

012b

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July 17, 2015

Richard Drury
Lozeau/Drury LLP
410 12th Street, Suite 250
Oakland, CA 94607

Dear Mr. Drury,

Subject: Review of the DEIR for Proposed Village at Squaw Valley – Growth Inducing Impacts

At your request I have reviewed all of the relevant information on the proposed Village of Squaw Valley project, including the pertinent sections of the Draft Specific Plan, Draft EIR, relevant appendices including, but not limited to, Appendices, C, D and K, and Reference Materials including the Economic Impact and Urban Decay Analysis prepared for the proposed project. My conclusion is that the DEIR provides an incomplete and flawed analysis of the impacts related to population growth induced by the proposed project and as a result fails to adequately analyze related impacts to housing and a wide range of public services and facilities including but not limited to affordable workforce housing, emergency services, water and schools. The scale of this project and its location require a thorough analysis of the growth inducing impacts generated by the proposed project in a recirculated environmental document.

012b-1

I. The DEIR Provides an Incomplete and Flawed Analysis of the Impacts Related to Population Growth Induced by the Proposed Project

The DEIR describes the proposed project as “a world-class, recreation-based, all-season, mountain-resort community.” Emphasis added. DEIR at page 2. Its goals include providing “a mix of housing types for all segments of the population to contribute to a dynamic year-round community” and to “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” to “ensure that Squaw Valley is developed into a top quality, year-round, destination resort.” Emphasis added. DEIR at page 6. The proposed project is also described by the DEIR at “relatively large and is intended to generate substantial economic activity.” DEIR 18-60.

012b-2

The Official site of the proponents of the Village at Squaw Valley touts the projects benefits as follows:

- More than 500 New Full Time Jobs during operations

- Over \$20 million in new annual tax revenues¹

In addition, the Economic Impact and Urban Decay analysis prepared by Goodwin Consulting Group (GCG) for the proposed project estimates an additional \$116 million in net supportable sales as a result of the project.

While touting the proposed project’s significant economic benefits and job creation, the DEIR shrugs off all but the potentially significant impacts associated with the increased demand for employee/workforce housing. In so doing, the DEIR fails to adequately disclose and analyze the full growth inducing impacts of the proposed project including impacts related to both housing demand by the full “year-round” workforce as well as commercial and job (and related housing demand) growth induced by the project. The document’s flaws stem primarily from the lack of any recognition of the substantial indirect growth that would be stimulated by the project including additional support commercial space and associated new employee housing demand as well as associated need for additional public services and facilities. In addition, growth inducing impacts are underestimated as a result of assuming the new workforce will mainly be transient and not require full time housing and as a result the range of services required by households residing in an area full time (e.g., schools). While growth inducing impacts per se may not be considered “adverse,” the “ripple effect” impacts such as increased affordable workforce housing demand, traffic, demand for public services such as schools, all are considered adverse if not addressed.

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cont.

I. Inconsistent Description of the Project

It should be noted here that the inconsistency in the project description concerning whether the proposed project is “year-round” and “all season” as described in the Project Description (see e.g., DEIR at pages 2 and 6) as opposed to “seasonal” and generating only a “transient” population as described in numerous impact analyses sections (see e.g., Section 5, Population, Employment, and Housing), renders the analyses of housing and growth inducing impacts inadequate from the start. A revised and recirculated environmental document must include a stable project description with respect to this aspect of the project as it is a critical assumption for analysis of most project related impacts, including but not limited to housing, growth inducement, traffic, public services and facilities, among others.

O12b-3

If the project only generates a temporary, seasonal or transient population, the outcome of the growth inducing and housing analyses are much different than if the population is year round. The latter appears to be the correct answer given the official Project Description sections characterization of the project as year round and all season. If the project is indeed year-round, why wouldn’t there be more year round employees? If a greater number of employees are in fact year round, then the demand for more permanent and family style housing. Starting with a stable project description, revised analyses should be prepared.

O12b-4

Finally, Section 5 includes a description of the methodology for assumptions concerning the combined visitor and employee population stating in pertinent part “there is no single methodology for an accurate calculation” of visitor and employee population. The section continues on to explain that the

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¹ <http://www.thevillageatsquaw.com/project/benefits/>

Water Supply Analysis, Appendix C, was used to derive these assumptions. Reliance on the Water Supply Analysis, that in turn relies on the assumption that population will be transient and/or seasonal, and no analysis of additional induced population growth, results in an underestimation of project related impacts associated with housing, project population and induced growth and therefore demand for affordable workforce housing and a myriad of other services. The WSA should also be revised once there is a stable project description and assumptions used in other impact analyses adjusted accordingly.

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cont.

II. The DEIR Asserts without Complete Analysis or Evidence that Growth Inducing Impacts Are Insignificant

The DEIR concludes that the project would not indirectly induce growth:

The project would not indirectly induce growth, as it would be developed in locations where there is already access to urban services. DEIR at page 5-12

Impact 5.2 reads:

Induce substantial population growth and housing demand during operation. Development of the proposed project would result in construction of hotels, condo hotels, fractional ownership units, and timeshare units. The project would also include employment opportunities that would require a population increase to meet business demands. However, the types of employment available within the Specific Plan would be primarily seasonal and would not be expected to result in substantial long-term population growth. Thus, the project would have a less-than-significant impact related to population growth and housing demand during operation.

012b-6

The DEIR finds this impact less than significant and therefore concludes that no mitigation is necessary.

The DEIR acknowledges “the population increase caused by, or attracted to, a new project may result in additional demands for housing, goods and services,” but fails to analyze this further and simply dismisses the potential impacts. DEIR at page 5-12. Specifically, no analysis is provided to support the conclusion that induced growth would be insignificant. It appears based on the discussion in the DEIR that this conclusion is based in part in reliance on the assertion that “the project is designed such that the economic activity generated by visitors would be largely contained within the commercial components of the project.” Id.² While the employee housing area, East Parcel, would include 20,000 square feet of non-residential square feet, only 5,000 of that is for a small grocery store with the remainder for a shipping/receiving (DEIR Appendix D at page 3). Our analysis below indicates this support commercial falls short of the likely demand and that the project site(s) are neither planned nor capable of fully containing demand for additional services. It is frankly illogical that the recreational, service and operational and other needs of this proposed project would be fully contained on site, or

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² The DEIR includes this statement as well: “Because the economic activity generated by the development is intended to be contained within the commercial components of the project; this would limit the potential for induced growth from economic activity, as defined by CEQA.” DEIR at page 18-60. This assertion is belied by the sheer amount of increased economic stimulation the project will generate based on our analysis of the project.

that visitors and employees would seek to meet all of their needs on site. Thus, growth inevitably will be induced and the DEIR must include an analysis of that growth and all of its associated "ripple" effects.

O12b-7
cont.

