

Response to Comments:
Draft Truckee Railyard Master Plan Economic Impact Analysis

(Resulting from the Joint Council/Commission Public Workshop held on January 20, 2009)

Comment #1: Sensitivity Analysis - Assess the range of impacts from a smaller/greater, local/visitor population and/or income growth in order to help understand the effects of data variations.

Response: Results of a basic output sensitivity analysis with a range of +/- 10% was included on page 48 of the report.

Comment #2: Assess Truckee 3rd Quarter sales trends to help illustrate past trends in shoulder vs. peak season activity.

Response: Data was broken down into annual sales trends in the report, as the purpose of this report was to look at the impacts of the Railyard development on Downtown and Truckee as a whole annually and in the long term, not seasonally. A seasonal breakdown was beyond the scope of this report, and would have required significant additional data sorting and analysis.

Comment #3: Can a discussion on “maintaining competitive advantage” be added to the report? There is a concern that Truckee is losing market share of retail sales (increasing population, flat sales), and there is potential for the Railyard development to help Truckee remain competitive with other local (and regional) destinations.

Response: A section was added to the report (page 80) which explains why Truckee may be experiencing flat retail sales in recent years, and how the Railyard development has the potential to help Truckee become more of an all-season destination and maintain/gain regional market share of retail with identified uses (i.e., movie theater, hotel, specialty retail and other retail to be identified as complementary to existing downtown retail).

Comment #4: Can the proposed retail in Phases 1A and 1B be further defined/described to help visualize what the proposed 27,000 square feet of retail may entail?

Response: More discussion was added regarding particular retail needs for the downtown and Truckee as a whole (page 66), the discussion regarding retail absorption for Truckee as a whole was strengthened (page 41), and information on current lease and vacancy rates downtown was added (page 35).

Comment #5: Can more discussion regarding the effects of climate change on the local economy (i.e., tourism) be added to the report, including consideration for this in the discussions regarding the sensitivity analysis and competitive advantage?

Response: The impact of climate change on the local economy, and more specifically on the Downtown, is addressed on page 80 in the “Maintaining Competitive Advantage” section and on page 48 in the “Sensitivity Analysis” section.

Comment #6: Can the impact of the declining construction industry be noted?

Response: Although the report does not specifically address the declining construction industry because the scope of the report is to address the potential impacts of the Railyard development, a general discussion about strengthening the Downtown as a local/regional destination in the context of strengthening the local economy is included on page 80.

Comment #7: Can the past and projected local household income figures be checked for consistency/accuracy?

Response: 2008 income projections were confirmed, text in the report was edited for more clarity, and a disclaimer was added to the report explaining why these figures were utilized and their potential for inaccuracy (page 13). The added sensitivity analysis will also help address any inaccuracies in income (and retail) projections.

Comment #8: Incorporate the idea that the increase in supply of retail square footage could lead to a decrease in rents in the existing Downtown.

Response: The potential impact of the increase in retail square footage supply due to the Railyard development is addressed on page 73.

Comment #9: Revisit how planned and proposed development in the Truckee-North Tahoe region, including small communities and nearby resorts, represents regional competition for Truckee.

Response: A more comprehensive section addressing the Truckee-North Tahoe region was added on page 24.

Comment #10: Ensure that lumber and building materials are being excluded from retail.

Response: This is addressed in Appendix C on page 98.

Comment #11: Discuss the effects of the current economic downturn on future buildout of the Railyard development and other development in Truckee as a whole.

Response: A discussion on how market conditions/demand effect potential development projects is included at the bottom of page 53, and in the "Impacts of the Railyard Master Plan" section on page 66.

Comment #12: Include a discussion on the potential Truckee Railroad Museum, and potential for a performing arts center in the Downtown. Include an expanded definition of "critical mass" in this discussion.

Response: A general discussion on how particular uses could draw visitors to the Downtown for spillover benefit to existing businesses is addressed in the "Impacts of the Railyard Master Plan" section, starting on page 66, and an expanded discussion/definition of "critical mass" is included on pages 46 and 76.

Comment #13: Discuss potential advantages that Holliday Development may have as a result of the Railyard development being under single ownership and management (thus potentially maintaining control of rents and tenant mix).

Response: The report discloses Holliday's intentions regarding ownership of the project for various phases in the third paragraph on page 74.

Comment #14: Mention the status of the existing Post Office in the Downtown (potential for moving out of Downtown?).

Response: Discussion regarding the status of the Post Office (that there are no current plans to relocate it) is included in the last paragraph of page 75.

Comment #15: Take Rite Aid out of the Western Truckee subarea retail sales data to see how this impacts the subarea analysis.

Response: Both Rite Aid and Longs Drugs retail sales data, as well as Safeway and Save Mart data, were removed to illustrate the effect on retail sales data, as discussed at the top of page 37.

Comment #16: Better define live-work and work-live units and the distinction between the two product types, as well as the ramifications of each product type on ground-level pedestrian activity.

