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## STAFF REPORT

Date: January 15, 2020

To: TRPA Governing Board

From: TRPA Staff

Subject: Tahoe Douglas Visitor's Authority Tahoe South Event Center Draft Environmental Assessment, TRPA File# ERSP2017-1212, 55 Highway 50, Stateline, NV (Douglas County, Nevada, APNs 1318-27-002-006)

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### Summary and Staff Recommendation:

No action is required at this time. Staff requests the Governing Board (GB) offer comments and solicit public input on the Draft Environmental Assessment for the Tahoe South Event Center project.

### Background & Summary:

In November 2017 the Tahoe Douglas Visitor's Authority (TDVA) submitted a project application to TRPA for a 6,000-seat Event Center located in Stateline, Douglas County, Nevada at the southeast corner of the US Highway 50 intersection with Lake Parkway on the site where Mont Bleu is currently located. The TDVA is responsible for the planning, construction and eventual operation of the Event Center. TRPA released the draft Environmental Assessment on January 13, 2020. The EA identifies scenic quality, groundwater interception, and traffic impacts and mitigations are summarized and discussed below. The analyses conclude that all potential impacts can be fully mitigated with specific and enforceable mitigation. In particular, the traffic mitigations require an aggressive mitigation monitoring program and mandatory adaptive measures in the event monitoring reveals that transit service and parking management are not achieving the required trip and VMT reduction performance measures. TRPA is seeking Board and public comment on the draft environmental analysis, proposed mitigations, and project conditions before bringing the project for decision.

### Project Location:

The Tahoe South Events Center (Event Center) Project is proposed in Stateline, Douglas County, Nevada at the southeast corner of the US Highway 50 intersection with Lake Parkway. The project area consists of portions of two parcels currently owned by Edgewood Companies: the site of the MontBleu Resort Casino and Spa (APN 1318-27-001-007) and an adjacent undeveloped parcel (APN 1318-27-002-006). Within the project area, the proposed improvements associated with the Events Center will be sited within a 13.3-acre project area boundary that fits almost entirely within the existing already developed area of the MontBleu surface parking lots.

### Applicant's Project Purpose and Need:

The environmental assessment sets out the applicant's summary of the need for the project. Key elements are summarized here. The South Shore of Lake Tahoe currently lacks a year-round venue suitable to host conventions, trade shows, special events and entertainment. The desired condition is a high-quality public assembly and entertainment venue for residents and visitors to the south shore of

Lake Tahoe. There is also a desire to reinvent the built environment, animating the street with retail, dining, entertainment and events, providing aesthetic and environmental enhancements, and improving the area's market position and visitor experience.

As proposed, the Event Center will limit attendance from mid-June through the Labor Day weekend to no more than 2,500 persons per day. Hotel, motel, timeshare, and vacation home rental occupancies within and adjacent to the tourist core operate at near capacity during these peak summer months, commanding high room rates compared to the remainder of the year, particularly spring and fall. Due to high rate and occupancy, the summer room night inventory is not available to accommodate discounted room blocks necessary to attract group sales. Accordingly, since occupancies are at near capacity during the peak summer months, the Event Center project analysis assumes little to no increase in peak summer occupancy in as much as lodging inventory is already occupied. It is anticipated the Event Center will increase occupancy in the spring, fall and winter, particularly mid-week when discounted group sales' room blocks are available. This is expected to change the business model favorably for the South Shore because it will generate steadier business revenues over more of the year. To respond to both the name brand entertainment component and sports tourism, a facility capable of accommodating the seating for 6,000 persons for entertainment and with an area of 29,000 sf for sporting events is proposed. This space allocation will also accommodate floor exhibition and trade show functions, as well as banquet seating for up to 1,500 persons. To host the range of anticipated events, approximately 10,000 sf of meeting rooms, a commissary kitchen, concession stands, locker rooms, dressing rooms, storage, ticket office, and supporting office spaces are programmed. Most annual events (approximately 90) are expected to draw between 250 and 1,200 attendees.

Project Description:

The following description summarizes the applicant's project description set out more fully in the Environmental Assessment. The proposed Event Center building would consist of two levels: an event floor level and a suites and offices level. The building footprint is approximately 88,000 square feet and the total floor area is approximately 122,000 square feet. The proposed Events Center design has a maximum height of 85 feet and complies with the maximum height limits within 100 feet of U.S. Highway 50 (i.e., over 80 percent of the portion of the Events Center located within 100 feet of U.S. Highway 50 is below 56 feet in height). The facility's design would offer the flexibility of hosting a wide variety of events including conventions and conferences, sports, trade shows, performing arts and musical concerts. The maximum seating capacity is approximately 6,000, which would include floor seating for a concert or performing arts event.