The DEIR further dismisses the need to evaluate induced growth by suggesting that analysis will occur in the future as actual projects (induced growth related) are proposed; thereby deferring analysis in this DEIR. Specifically, Section 18.4 of the DEIR, the discussion of growth inducing impacts of the proposed project, again acknowledges the potential for impacts if "substantial new permanent or short-term employment opportunities are created," but then concludes that any projects associated with accommodating that new growth would be the subject of separate discretionary processes and environmental review:

O12b-8

"The decision of whether impacts do occur, their extent, and the ability to mitigate them is appropriately left to consideration by the agency responsible for approving such projects at such times as complete applications are submitted." DEIR at page 18-59.

Through a series of flawed assumptions and excuses, this DEIR abdicates the responsibility to fully disclose and analyze both affordable workforce housing related impacts and induced growth. As a result the DEIR fails to fully analyze and mitigate the environmental consequences of the project.

O12b-9

III. Analysis of Growth Inducement Required by CEQA

The California Environmental Quality Act requires that a public agency accurately estimate population growth and then analyze the consequences of that growth. In *Napa Citizens for Honest Government*, 91 Cal.App.4th 342, the Court of Appeal set out the general framework for considering population-related impacts. An EIR:

Should, at a minimum, identify the number and type of housing units that persons working within the [p]roject area can be anticipated to require, and identify the probably location of those units. The [EIR] also should consider whether the identified communities have sufficient housing units and sufficient services to accommodate the anticipated increase in population. If it is concluded that the communities lack sufficient units and/or services, the [EIR] should identify that fact and explain that action will need to be taken. . . .

O12b-10

Id. At 370. One the EIR determines the action needed to provide sufficient housing and/or services, CEQA then requires it to examine the environmental consequences of such action. For example, in *Vineyard Area Citizens for Responsible Growth v. City of Rancho Cordova* (2007) 40 Cal.4th 412, 438-47, the California Supreme Court held that where a new development would need an increased water supply, CEQA requires the agency to analyze the environmental impacts of providing that water supply.

A complete analysis of population growth requires two steps:

1. An accurate estimate of the population growth the project would both directly and indirectly cause, including, but not limited to, an estimate of the number of employees that the project would require and whether those employees would be new to the region; and

- 2. The environmental impacts associated with serving that estimated new population including but not limited to housing and public services and facilities (e.g., water, emergency, schools, etc.).

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cont.

The EIR must also consider the growth a project will indirectly induce, such as through stimulation of the local economy, or by providing new infrastructure that supports new construction.

The DEIR includes a section on growth inducement; Section 5 Population, Employment, and Housing. The document acknowledges that projects can induce growth both directly and indirectly. DEIR at page 5-9. Assumptions include that the project would generate a transient population and the WSA assumptions were used to estimate population. NEED TO STILL LOOK AT OTHER CEQA SECTIONS

012b-11

The DEIR fails with respect to both steps of this analytic process. It significantly underestimates the new population the proposed project would bring to the area, and it fails to thoroughly analyze the environmental impacts of that new population. Specifically, as described in detail below, the DEIR underestimates the population growth associated with the proposed project.

IV. The EIR Fails to Consider and Analyze Full Job Generation by the Proposed Project

The first step in assessing the proposed project’s population growth is to calculate the number of new jobs the proposed project would create both directly attributable to the project and indirectly or induced by the project. The DEIR attempts to estimate employees, but includes only jobs and therefore employment population, created directly by the project on site and assuming the project is seasonal rather fully occupied year round.

012b-12

According to the DEIR “the project is expected to generate an additional 574 new full-time equivalent (FTE) employees annually. Based on the County’s requirements, the project would be required to ensure that housing is provided for 50 percent of its FTE employees, which, according to the DEIR’s analysis, could be up to 287 employees at plan area buildout. ³ “ DEIR at 3-11; see also WSA, Appendix C. As discussed above, the DEIR assumes that the project would generate only “transient population rather than accommodate new full-time residents in the Valley because of the manner in which housing would be provided (fractional ownership, seasonal employee housing, and daily basis).” DEIR at page 5-10.

The DEIR’s Economic Impact and Urban Decay Study and DEIR acknowledge that the proposed project would significantly expand the area’s economic base and specifically would add new net supportable sales totaling an estimated \$116 million. That significant expansion would inevitably lead to more economic activity than is “contained” or accommodated by the proposed project on-site. Project employees and visitors would have more money to spend, the project itself would require secondary support services and those activities would stimulate additional development in the area. All of this secondary activity and growth would in turn cause environmental effects. These induced growth

012b-13

³ DEIR at 3-11 to 12: With the removal of these [99 staff] existing employee housing facilities, the project would need to provide housing for as many as 386 employees at plan area buildout.

impacts are overlooked entirely. The DEIR only attempts to estimate the employees directly associated with the proposed project thereby underestimating total employment and job growth that would be created by the project.

O12b-13
cont.

Moreover, based on the same underlying and flawed assumptions and omissions, the DEIR underestimates the demand for affordable workforce/employee housing generated both directly by the proposed project as well as project related induced growth. Compounding the underestimation is that the DEIR relies on County requirements to house employees (50% of full time employee equivalent, FTE), which is not necessarily sufficient to reduce housing related impacts to less than significant. If in fact this “year-round” project generates year round demand for employees and family style permanent rather than dorm style transient employee housing, the impact remains significant and unmitigated. Additional “induced employment growth” could vastly outstrip both the employee housing proposed by the project as well as create demand for other services beyond those provided for in the project (East Parcel) area. It bears repeating that if the visitor and employee plus induced growth assumptions are low, the analysis of traffic, public services, air quality, among other impacts associated with the project and its secondary impacts are also underestimated.

O12b-14

V. The Proposed Project Would Likely Generate Significant Induced Growth in the Area Not Disclosed or Analyzed in the DEIR

The DEIR fails to analyze and disclose likely significant impacts associated with inducing growth in the region. This is surprising because all of the information necessary to complete an adequate analysis of economic and therefore commercial space and new additional job growth stimulated by the proposed project can be found in the GCG Economic Impact and Urban Decay Analysis. The GCG Economic Impact and Urban Decay Study focuses almost entirely on why the project will not result in urban decay impacts and completely overlooks the question of how much secondary or indirect growth the proposed project will induce by significantly adding to the economy.

According to the project sponsor’s consultants (GCG) information contained in the County’s project documents, the visitors generated by the project will bring with them approximately \$116 million in net supportable sales (grocery, hospitality, and retail), thereby indicating that the proposed project will have a significant “multiplier effect” on the area economy. In short, the new population drawn to the area by the proposed project will bring additional spending power for goods and services. While some of that spending power will flow into existing establishments, much of it will create new demand or “induced growth” in commercial establishments. Our preliminary analysis using IMPLAN⁴ and project information from the GCG Economic Impact and Urban Decay Study and DEIR, shows that meeting all this additional demand generated by the proposed project for goods and services would require an additional 1050 – 1300 workers; most of them in generally low paid service jobs. Based on the

O12b-15

⁴ IMPLAN, an econometric input output model and the industry standard for nexus studies and local economic analyses, was used for assessing potential additional employment based on the project description and information provided in the Economic Impact and Urban Decay study by CGC and DEIR. See results of three scenarios attached hereto as attachment 1. Differences in scenario stem from the range of possible food service elements of the proposed project.

proposed project’s own sales per square foot, we estimate that meeting the excess demand will require about 360,000 square feet of additional new structures, not including housing or space to accommodate additional public services. The DEIR asserts “that the economic activity generated by visitors would be largely contained within the commercial components of the project,” but this seems unlikely given that the project is intended to attract a diverse clientele from around the region who are likely to choose to spend their dollars throughout the area in existing as well as “new” establishments to meet that demand. DEIR at 5-12. A revised and recirculated environmental document must address the full breath of growth inducing impacts. This omission renders the DEIR inadequate.