Response: A detailed discussion on these housing products is presented, as well as a discussion regarding their potential placement in relation to retail-oriented areas in the Railyard development, on page 71.

Comment #17: Include lease types when referencing rents.

Response: This has been addressed wherever rents are discussed in report (i.e., footnote on page 35).

Comment #18: It was pointed out that loss of spending to Reno is mentioned frequently in the report, but that exact leakage numbers were not included in the leakage analysis, and that the report should be more explicit about how Reno was treated in the analysis.

Response: Additional language regarding sales leakage to Reno has been incorporated into the report in the "Retail Leakage Analysis" section beginning on page 41, but it is very difficult, and beyond the scope of this report, to pinpoint specific leakage numbers for various retail categories that are being lost to Reno due to the lack of data collection opportunities (i.e., gasoline purchases).

Comment #19: Discuss differential impacts of Railyard development on existing Historic Downtown (i.e., areas to the west could be impacted more because of lack of close-proximity parking and pedestrian access).

Response: The report emphasizes that making physical improvements to the infrastructure in the existing Downtown (i.e., improving sidewalk/bike connections and parking facilities), providing public transit (i.e., shuttle service between existing Downtown and Railyard), and providing better maintenance (i.e., increased snow removal) are key to ensuring success of the existing Downtown (page 76). The report also mentions that the physical layout of the existing Downtown is also a challenge, and the measures mentioned above can be taken to reduce this disadvantage, with or without development of the Railyard.

Comment #20: Incorporate discussion regarding paid parking and the importance of parking parity between the existing Downtown and the Railyard development.

Response: This importance of ensuring that equal treatment of parking throughout the Downtown (existing Downtown and the Railyard) is maintained is addressed in the report in on page 77, and acknowledged as an important stakeholder issue on page 86.

Comment #21: Can rents be compared between Truckee and Vail, or other resort communities in case studies?

Response: Rents would not be comparable between Truckee and Vail or other resort communities with completely different local markets, given the differences between these communities. But, rents in the Downtown were compared to the rest of the market area, as well as with other subareas within the Truckee as shown in the “Retail Sales by Subarea” section beginning on page 32.

Comment #22: Can additional case study work be incorporated into the report, and should a detailed discussion regarding private/public partnerships be incorporated into the case studies?

Response: There is no perfect Town to compare to Truckee. The case studies incorporated in the report were selected with significant input from Truckee residents and Town staff. Additional case studies would face similar limitations to those of the current case studies, and detailed discussion regarding private/public partnerships is beyond the scope/intent of the case studies.

Comment #23: Can a detailed discussion regarding the impact of design of the proposed T intersection on Donner Pass Road be incorporated into the report?

Response: It was decided not to incorporate a discussion on design of the T intersection in this report, as this is beyond the scope/purview of an economic impact study. However, there is a short discussion regarding the effect of the T intersection on traffic flows to the existing Downtown on page 77 of the report.

Comment #24: Can additional hotel analysis be incorporated into the report?

Response: Although the scope of the report did not include an actual hotel analysis, expanded information was provided in “Appendix F: Hotel Market Overview” beginning on page 112, which includes Town-wide and region-wide hotel room supply/demand numbers and vacancy rates. Additionally, a summary of planned and approved hotel rooms for Truckee and the rest of the region are provided on pages 49 and 24, respectively.

Comment #25: Can recommendations about what kind of phasing would work best be provided in the report?

Response: Although the report has incorporated comments on the potential impacts of the proposed phasing, recommendations were not formulated for optimal phasing. In addition to being outside the scope of the report, the best phasing for the project will depend on market conditions, which are currently too uncertain to give effective recommendations.

Comment #26: Can a California/Nevada County/Truckee sales chart be provided on a single chart, for easier comparison of data?

Response: Strategic Economics examined sales per capita data with the intention of arranging them to be compared on a single chart, but found that comparing total sales on one chart is not possible due to the different scales of the sales data totals.

Comment #27: Can the report break out the difference between what people in affordable housing would spend downtown vs. market rate housing?

Response: The report contains discussions regarding the benefits of full-time affordable housing occupants (vs. part-time/second-home/market-rate occupants), and a discussion regarding disposable incomes of affordable and market rate occupants was added. This "Residential Units" section begins on page 70.

Comment #28: Can the report provide land use policy recommendations that might lead to an improved downtown?

Response: Although Strategic Economics included some general feedback regarding land use policy in the report, providing recommendations in this regard is outside the scope of this work, and could potentially require significant additional analysis to conduct correctly. However, Strategic Economics added more explicit feedback regarding Town-wide land use policy in various sections of the report.

Comment #29: Can vacancy rates in the existing Downtown be included in the report?

Response: Vacancy rates in the Downtown were incorporated into the report at the top of page 35.

Comment #30: Can trends in % occupancy of hotels for Truckee be included in the report?

Response: Although no long-term historic data was available for trends, the average occupancy rate as of June, 2008 and the monthly trend for the year 2008 was included in the report on pages 112 and 113.