During trade shows, ice skating shows, and sporting events, such as hockey, basketball and volleyball, up to 4,200 seats would be available. To reduce traffic loads and competition with other area venues during the peak season, which runs from June 15 through Labor Day, a 2,500-seat limit would be implemented for the Events Center during the peak season along with a paid parking program and a new micro transit service. In addition, the Events Center is designed for "shelter-in-place" (i.e., as an emergency shelter) during an emergency should a natural disaster occur in the area. Office and meeting spaces are designed to accommodate Event Center administration, the TDVA and the Tahoe Chamber of Commerce. It is anticipated that community meetings such as the Douglas County Board of County Commissioners would be held in one of the meeting rooms. It is estimated that the Event Center could host approximately 130 events per year at forecasted operating efficiency, with most of the events likely occurring in spring, early summer, and fall months.

The Event Center's proposed exterior design is in response to the prominent location that the facility would have along U.S. Highway 50 and its position as the gateway to the south shore. Through a combination of building materials, colors, façade articulation and setback from the roadway, the Events Center will incorporate architectural design strategies and site planning principles to upgrade the character and quality of the nearby built environment. The building height has been minimized to the extent possible to comply with the maximum heights defined in the South Shore Area Plan and to aid the transition from the Resort Recreation District to the casino towers in the High-Density Tourist District.

Consistent with the recommendations for improving the scenic quality along the corridor, the space surrounding the Event Center would be enhanced through the removal of over 60,000 square feet of surface parking to create a more attractive and better integrated development by softening building contours, reducing the amount of paved or bare dirt areas, and providing a visual transition between building and site. The proposed design would repurpose the space between the Event Center and MontBleu for use as an event lawn, public plaza and pedestrian paths connecting the Event Center with the adjacent streetscape. The event lawn is flexibly designed to accommodate outdoor activities associated with the Events Center and other community events. Direct pedestrian connections are provided from the street level to the Event Center to enhance the walking environment and create interesting gathering spaces. A key feature of the enhanced streetscape design is a transit pull-off with shelters to maximize the benefit of public transportation opportunities.

#### Environmental Assessment:

A draft EA has been released for the project. The EA assesses whether the project may proceed without preparation of a full Environmental Impact Statement (EIS) if all potential impact can be safely determined not to be significant or adequately mitigated. The draft EA may be found here: <https://www.trpa.org/document/projects-plans/> The primary issues identified in the EA are:

#### Scenic Resources:

The project area is visible from two scenic roadway units (Units 31 and 32) and from Recreational Area 37 (Heavenly Ski Resort). The project area is also visible from other scenic resources areas, but the scenic quality of these areas would not be affected by the construction of the Events Center due to the distance and intervening vegetation between the structure and the scenic viewpoints.

A scenic impact analysis, visual simulations and a massing study are included in the EA. Simulations were prepared from a variety of viewpoints. The EA also includes an analysis of alternatives to the project that includes evaluating the scenic impacts from a different location for the Event Center and an alternative that includes a reduction in height of the structure. The alternative analysis concludes the preferred site is the proposed location at the corner of Highway 50 and Lake Parkway.

Within the boundary of the Event Center project area, pedestrian-oriented development along Highway 50 would include increased building setbacks compared to existing developments, a visible event lawn, improved landscape elements and street trees, new pedestrian amenities, and a unified façade, oriented toward the street and transit facilities. Overhead utilities along the east side of U.S. Highway 50 (at the Lake Parkway intersection) would be removed as part of the adopted South Shore Community Revitalization Project (i.e., Loop Road), or if that project is not constructed, would be completed within the Event Center project area and immediately across Lake Parkway as part of the proposed project. Based on these elements and including the proposed building design, materials, and colors, the EA

concludes there may be an incremental improvement to the applicable roadway travel route threshold rating and no mitigation is required. Conditions of approval will require:

1. Coordination with the Main Street Management Plan streetscape design to ensure consistency in the type and location of pedestrian amenities.
2. Final TRPA approval of building materials and colors.
3. Final approval of landscape and irrigation plans and streetscape design.