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cont.

Compounding this flaw is the assumption that the proposed project will not generate full time year round employees in need of year round permanent affordable housing. Again, the County’s requirement that only 50% of Full Time Equivalent employees be provided housing does not mean the impacts of housing demand created by the project and induced growth have been fully mitigated. In this case total employee housing demand, including induced growth, significantly exceeds the project proposal for 246 beds in 21 units on the East Parcel as well as the additional housing that may be provided for off-site or through in-lieu fees (See DEIR Appendix D).

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VI. Related Environmental Impacts Ignored

The flaws in the DEIR’s projections of employment and population growth have a ripple effect that undermines the DEIR’s analysis of housing-related and public service and facility-related impacts associated with population growth. Accordingly, there is no substantial evidence so support the DEIR’s conclusions that the proposed project would not have a significant growth inducing impacts and that employee/workforce housing impacts are mitigated to less than significant. In addition, the underestimation of total population and employment by the DEIR, means that the analysis of other environmental impacts including but not limited to transportation, public services and facilities, air quality impacts, among others are flawed as well.

012b-17

Conclusion

For the foregoing reasons, a thorough and adequate growth inducing analysis in a recirculated CEQA document must still be prepared. That revised analysis must resolve fundamental inconsistencies in the description of the project (e.g., year round or seasonal?) as well as provide a complete and adequate analysis of population, housing and employment and the growth inducing impacts of the project.

012b-18

Terry Watt, AICP

Owner Terrell Watt Planning Consultants

ATTACHMENTS:

Attachment 1: UPLAN Illustrative Scenarios

Attachment 2: Watt Resume

ATTACHMENT 1

Economic Impact Analysis of Induced Growth

V@SV Supportable Demand 1						
Sector	Description	Event Value	Jobs	Event Year	Employee Compensation	Proprietor Income
400	Retail - Food and beverage stores	\$54,439,640	193	2015	\$6,947,669	\$600,640
	Retail - Clothing and clothing accessories stores	\$26,368,145	148	2015	\$3,000,818	\$417,305
502	Limited-service restaurants	\$35,626,051	617	2015	\$12,526,059	\$992,734
Impact Type		Jobs	Labor Income	Value Added	Output	
Direct Effect		958	\$24,485,226	\$40,582,824	\$62,891,321	
Indirect Effect		103	\$4,969,942	\$10,492,299	\$16,544,000	
Induced Effect		142	\$6,723,314	\$12,240,767	\$19,791,216	
Impact Type	Impact Type	Impact Type	Impact Type	Impact Type	Impact Type	Impact Type

V@SV Supportable Demand 2						
Sector	Description	Event Value	Jobs	Event Year	Employee Compensation	Proprietor Income
400	Retail - Food and beverage stores	\$54,439,640	193	2015	\$6,947,669	\$600,640
	Retail - Clothing and clothing accessories stores	\$26,368,145	148	2015	\$3,000,818	\$417,305
501	Full-service restaurants	\$35,626,051	680	2015	\$16,516,231	\$391
Impact Type		Jobs	Labor Income	Value Added	Output	
Direct Effect		1,020	\$27,483,055	\$37,335,863	\$62,891,321	
Indirect Effect		116	\$5,872,853	\$11,820,422	\$18,732,778	
Induced Effect		161	\$7,620,163	\$13,875,321	\$22,431,896	
Total Effect		1,297	\$40,976,071	\$63,031,606	\$104,055,995	

V@SV Supportable Demand 3						
Sector	Description	Event Value	Jobs	Event Year	Employee Compensation	Proprietor Income
400	Retail - Food and beverage stores	\$54,439,640	193	2015	\$6,947,669	\$600,640
	Retail - Clothing and clothing accessories stores	\$26,368,145	148	2015	\$3,000,818	\$417,305
503	All other food and drinking places	\$35,626,051	452	2015	\$11,216,649	\$2,795
Impact Type		Jobs	Labor Income	Value Added	Output	
Direct Effect		792	\$22,185,878	\$34,046,696	\$62,891,321	
Indirect Effect		127	\$6,295,341	\$12,502,106	\$19,632,804	
Induced Effect		138	\$6,504,619	\$11,843,554	\$19,147,813	
Total Effect		1,057	\$34,985,837	\$58,392,357	\$101,671,938	

	Current Demand		
	(Leakage)	VSV	All
Supportable Sales			
Grocery / Market	(\$1,294,167)	\$56,589,640	\$160,361,551
Limited Retail Group /1	\$842,576	\$32,041,145	\$119,666,372
Restaurant & Drinking Places	(\$1,426,065)	\$45,321,175	\$225,259,188
Net Supportable Sales with Future Development			
Grocery / Market	(\$1,294,167)	54,439,640	130,476,551
Limited Retail Group /1	\$842,576	26,368,145	83,962,122
Restaurant & Drinking Places	(\$1,426,065)	<u>35,626,051</u>	<u>179,166,988</u>
		<u>116,433,836</u>	<u>393,605,661</u>
Commercial Square Footage Estimate	Sales \$/SF	Projected Space Demand	
Grocery / Market	430	126,604	
Limited Retail Group /1	250	105,473	
Restaurant & Drinking Places	328	<u>108,616</u>	
		<u>340,692</u>	

ATTACHMENT 2

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Terrell "Terry" Watt, AICP, owns Terrell Watt Planning Consultants. Ms. Watt's firm specializes in planning, regulatory compliance and implementation projects with a focus on regionally-significant land use, conservation and transportation projects that promote sustainable development patterns and practices. Prior to forming her own consulting group, she was the staff planning expert with the environmental and land use law firm Shute, Mihaly & Weinberger. She is an expert in all levels of planning (federal, state and local) and related issues of housing, transportation, open space and conservation, economic and fiscal analysis and environmental compliance, including NEPA and CEQA compliance. Her skills also include facilitation and negotiation, public outreach, project management and negotiation. Terry is a frequent presenter at regional, national and statewide workshops and symposiums on general plans and sustainability best practices and case studies. She holds a Masters Degree in City and Regional Planning from the University of Southern California and a Bachelor's Degree in Urban Studies from Stanford University.

