substantially upgrade the overall tourism product.

The Project proposes to realign US 50 to route through traffic around the commercial core and proposes to construct the infrastructure necessary to create a "complete street" or "main street" in the commercial core. This is very compelling as an approach to strengthening the local economy by providing an attractive gathering place for locals and visitors to interact. Many other mountain and tourism-oriented communities have adopted similar approaches to creating a downtown/main street district, which generally have been met with great success. Examples of these efforts can be found in such places as Park City, Utah; Breckenridge, Colorado; Truckee, California; and many others.

**2. The retail industry has undergone a significant transformation over the past 10 to 15 years throughout the U.S., with today's successful centers incorporating principles of walkability and mixed use and offering a variety of shopping, dining, and recreational options.**

In this regard, older automobile-oriented shopping malls and strip centers with vast and poorly-positioned parking lots are considered less desirable than outdoor, walkable shopping districts that offer a variety of shopping, dining, and entertainment options and that cater to a broad range of demographic classes, age groups, and income levels. These "lifestyle-oriented" shopping destinations tend to occur in prime locations. This trend toward outdoor, walkable shopping districts is particularly appropriate in tourism areas because vibrant street-oriented settings lend themselves very well to longer and more lucrative visits among tourists and locals.

The trend toward this type of shopping environment has been even more pronounced in tourism destinations. However, it will be important to assure good visibility, access, and parking for automobile-oriented visitors. Once visitors arrive at a well-regarded and multi-faceted mixed-use "node," they will be more inclined to explore the district on foot, reducing point-to-point automobile use and increasing "drop-in" shopping to businesses by foot that would not otherwise occur.

**3. A "main street" or "complete streets" district at Stateline is a fundamental component of revitalizing the South Shore and serves as a viable economic development strategy to realize further economic activity.**

Existing retail businesses, hotels, and other enterprises throughout the community stand to benefit greatly from the Project by constructing the infrastructure necessary to establish a "main street" or "complete street" district. Benefits will also accrue from the removal of through traffic from the shopping core, including heavy freight traffic. Creating infrastructure for non-motorized transportation and lowering automobile speed by changing road conditions can improve economic conditions for both business owners and residents. This also has the potential to boost overall tourism and visitation to the South Shore, and it is likely to also increase the use of the Stateline area by local residents. The revitalizing economic benefit of similar effect projects has been observed in many locations throughout the United States.

**4. To create the "main street" environment described above, fast-moving and daunting pass-through traffic should be removed from the existing US 50 roadway to allow easy pedestrian crossings, facilitate the connection among various subareas, improve overall safety, and ensure the district functions optimally.**

High traffic volumes and lack of adequate pedestrian facilities can be a strong deterrent to an enjoyable experience at outdoor shopping destinations, as well as seasonal "al fresco" dining. Furthermore, the ability for pedestrians to easily cross the street and access the variety of shopping destinations throughout a main street district is a prerequisite to success. Creating a "complete street" also will improve access and mobility for all age groups, as well as those with disabilities, which are lacking in the South Shore area.

**5. Should the Project be implemented, EPS estimates that Stateline-area shopping centers could see their total annual retail sales increase by approximately \$16 million to \$25 million.**

Increased retail sales will stem from increased levels of tourist visitation, higher levels of visitor spending, and a higher capture of spending from local residents. Along with this increase in retail sales, increased municipal revenues in the form of sales tax and property tax will be captured throughout the South Shore economy. This is an important element to consider, given that sales tax and transient-occupancy tax are the primary funding sources for local municipal services such as street maintenance and police and fire protection.

**6. The Project can help to achieve a considerable upgrade in the appeal of the South Shore as a destination for both visitors and local community and could serve to facilitate the market support and capital investment that are required to implement several planned initiatives.**

While many of these initiatives are speculative at this point, the potential exists for more than a billion dollars in private construction activity; numerous short-term and long-term employment opportunities; as well as a host of other recreational, environmental, and community benefits.

**7. Although the overall economic impact of the Project is likely to be significantly positive, it does present some short-term risk to existing businesses as the area undergoes a transition period. However, it is not anticipated that any potential negative short-term impacts to retail sales will affect the overall long-term economic conditions on the South Shore. It is also anticipated that short-term impacts would constitute less than 2 percent of total retail activity in the City, which would likely be recovered within a very short time period.**

These short-term impacts which largely result from construction are more likely to affect certain highway-fronting, automobile-oriented businesses such as gas stations, convenience stores, fast food restaurants (that rely on drive-by traffic), etc. Nonetheless, although fewer cars would travel along the "old" US 50 corridor because of the proposed realignment of the highway, a much higher capture rate is likely to be observed as traffic is slowed and passengers are more easily able to view their surroundings from their vehicles. Furthermore, it is wholly possible that the increased visitation from pedestrian and bicycle traffic could mitigate these negative impacts to a substantial degree, or even exceed current levels of activity within a short period of time.

**8. The degree that the Project's opportunities and risks manifest themselves will depend greatly on many factors that are external to the roadway realignment itself.**

The success of the Project will rely on the ability to create an appealing streetscape that will enhance the region's competitive position and attract visitors. This is a multi-faceted and complex endeavor that will require comprehensive parking strategies, transit service enhancements, signage/marketing programs, events programming and management efforts, and will chiefly depend on various regional stakeholders coming together to accomplish a common goal that meets the needs of the entire community.

**9. While economic conditions on the South Shore have been declining for some time, the opportunities conferred by the Project stand to stem these declines and will serve to benefit the region greatly over the long term.**

The South Shore's tourism-based economy has suffered substantial declines in many key categories, including visitation levels, retail sales, hotel occupancy and room rates, gaming revenues, and others. These indicators reflect a structural weakness in the South Shore's

tourism economy, which is not likely to be corrected unless substantial steps are undertaken to improve the tourism product. The implementation of the Project would be a considerable step in this direction, and the many initiatives that it supports will enhance the region's position as a tourism destination. While it is possible that some short-term negative impacts may be sustained as the Stateline area and South Shore economy evolve, during initial periods, the prospects for long-term benefits substantially outweigh potential short-term negative impacts by far.

***10. The Stateline area possesses many advantages that diminish the potential for any negative impacts that might be caused by a highway realignment and greatly improve the Project's chances for success in revitalizing the Stateline area and the South Shore in general.***

EPS has found that businesses in the Stateline area are characterized by a high degree of repeat customers, making it a well-known district that is not susceptible to a change in traffic patterns. Furthermore, the tourist-oriented nature of a large proportion of businesses in this district will likely respond favorably to the pedestrian-friendly and walkable environment the Project intends to achieve.