Groundwater Interception:

Groundwater is expected to be intercepted during construction and seasonally over long term operations of the facility. Generally, seasonal high groundwater measurements across the project area range from 13.5 feet to over 25 feet below ground surface (bgs) where excavations are proposed. The Proposed Action requires a maximum excavation depth of approximately 25.5 feet, which would extend approximately 12 feet below the seasonal high groundwater levels at the eastern extent of the proposed structure (located at the back of house and vehicle service area).

Most of the excavation depths are not anticipated to extend to the seasonal high groundwater level. However, because of seasonal fluctuation and the timing of construction, variable depth to bedrock, and slope topography across the site, the need for construction and post construction dewatering is anticipated. The TRPA Code of Ordinances allows for the interception of groundwater if “there are no feasible alternatives for locating mechanical equipment, and measures are included in the project to prevent groundwater from leaving the project area as surface flow, and any groundwater that is interfered with is rerouted in the ground water flow to avoid adverse impacts to riparian vegetation.” Mechanical equipment such as boilers, electrical, chillers, and an elevator are located on the ground floor which is the same level as the event floor. According to the project architect the building would not be marketable if mechanical equipment associated with back of house functions (such as loading/unloading dock) were not located on the same level as the event floor. The EA identifies mitigation for groundwater interception which includes dewatering during construction and over long-term operations of the facility that will prevent the intercepted groundwater from leaving the site as surface flow.

During construction temporary dewatering wells will be constructed and intercepted groundwater will be captured and discharged to the vacant property north of Lake Parkway through a system of sprinklers which will require approval from the Nevada Division of Water Resources. The intercepted groundwater will be pumped through a settling tank to allow any suspended sediment to settle out prior to the water being discharged into the undeveloped meadow across Lake Parkway Drive.

During the long-term operations of the facility permanent dewatering is required. Groundwater will be intercepted behind the retaining walls located at the back of house service dock area and rerouted to a permanent on-site infiltration facility to ensure runoff does not leave the site as surface flow. The capacity of the permanent facility is oversized by a factor of four to accommodate flows from above average winters. The groundwater infiltration facility will be located downslope from the Event Center and will be separate from the proposed underground stormwater infiltration facility. Conditions of approval addressing groundwater interception will require:

1. Review and approval of final temporary and permanent dewatering systems.
2. A maintenance and monitoring plan for the dewatering and infiltration facilities to ensure long-term functionality of the system.
3. Construction of the permanent infiltration facility to be completed by October 15 of the first construction season. Once the permanent dewatering facility is completed the temporary system will be discontinued to avoid surface dewatering over the winter while snow is on the ground.

Transportation:

The EA describes the existing traffic, parking, and circulation system in the vicinity of the project site, presents the regulations applicable to the study area, identifies significance criteria for traffic, parking, and circulation impacts, and evaluates the potential impacts associated with “no project” and “plus project” conditions. In addition, future cumulative transportation impacts are evaluated, and mitigation measure are identified.

TRPA requires that a transportation analysis be based on traffic impacts occurring on a peak summer day in August. The following key assumptions are applied in the transportation analysis for the summer “design day”:

- A 2,500-attendee concert/entertainment or sporting event occurs at the proposed venue
- The proposed paid parking program and micro transit service are implemented
- Casino core employees are exempted from the paid parking program
- Only one event occurs at the proposed event venue over the course of the day
- No concert event occurs at Harvey’s same day or concurrently.

Paid parking and micro transit service are key elements of the project description that are aimed addressing impacts related to traffic. The assumptions for the paid parking program are as follows:

- **At a minimum, the paid parking program would be in place daily during the peak summer visitation period (e.g., mid-June to mid-September) and each weekend during heavily visited seasons throughout the rest of the year. Employees are exempted from the paid parking program. The traffic analysis assumes no 6,000 capacity events occur without paid parking.**
- Paid parking is assumed for Harveys, Harrah’s, MontBleu and Hard Rock Hotel and Casino.
- A flat parking fee of \$20 per day, at a minimum, is assumed. This includes all guests/customers, including club card holders.
- No other changes in parking supply and controls are assumed. The existing paid parking at the Heavenly Village Parking Garage and along Transit Way and Bellamy Court are

assumed to stay in place, along with other existing parking limitations. No other parking management measures (such as additional parking duration limits) are assumed.