Terry works with a wide variety of clients throughout California including non-profit organizations, government agencies and foundations. She volunteers up to half her professional time on select projects. Recent projects and roles include:

- Management team member/liaison to Governor's Office for the Desert Renewable Energy Conservation Plan (DRECP: <http://www.drecp.org/>). (2011-). Primary responsibilities include government and stakeholder outreach related to Plan development as well as review and editing of the Draft Plan. The DRECP includes an energy plan, Natural Communities Conservation Plan (NCCP), General Conservation Plan (GCP), Bureau of Land Management Land Use Plan Amendment (LUPA) and related EIR/S. A key component of the plan is the Data Basin Gateway DRECP platform to allow comment, collaboration and improvement of the Plan before it is finalized. This is the first time a joint federal and state planning process has used a platform to improve the public process. See <http://drecp.databasin.org>
- Planning Consultant to California Attorney General's Office - Environment Section focusing on climate change, CEQA and general plans. (2007- 2010). While working with the Environment Section, assisted with settlements (Stockton General Plan, Pleasanton Housing Element and CEQA litigation); identified locally based best practices for local government planning to address climate change issues; and managed government outreach and consultation on general plans and climate action plans/energy elements/sustainability planning efforts. Post 2010 continue to provide periodic consulting services to the Environment Section related to select cases.
- Measure M-2 Sales Tax and Environmental Mitigation Measure. (2009-). Co-project manager/facilitator of a 30+-member environmental coalition that through a unique partnership with the Orange County Transportation Authority (OCTA) and state and federal wildlife agencies garnered significant funding for programmatic environmental mitigation (conservation land acquisition and stewardship) in Measure M2, Orange County Transportation Sales Tax. In November 2010, the OCTA Board allocated \$42 million in early funding for the purchase of open space from willing sellers to mitigate freeway projects. Provide ongoing input to OCTA on the program including a soon to be released DEIR/S for the Orange County Transportation Authority M2 NCCP/HCP by spring 2014. <http://www.octa.net/Measure-M/Environmental/Freeway-Mitigation/Overview/>
- State Office of Planning and Research (2011 – ongoing). Volunteer advisor/outreach coordinator of the Governor's Office of Planning and Research "listening tour" on potential reforms to realign CEQA with the state's policy priorities of infill and renewable energy. Currently advising OPR on Infill and Renewable Energy Templates as part of the required update of the General Plan Guidelines and CEQA Guidelines updates.
- Marin Countywide General Plan and Environmental Impact Report (2004 to 2007). Project Manager for the award winning Marin Countywide Plan Update and its Environmental Impact Report. The General Plan was among the first to incorporate leading edge sustainability policies and implementation measures, including climate adaptation and energy self sufficiency.

PROFESSIONAL MEMBERSHIPS AND BOARDS

- Lambda Alpha International - Golden Gate Chapter
- American Institute of Certified Planners (AICP)
- American Planning Association (APA)
- Tahoe Fund Founding Board Member
- Founder Council of Infill Builders and Federation
- Member of Agricultural Stewardship Council

AWARDS

- State and National APA Awards for Marin County General Plan
- APA Awards for South Livermore Valley Plans
- Carla Bard Award for Individual Achievement
- Environment Now Award for Measure M Support
- CA State Association of Counties Distinguished Service Award

012b Tahoe Residents United for Sustainable Squaw Tourism, Attachment 2
Terry Watt, AICP, Terrell Watt Planning Consultants
July 17, 2015

012b-1 The comment provides a summary of detailed comments provided below. No detail regarding the perceived inadequacy of the DEIR is provided in this specific comment, but such detail is provided in subsequent comments, which are addressed below.

012b-2 The comment states that the DEIR does not discuss the full growth-inducing impacts of the proposed project, including impacts related to both housing demand by the full “year-round” workforce as well as commercial and job growth induced by the project. The comment cites to the applicant’s website estimating more than 500 new full-time jobs during operations, consistent with the project and DEIR’s estimated 574 full time-equivalent (FTE) employees. While the comment suggests that the DEIR understates the indirect effects of the project, it neither provides substantial evidence in support of this statement, nor addresses the many discussions in the DEIR that address the direct and indirect effects of the project, including the potential for growth-inducing effects.

Consistent with CEQA, and as explained below, the DEIR discusses the ways in which the proposed project could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. (Public Resources Code Section 21100, subd. (b)(5); CEQA Guidelines Section 15126, subd. (d), 15126.2, subd. (d); *Napa Citizens for Honest Government v. Napa County Board of Supervisors* (2001) 91 Cal. App. 4th 342, 367-371 [upholding growth-inducing impacts analysis of EIR, reasoning nothing in the CEQA Guidelines, or in the cases, requires more than a general analysis of projected growth, and the detail required in any particular case depends on the nature of the project, the directness or indirectness of the contemplated impact and the ability to forecast the actual effects the project will have on the physical environment, among other factors].)

The DEIR also discusses those project characteristics that may encourage and facilitate activities that, either individually or cumulatively, will affect the environment, including the potential for an increase in population which may impose new burdens on existing community service facilities. Growth-inducing impacts are discussed in Chapter 5, “Population, Employment, and Housing” and Section 18.4, “Growth-Inducing Impacts of the Proposed Project,” in the DEIR. The discussions therein address direct and indirect population growth, removal of obstacles to growth, and housing demand.

It bears noting that, while the project is intended to enhance year-round resort activities, and to provide for summer as well as winter recreation to attract visitors, the project would operate with variable occupancy, and therefore, variable employment and visitor demands throughout the year. See the Master Response regarding occupancy assumptions. While the project is expected to result in employment growth, employment needs would fluctuate and continue to be seasonal (see page 18-60 of the DEIR) following highly variable occupancy (peaks in winter and summer, substantial dips in fall and spring). Given the size and nature of the mix of units proposed, few (if any) people would live year-round within the Specific Plan area, as might be the case if the project included predominately single-family residential homes. Even still, many existing single-family homes in the Valley sit empty most of the year due to the transient, second-home nature of the resort mountain environment. These trends and the type of employment demands that are created are reflected throughout the DEIR.

Regarding schools, as stated on page 14-46 of the DEIR, “...resort employees that typically relocate to ski/outdoor recreation tend to be younger adults rather than families with children. While some families with children could relocate to the region for employment

opportunities, it is unlikely that the project would substantially increase the demand on local schools because many employees do not stay in the area year-round. This, in combination with declining enrollment trends in the region, suggest that the project would not adversely affect any schools ..." This is reflected in the type of employee housing units proposed for the Olympic Valley, which are designed for seasonal staff without children. (It should be noted also that the Tahoe Truckee Unified School District, the district serving the project area, was notified of the availability of the DEIR for review, and did not submit comments to the County.)

Regarding the comment that the project would indirectly result in demand for additional support commercial space, may result in indirect growth in employees, and other ripple effects, this comment is directly addressed in many of the responses below, including O12b-7, O12b-8, O12b-10, O12b-14, and O12b-16. Although the comments address many indirect growth issues, a common theme is that the project will provide substantial year-round and full-time resident economic activity, and this activity may result in secondary demand for a substantial number of new employees, homes for those employees, and other development that may result in significant environmental impacts.

As explained below, the project is designed to capture the maximum level of economic activity it can throughout the year, in a self-contained manner, and while increasing visitors during the historically very slow fall and spring seasons. To that end, the project would provide residential, hotel, commercial space (including a grocery market paired with new employee housing), recreation, etc. It is also designed to pair with the existing Intrawest Village, whose current commercial space is underutilized (see page 4-30 of the DEIR). As described further, on page 4-30 of the DEIR, there is currently an oversupply of retail uses in the market region, suggesting that, at least in the near term, there is an ability to absorb additional economic activity without the need to develop more of these uses. In the longer term, as also acknowledged on page 4-30, the project plus cumulative development is expected to result in additional demand (beyond the current supply) for retail uses, so new indirect retail development could result.

The growth-inducing analysis acknowledges that the project may result in growth inducement, both by removal of an obstacle to growth in the Olympic Valley (sewer line capacity) and by construction worker and tourist-related demands for new restaurants and other commercial activity. See pages 18-58 through 18-61 of the DEIR. It is also acknowledged that new restaurants and commercial spaces could stimulate demand for new employees. The DEIR acknowledges that this could lead to construction of new facilities, or the re-use or more efficient use of existing facilities.

The impacts of growth related to non-project development in the Olympic Valley are addressed in Section 18.1, "Cumulative Impacts." The growth-inducing analysis also acknowledges that the location of where growth may occur, and the related impacts, are subject to the discretionary processes of the lead agencies considering these projects. Further, growth-inducing effects do not occur as a result of the project; rather, the project may stimulate potential growth, but whether this results in any environmental impacts is up to the discretion of the lead agencies that may or may not approve future projects.

In considering that, it is important to recognize that the DEIR forecasts growth in the Olympic Valley beyond those projects that are currently proposed, including as part of the cumulative impacts analysis. In addition to projects that are approved but not built and/or have submitted applications, the DEIR cumulative analysis considers other development that may occur based on parcel availability and past development trends, and examines this growth over a 25-year period into the future (up to 2039). An addition of 569 dwelling units with 1,008 bedrooms and 80,500 square feet of commercial space is projected for the Olympic Valley. As to other locations where development may occur to support indirect growth, it is logical to also examine those communities most proximate to the project and outside of Olympic Valley, including the Town of Truckee and the Lake Tahoe Basin. To that end, the

DEIR's cumulative impact analysis evaluates construction of over 1,000 dwelling units in Truckee as well as over 100,000 square feet of commercial space, nearly 500 dwelling units in Northstar, and additional substantial development in Tahoe City, Homewood, Alpine Meadows, and Martis Camp. It would be speculative to determine the degree to which indirect growth from the project would contribute to growth inducement in these areas. If, however, the project results in secondary indirect growth, it is likely that it would be fulfilled in some of these related projects which would, if approved, provide substantially more housing and commercial space than could reasonably be attributed to the project. The cumulative analysis evaluates the full slate of potential impacts of this growth, including land use and forest resources, housing, biological resources, cultural resources, air quality, climate change, transportation, etc. See the analysis on pages 18-1 through 18-57 of the DEIR.

In response to this comment and to clarify the growth-inducing analysis, the first, second, and third full paragraphs on page 18-61 of the DEIR are revised as follows:

The construction workers and project-related employees, as well as economic activities associated with the project operations, could result in indirect growth in the region. Demands for tourist-related goods and services (e.g., restaurants, grocery for employees, and other tourist-related activities) could result in demand for new restaurants and other commercial activities. Whether or not this would lead to construction of new facilities or reuse/expansion/more efficient use of existing facilities is speculative. However, if new construction were to occur in the region, it could result in potential environmental impacts depending on where the new construction would occur. Although it would be speculative to forecast the specific locations where development potentially related to indirect growth may occur, it is reasonable to assume that such development may be in proximity to the project. Several projects are proposed in nearby Truckee, Northstar, Alpine Meadows, Tahoe City, and the west shore of Lake Tahoe. While these projects may or may not absorb demands indirectly generated by the project, the environmental impacts associated with these projects are typical of what could occur with development that could be caused by induced growth in the region. The cumulative analysis in Section 18.1, "Cumulative Impacts," fully addresses impacts of development in these areas. These are the types of impacts that could be caused by induced growth from the project, and in fact some of these projects may, in part, be developed to meet demand associated with project-induced growth. As previously discussed, the discretion over whether these impacts occur is the responsibility of those lead agencies that consider approval of those projects.

The project would increase demand for public services and utilities, including water supply, wastewater (collection, treatment, and disposal), storm drainage, electrical power, propane, fire protection, snow removal, and recreational facilities. In fact, some infrastructure and facilities providing these services would be modified as part of the project. Potential impacts to these public services and utilities are discussed in Chapter 14, "Public Services and Utilities," which also notes that increased demands for public services and utilities would be based on population-based demands. The project would not extend infrastructure to areas outside the project boundaries that are not already served, nor would it generally provide additional capacity, in general over and above that needed to serve the proposed project.

The exceptions are water and sewer. As a result of the project, the wellfield serving the project (and Olympic Valley in general) will need to be redesigned to more evenly distribute the locations within the Valley where extraction occurs. Without this redesign, the wellfield would likely not be adequate to serve the project, as well as other development expected to occur in the Valley over the 25-year project development horizon. Redesign of the wellfield would, therefore, remove a significant obstacle to growth. The amount of other growth that could occur in the Valley without the redesign

(if the project did not support the SVPSD's implementation of the redesign) has not been determined; however, it is anticipated that additional wells and potential reorganization of the wellfield would be required for any proposed development of substantial size. Moreover, the project would not assist the SVPSD with funding to install more wells than required to serve the proposed development, and subsequent projects would be required to fund (or construct) wells, as needed, following the proposed wellfield reorganization. It is anticipated that the upgrade of the sewer trunk line implemented to support the proposed project would be sized to also accommodate ~~full estimated~~ build out of the SVGPLUO so as to avoid the need for future upgrades to the line, or installation of new lines to provide capacity for future development (see further discussion of this issue under Impact 14-2 in Chapter 14, "Public Services and Utilities" and in the cumulative impact analysis's list of foreseeable other projects, Table 18-2). As such, the line would have capacity in excess of the demand anticipated ~~for to be required to serve~~ the proposed project and would remove sewer line capacity as an obstacle to growth in Olympic Valley. The impacts of this growth (in addition to other regional growth) are described in Section 18.1, "Cumulative Impacts."

However, Mitigation Measure 14-2a on pages 14-36 and 14-37 of the DEIR, which addresses the potential need for peak flow storage in the event the T-TSA regional interceptor does not have sufficient capacity to serve peak wastewater flows, is revised as follows such that additional capacity for peak flow would only be provided for the project:

Mitigation Measure 14-2a: Provide sufficient on-site wastewater storage.