**Due to the unique setting of the proposal (imposition of a district-wide paid parking program in a recreation/gaming-focused activity center set in a mountain resort area), there are no case studies or previous research projects that generate findings that can be directly applied.<sup>1</sup> Therefore, the approach to the EA traffic analysis to determine vehicle trip reductions from paid parking involves a two-step evaluation. For each type of trip, the professional literature is reviewed to identify a “generic” reduction for the context in which the studies were conducted (larger urban settings). Then the reduction based on those studies is adjusted for various transportation factors specific to the Stateline area of the Tahoe Region. A subsequent peer review further modified the assumptions and analysis for trip and VMT reductions based on transit and parking mitigation (see “Peer Review” discussion below).**

**The proposed parameters of the micro transit service are as follows:**

- A general route would be followed between the Round Hill, NV area on the north and the Bijou Center, CA area on the west, including a one-way loop around Pioneer Trail, Ski Run Boulevard and US 50. Key stops would be served on a schedule, and the vehicles would deviate up to a half-mile to serve requests received through an app, by phone, or on request to the driver.
- Service would be provided from approximately June 15th through September 15th (encompassing the peak summer period), from 10 AM until 2 AM on Fridays, Saturdays and holidays, and from 10 AM until 10 PM on other days (encompassing the peak traffic period).
- Service would be provided with a minimum of two vehicles at a time. In off-peak times, this would result in service every 30 minutes, while in peak traffic times delays would increase travel times to approximately 45 minutes.
- The service would be operated using a vehicle with 20 to 25 passenger capacity.

The traffic analysis determined the micro transit potential daily ridership based on the current productivity (passengers per vehicle-hour) of existing services adjusted to reflect the specific characteristics of the proposed service.

#### Vehicle Trip and VMT Impacts and Mitigation:

The EA concludes that with paid parking and micro transit in place, the proposed project is expected to result in a reduction in daily vehicle trips and vehicle miles travelled (VMT) on a busy summer day over existing levels and would maintain VMT levels below the adopted TRPA threshold standard. It is possible that a net increase in VMT could occur if the proposed paid parking program and micro transit service do not result in a sufficient reduction in vehicle trips to achieve a net zero increase in VMT. As this would exceed the performance standard, this is considered a potentially significant impact and the following mitigation measures are prescribed in the EA:

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<sup>1</sup> No quantitative before-and-after studies of traffic impacts have been conducted for other mountain resort commercial centers such as Aspen, Park City or Breckenridge that have implemented paid parking over the last 20 years.

Mitigation: As the proposed event venue use is estimated to generate a total of approximately 17,303 VMT (16,382 VMT generated by event attendees plus 416 VMT generated by event venue employees/staff plus 505 VMT generated by delivery/service vehicles) on the summer design day before reductions are taken for paid parking and micro transit, mitigation is required to ensure that the paid parking program and micro transit service are effective in achieving a net zero increase (or a net reduction) in VMT.

Traffic reduction measures proposed by the Project to meet the performance standard of no net increase in VMT follow and will be coordinated and integrated with the upcoming Main Street Management Plan (MSMP) process to ensure their efficacy:

- Paid parking program (results in a 1.8% reduction in existing peak summer VMT in the Tahoe Basin that offsets all new VMT generated by a summer event).
- Micro transit service (0.2% additional reduction of peak summer VMT by a summer event).
- A new bus pullout on U.S. 50 with a shelter near the main entrance of the proposed event venue building.

#### Potential Additional Measures

Additional transportation demand management (TDM) measures may be required and must be integrated with the upcoming Main Street Management Plan. Some potential additional measures to meet the performance standard are as follows:

- The maximum event size during summer peak periods could be reduced.
- The lack of public transit service after 8:00 PM could be addressed. For instance, the micro transit program could be augmented at the end of major events (over 500 attendees) to ensure that exiting transit riders can be adequately accommodated. The specific level of service will vary depending on specifics of the event (size of event, those generating a high proportion of local or day visitors vs. those generating a high proportion of overnight visitors, timing of the event, lodging packages marketed as part of the event, etc.). The micro transit app should be used to group passengers and organize bus trips to best serve the specific demand of the individual event. Service should be designed to attain a standard of an average wait time of no more than 15 minutes and a maximum wait time of 30 minutes.
- Lodging and event marketing materials could clearly define the required parking fees (separate from the room rate or event ticket cost) and could also provide information regarding alternative forms of transportation.
- Secured bicycle parking could be provided as part of the Events Center facility.
- Employee showers and locker rooms could be provided.
- The Event Center Facility management could designate an Employee Transportation Coordinator (ETC), responsible for implementation and All employees could be informed as to the availability of free transit service.