In the event that T-TSA finds that project-generated peak wastewater flows may exceed the capacity of the TRI, wastewater detention facilities, such as enlarged pipes, vaults, or tanks, shall be incorporated into the Specific Plan to time wastewater flows to off-peak conditions when the TRI has sufficient capacity. These facilities will be located within the plan area and will be underground or otherwise incorporated into project's development footprint (e.g., incorporated into a building podium). The project applicant shall work directly with T-TSA to determine a sufficient volume of detention capacity for the project and to define the methodology for determining when wastewater detention facilities should be used, and timing for releases from these facilities. The capacity of the on-site storage shall only be sufficient to meet the peak capacity needs associated with the project. A representative's signature from T-TSA shall be provided on the Improvement Plans.

With this change to the mitigation measure, the accommodation of peak capacity by the T-TSA interceptor would be limited to serve only existing demand and demand from the project. The project would therefore not result in the potential elimination of an existing infrastructure constraint on future additional development.

012b-3

The comment states that the project description is inconsistent because it refers to transient populations, while describing the facility as year-round. While the resort is intended to be used year-round, this is not to suggest that certain activities associated with the resort would be available throughout the year. For instance, snow sports would only be available during the winter months. Likewise, a variety of summer-related activities, such as hiking and biking, are not as available during the winter months. Further, the shoulder seasons (spring and fall) do not provide the same extent of tourist-related activities as winter or summer, which seasonally results in lower employment demands and opportunities. Employment levels would follow trends in the number of tourists visiting the area, which are known to be the greatest during the summer and winter. Thus, the statement that "employment would be mostly seasonal," is correct because it is assumed that job opportunities would fluctuate with the available attractions within and near to the project throughout the year. See response to comment 012b-2 and the Master Response regarding occupancy assumptions.

- 012b-4 The comment asks why there would not be more year-round employees. See response to comments 012b-2 and 012b-3.
- 012b-5 The comment expresses concerns related to the use of the water supply assessment (WSA) to derive assumptions related to population growth, because it assumes that populations would be transient and/or seasonal. To the contrary, the WSA is based on a detailed analysis of expected occupancy of the project, which is well supported by substantial evidence. See the Master Response regarding occupancy assumptions.
- 012b-6 The comment summarizes analyses provided in the DEIR. No specific issues related to the content, analysis, or conclusions in the DEIR are raised in this comment. See responses to the detailed comments below.
- 012b-7 The comment misinterprets a discussion in the DEIR related to population growth associated with the project. While it is correct that the DEIR assumes that on-site amenities, such as the proposed convenience store, would serve the employee population by providing access to necessities and limiting the need to frequent off-site retailers (third paragraph, page 18-60 of the DEIR), it goes on to discuss other employment growth and other economic-related growth effects. For instance, in the second paragraph on page 18-61 of the DEIR, the analysis discusses the demand for tourist-related goods and services (e.g., restaurants, grocery stores, etc.), as well as a potential for indirect growth associated with construction workers, project-related employees, and project operations. The DEIR does not state that employees would remain on site throughout a term of employment, or that all of their retail and recreational needs are intended to be met only within the plan area. Also, see response to comment 012b-3.
- 012b-8 The comment states that growth is not analyzed adequately in the DEIR because the analysis states that future projects would be subject to separate discretionary processes and environmental review. Section 18.4, “Growth-Inducing Impacts of the Proposed Project,” in the DEIR provides a thorough discussion of CEQA requirements related to growth-inducing impacts, growth variables, and growth-inducing impacts of the project. The comment also states that analysis of growth is deferred.

For a discussion of the adequacy of the DEIR with respect to whether it considered growth inducement, growth variables, indirect growth, and where growth may occur, see response to comment 012b-2. The potential growth-inducing effects of the project were in no way deferred.

The emphasized statement—that impacts from growth would be the subject of separate discretionary processes and environmental review—is accurate. Placer County is responsible for considering the proposed project. If other projects are proposed, and they can be linked to growth that is induced by the project, it is accurate that associated impacts would only occur if the projects proposed as a result of growth are approved by whichever agency is the lead agency for the subject project.

The DEIR describes those potential avenues of growth inducement, primarily whether the project would extend infrastructure to areas where none exists; it would not. The project applicant would fund infrastructure for project needs, but no more. The one exception, as stated on page 18-61, is a sewer trunk that would need to be upsized for the project. The upsized line would likely be constructed to support buildout of Squaw Valley per the General Plan; as described on page 18-61 of the DEIR, the sewer line would remove an obstacle to growth and the associated impacts are addressed in Section 18.1, “Cumulative Impacts,” of the DEIR. However, as described in response to comment 012b-2, Mitigation Measure 14-2a has been modified such that if peak capacity in the regional sewer interceptor constrains growth, the project would only provide additional peak storage capacity to serve project needs, and not those of any additional cumulative development in Olympic Valley. (See *Clover Valley Foundation v. City of Rocklin* (2011) 197 Cal.App.4th 200 [upholding EIR

analysis for a residential development project involving construction of an off-site sewer pipeline because EIR noted that the pipeline would remove an obstacle to future growth (by providing infrastructure to support future development), which was found to be sufficient. Furthermore, the area's master plan already anticipated such growth, and thus the pipeline was considered growth "accommodating" as much as growth inducing[.]

As stated in CEQA Guidelines Section 15145, if a lead agency finds that an "...impact is too speculative for evaluation, the agency should note its conclusions and terminate discussion of the impact." As it relates to the indirect growth-inducement potential of the project, the DEIR follows this guidance after first identifying the number and type of housing units that persons working within the project area can be anticipated to require, and identifying the probable location of those units (see Impact 5-2 on page 5-11 of the DEIR). The DEIR also considers whether the identified communities have sufficient housing units, and sufficient services, to accommodate the anticipated increase in population to the extent feasible and without speculation (see Impacts 5-2 and 5-3 on pages 5-11 through 5-13; also, see Section 18.4, "Growth-Inducing Impacts of the Proposed Project"). Also see responses to comments O12b-2 and O12b-10.

O12b-9 The comment states that the DEIR does not disclose or analyze affordable workforce housing impacts and induced growth. These issues are discussed under Impacts 5-2 and 5-3 in the DEIR, as well as in Section 18.4.2 of the DEIR. Because no specific detail is provided in this comment, no further response can be provided. However, see response to comment O12b-8.

O12b-10 The comment describes CEQA requirements for growth-inducing impacts. These requirements are also discussed in Section 18.4, "Growth-Inducing Impacts of the Proposed Project," in the DEIR. As described above, particularly in responses to comments O12b-2, O12b-8, and O12b-9, the DEIR thoroughly addresses the growth-inducing impacts of the project, including from anticipated workforce housing demands.