- Resort hotel paid parking revenues could be used to provide free bus passes for resort hotel employees. All employees would then be informed as to the availability of free transit service.
- Alternative transportation information could be provided to all employees.
- A single rideshare matching program could be implemented for employees of all resort hotel major employers.
- The Event Center management firm could be a member of the South Shore Transportation Management Association.
- The Events Center Project could potentially provide a transit capacity improvement to reduce traffic on U.S. 50. For example, the Event Center Project could provide the subsidy cost (payment to transit provider) for an additional fixed route bus operating during the peak summer and winter seasons. Or, the Event Center Project could provide payments to transit providers to offset the loss of revenue associated with making some or all transit routes free to the rider. (This is also a potential mitigation measure under roadway LOS impacts.)
- Event marketing materials could encourage the use of public transit and non-auto access to the event.
- Employer-sponsored vanpool/shuttle and preferential carpool/vanpool parking
- Parking supply could be managed to reduce the convenience of auto access to the site. This could include expansion of carpool/vanpool parking, or reduction in total parking supply. Any spillover parking would need to be controlled, such as via parking restrictions or on-street market rate parking.

Mitigation measures in the EA will be used to develop conditions of approval for the project and a mitigation monitoring plan, that will include post project traffic surveys, will be required in order to document the benefits of the paid parking and micro transit programs. In addition, an adaptive management strategy will be required, which will allow for changes to the paid parking and micro transit programs, or implementation of other traffic reduction measures, to ensure anticipated reductions in vehicle trips and VMT are achieved.

#### Peer Review

To determine whether the assumptions in the environmental assessment's traffic analysis regarding the effects of paid parking and micro transit were reasonable, TRPA retained a transportation consulting firm to independently peer review the traffic analysis. The peer review evaluated the key assumptions used in the project's environmental assessment, including mode shift, base reductions for non-auto travel, reductions for paid parking, reductions for micro transit service, and VMT methodology and impacts. The peer review identified a concern that assumptions for a number of items (microtransit, TTD route) are not explained as to how the percentages were derived. The peer reviewer recommended establishing a range of mode shift effectiveness assumptions will also allow the identification of the inflection point where diminishing benefit returns occur (i.e., VMT benefits become zero).



In response to the peer review, the traffic analysis was revised to include a sensitivity analysis that better reflects the uncertainty in percentage trip and VMT reductions as a result of paid parking and transit service. The sensitivity analysis presents the possible reductions as a range rather than a fixed percentage that could imply a certainty that cannot be established based on available research studies. Based on this more conservative analysis, and other information incorporated based on the peer review, the EA determined the impact to vehicle trips and VMT to be potentially significant. In response, the EA includes performance standards, a mitigation measures menu, as well as post project monitoring and adaptive management requirements to confirm that the performance measures (no new trips or VMT) for the Event Center project are achieved. The Events Center parking management plan and micro transit proposal will be required to coordinate and integrate with the Highway 50 Project's Main Street Management Plan, once adopted.

Conditions of approval addressing transportation impacts will require:

1. Post project coordination with the Main Street Management Plan which may result in a revised parking management plan and micro transit implementation plan to complement the parking management and transit objectives of the MMP. This condition shall be satisfied prior to operation of the Event Center.
2. Project traffic monitoring, beginning the first summer season after project approval to collect updated baseline traffic volumes and to conduct visitor surveys regarding the type, purpose and origin of trips.
3. Post project construction traffic monitoring to validate the effect of the paid parking program and micro transit shuttle on required traffic reductions.
4. Development of an adaptive management plan, including ongoing coordination with the MMP parking and micro shuttle programs, for implementing additional traffic reduction measures (identified in the EA mitigations) if post project surveying and monitoring determines the required vehicle trip and VMT reductions are not being met.
5. A new bus pullout on U.S. 50 with a shelter near the main entrance of the proposed event venue building.
6. Recordation of a TRPA approved deed restriction limiting the Event Center capacity to 2,500 persons during the period from June 15 thru Labor Day.

Comment Requested:

Today's action is a public hearing on the draft Environmental Assessment to solicit Governing Board and public comment on the environmental document, particularly on the traffic analysis and proposed mitigations and project conditions to implement the mitigations.

Contact Information:

For questions regarding this agenda item, please contact Paul Nielsen, at (530) 318-6025 or [pnielsen@trpa.org](mailto:pnielsen@trpa.org)