The DEIR fulfills both analytical steps identified by the comment. First, the DEIR contains projections of the number of employees that would be needed to serve visitors of the proposed project. As described on page 5-13 of the DEIR, the project is estimated to add 574 FTE employees. This estimate is supported by evidence gathered to develop and support employee generation rates for each proposed land use identified in the VSVSP. The calculation uses FTE because the County's employee housing policy is based on FTEs. However, the total number of employees is anticipated to be consistent with the FTEs, because most shifts would be 8 hours. The project would provide housing for between 250 and 300 employees; this includes replacement housing for 99 employees (because existing housing for 99 employees would be removed by the project). Thus, the project would provide housing for approximately 150 to 200 net new employees. An estimated approximately 375 employees would not be accommodated by the project.

Thus, while the project will construct housing for up to 250-300 of the 574 project generated FTE employees, in accordance with General Plan Policy C-2, the project is required to provide housing equal to at least 50 percent of the project FTE employees. The remainder of the housing requirement would be accommodated by payment of in-lieu fees, which will provide rental vouchers and other financial assistance programs for housing in the existing housing stock in the region, by construction of new employee housing or rehabilitation of existing housing off-site, or through dedication of land needed for housing. However, it is unlikely that the project, other than through meeting County requirements to provide 50 percent of housing for FTE employees, would result in any other provisions for housing.

The degree to which the remaining employees would generate the need for new housing is speculative to predict. Housing prices in the region are relatively high and transient tourist-related employment does not typically provide sufficient wages or reliable year-round employment at a scale that would generate demand to construct new housing. Some affordable housing projects have been constructed or are proposed to address workforce

housing, including the recently constructed 77-unit Domus project in Kings Beach and the proposed Coldstream project in Truckee. Further, the Lake Tahoe Basin and Town of Truckee have large housing stocks potentially available for rent, as does Reno.

It is difficult, based on available data, to determine vacancy rates and the degree of rental availability in the region, due in large part to the significant second home-ownership and lack of analytical data on the subject. For instance, Truckee shows a relatively low *rental* vacancy rate but a high *overall* vacancy rate. According to the 2010 U.S. Census, Truckee had a population of 16,285 with an overall housing vacancy rate of 55.2 percent, which is very high and suggestive of rental housing (California Department of Finance 2010). However, this is due in large part to the fact that many homes are second (vacation) homes that are not occupied for much of the year. In terms of overall vacancy rates, the town had a 4.0 percent homeowner vacancy rate and 8.4 percent rental vacancy rate in 2010 (California Department of Finance 2010). The Town of Truckee's Housing Element suggests a less favorable (based on subtracting seasonal housing from the mix) 3.7 percent rental vacancy (Town of Truckee 2015). A 5 percent vacancy rate is considered relatively balanced, so this lower rate would suggest a tight rental market.

Similar compiled data for the Lake Tahoe Basin is not readily available, so the EIR consultant inferred information from a variety of available sources. The overall population of the Tahoe Basin peaked in 2000 at 62,894 and was 54,862 in 2010, with an associated large drop in student populations, further reinforcing the conclusion that schools can easily absorb substantial student growth (Tahoe Regional Planning Agency 2011). According to 2010 U.S. Census data, rental vacancy rates in the North Tahoe Basin (examples: Tahoe City, Kings Beach, Homewood zip codes) are above 12 percent (California Department of Finance 2010). On its face, this would suggest ample available rental housing. However, given the seasonal rental market and lack of additional data available to further understand this information, it is difficult to draw conclusions, but the information would suggest ample rental housing availability in the area. Further evidence of this is anecdotal, but a large percentage of homes in the Tahoe Basin post "for rent" ("ski leases", vacation, etc.) signs, based on observations of the EIR preparers.

As shown in Tables 9-13 and 9-14 of the DEIR (and the basis of traffic, noise, and air quality analyses in the DEIR), employees currently commute from Kings Beach, Truckee/Northstar, Reno/Sparks, and from throughout the Tahoe Basin. As described above, ample housing appears available in the region, but this is also inconclusive. With regard to Reno and other areas to the east, this EIR does not address potential impacts in these areas, if they were to occur, because they are speculative considering the availability of existing housing units (CEQA Guidelines Sections 15145, 15277). The Reno Department of Numbers, for example, lists Reno's 2013 rental vacancy rate at 7.65 percent, reflecting ample housing that could absorb employees if they chose to commute this distance (Department of Numbers 2013).

There is no evidence suggesting that employees of the project, except those housed at the East Parcel, would display a different dispersed pattern from that which is known to be existing based on available housing units. The data that is available does not suggest a lack of *available* housing, but certainly there is a known lack of *affordable* housing. Given this, it would be speculative to determine if the project would result in a demand for housing, including affordable housing, which would translate into construction of new housing.

However, if the project would result in indirect demand for new housing, this issue is addressed in the cumulative analysis of the DEIR, and the revised discussion of growth-inducing impacts. See response to comment O12b-2.

O12b-11

The comment provides a summary of detailed comments provided below. The comment notes where the DEIR addresses growth-inducement, and states that the analysis does not follow both sets of the analytical process. The comment also states that the projected

population is underestimated and environmental impacts of that new population are not thoroughly analyzed. See responses to the detailed comments below.

012b-12 With regard to employment, the DEIR correctly focuses on the 574 FTE employment opportunities. As explained previously, while the project would be a year-round development, it would still be seasonal with peaks in the winter (ski season) and summer weekends, and far less occupancy in the fall and spring. See the Master Response regarding occupancy assumptions, as well as response to comment O12b-2. The project would not be occupied at full capacity year round, and due to the variable employment demand, would not be expected to result in substantial secondary population growth (such as families of employees). This is further supported by the type of housing—dormitory style—that would be provided for employees who live at the East Parcel. Further, Impact 5-2 discusses population increases due to development of lodging and amenities (see the third paragraph on page 5-12 of the DEIR). See also response to comment O12b-13.

012b-13 The comment states that the DEIR only attempts to estimate the employees directly associated with the proposed project. It is correct that the DEIR numerically calculates only those permanent employees directly generated by project operation and temporary employees generated by project construction; however, the DEIR provides an analysis of growth-inducing impacts. As stated on page 18-61 of the DEIR, “[t]he construction workers and project-related employees, as well as economic activities associated with the project operations, could result in indirect growth in the region,” and “...could result in demand for new restaurants and other commercial activities.” Whether or not this would lead to construction of new facilities of reuse/expansion/more efficient use of existing facilities is speculative. However, if new construction were to occur in the region, it could result in potential environmental impacts depending on where the new construction would occur.” CEQA does not require that EIRs speculate about the precise location and site-specific characteristics of indirect effects caused by induced growth that is not reasonably foreseeable, but a good-faith effort is required to disclose what is feasible to assess. (See *Napa Citizens, supra*, 91 Cal.App.4th at pp. 369-371 [Neither CEQA itself, nor the cases that have interpreted it, require an EIR to anticipate and mitigate the effects of a particular project on growth on other areas . . . it is enough that the FSEIR warns interested persons and governing bodies of the probability that additional housing will be needed so that they can take steps to prepare for or address that probability. The EIR need not forecast the impact that the housing will have on as yet unidentified areas and propose measures to mitigate that impact. That process is best reserved until such time as a particular housing project is proposed].)

These requirements were met through the disclosure that the project may result in indirect growth in the region. See, also, response to comments O2b-2 and O12b-8.

012b-14 The comment expresses concern that the DEIR underestimates the demand for affordable workforce/employee housing; and, that the County requirement to house employees may not be sufficient to reduce housing-related impacts. See response to comment O12b-2 regarding year-round employment and growth-inducing impacts, and response to comment O12-15 regarding indirect growth. Further, as it relates to housing, page 5-8 of the DEIR evaluates the CEQA-related questions pertaining to housing, which are based on Appendix G of the CEQA Guidelines:

...the proposed project would result in a potentially significant impact related to population, employment, and housing if it would:

- ▲ induce substantial growth in an area, either directly or indirectly; or
- ▲ displace substantial numbers of people or existing housing, necessitating the construction of replacement housing elsewhere.

The question of growth is addressed in response to the various comments in this comment letter, and is not repeated here. However, the question of housing displacement, and the issue raised in the comment letter, pertains primarily to a Placer County General Plan policy, expressed on page 5-7 of the DEIR:

- ▲ **Policy C-2:** The County shall require new development in the Sierra Nevada and Lake Tahoe areas to mitigate potential impacts to employee housing by housing 50 percent of the full-time equivalent employees (FTEE) generated by the development. If the project is an expansion of an existing use, the requirement shall only apply to that portion of the project that is expanded (e.g., the physical footprint of the project or an intensification of the use).

Employee housing shall be provided for in one of the following ways:

- Construction of on-site employee housing;
- Construction of off-site employee housing;
- Dedication of land for needed units; and/or
- Payment of an in-lieu fee.

First, while the project would displace existing workforce housing for 99 employees, it would replace that housing within the East Parcel employee housing component of the project (250-300 employees accommodated). Thus, the project would not displace people or housing, because it would compensate for the lost housing resulting from the project. Further, the project would meet the 50 percent FTE employees requirement through the balance of the East Parcel housing not used to replace displaced employee housing, plus Mitigation Measure 5-3 (DEIR page 5-13), which requires fulfillment of the housing requirement per Policy C-2. The County interprets this policy as only applying to FTE employees directly attributed to a project, not any indirect employment. The County notes that indirect employment, if induced and located in the County, would similarly be accommodated in new County projects by the related project's requirement to comply with Policy C-2.

Beyond adherence to this policy issue, the demand for housing is not a CEQA issue. There would only be a significant environmental effect if there is a direct cause and effect between this social issue and a physical environmental change. No evidence has been provided that the project employees, direct or indirect, will result in the need to construct new housing beyond what is proposed on the East Parcel.

012b-15

The comment states that the County's requirements for employee housing for 50 percent of the potential employees does not mean that the impacts of housing demand created by the project and induced growth have been fully mitigated. The comment assumes that all new employees would need to be housed within units proposed as part of the project. However, nearby housing is available for future employees in the surrounding communities. As shown in Tables 9-13 and 9-14 in the DEIR, employees of the Village at Squaw Valley reside in Truckee, Reno, Squaw Valley, and the Tahoe Basin. Also, see response to comment 012b-2.

The economic analysis suggests that the project will prove to be a catalyst for economic expansion elsewhere in the region because visitors to the site may demand goods and services that the project is unable to provide; thus, the additional demand is anticipated to be met by other businesses in Tahoe City, the Town of Truckee, and elsewhere. Due to multiplier effects, the economic activity associated with the project may also result in improved economic conditions generally. These effects are considered beneficial. The comment states this unmet commercial demand may be met by new commercial development in the region, which may have environmental effects. The comment does not provide information regarding whether or where this commercial development will occur. The potential for such development, or its location, is considered speculative. Commercial vacancy rates in the region indicate that, while the regional economy is generally healthy, the

region does have the potential to absorb additional or expanded commercial activity and demand without requiring substantial development. A report prepared in 2014 by the Town of Truckee Community Development Department states (Town of Truckee Community Development Department 2015: 2, 20):

For non-residential projects, new construction continues to be slow. Overall, there was a 0.8% increase in non-residential floor area since 2013 and new businesses continue to fill up the existing vacant storefronts in Truckee.

...

In 2014, 27,551 square feet of new non-residential floor space was completed for a growth rate of 0.8%. This is an increase in growth compared to 0.2% in 2013 and 0.3% in 2012, and a decrease from 2012's growth rate of 2.6%. Square footage completed in 2014 was only commercial. The Phoenix Executive Building and Dickson Realty were finalized in 2014 for a total of 27,551 square feet. Additionally, commercial remodel projects continued steadily throughout 2014 including tenant improvements for Tahoe Mountain Sports, Bluezone Sports, 1882 Bar and Grill, Dark Horse Coffee, Truckee Tavern and Grill, and Pizza Bar.

Based on the 2025 General Plan and non-residential floor space estimates, the Community Development Department estimates there is approximately 3.6 million square feet of non-residential floor space in Truckee. Nearly half of this floor space is commercial (not including lodging).

This report indicates that the Town of Truckee is growing steadily and gradually. The report also suggests that the Town, as one of the geographically most logical provider of any additional commercial needs that may be generated by workers and visitors of the project, has sufficient commercial development space to absorb, if not welcome, the indirect economic benefits that the project may cause. Tahoe City is also seeking redevelopment and reinvestment within this urban center of Lake Tahoe, although absorption information is not readily available (Placer County 2015).

A comprehensive analysis of the regional economy is beyond the scope of this EIR and, in any event, is considered speculative (CEQA Guidelines, section 15145). Further, see response to comment O12b-2 regarding cumulative growth, including commercial growth.

The comment also references the Economic Impact and Urban Decay Study, noting that new net supportable sales are estimated to be \$116 million. The comment includes a summary of a preliminary analysis, using IMPLAN, and states that meeting additional demand generated by the proposed project for goods and services would require an additional 1,050 to 1,300 workers (indirect growth). Similar to the discussion in response to comment O12b-2, if the project were to result in this level of indirect growth, it would be absorbed in existing underutilized spaces, or new projects would be proposed to address new proposals for development. See the discussion in that response. Note that, because the project intends to capture as much demand as it can for new commercial activities within existing underutilized commercial space and new commercial space constructed in demand to these needs by the project, and some of the 575 employees would fill this internal demand, it is not foreseeable that this secondary indirect level of employment would be created. However, the analysis of cumulative development provides a reflection of the types of impacts that could occur if indirect demand or employment growth did result in new development proposals.

012b-16 Regarding full-time employees and additional housing demand, see responses to several comments above, particularly O12b-2, O12b-10, and O12b-14.

012b-17 The comment states that environmental impacts have been minimized as a result of perceived errors in population and employment projections associated with the project.