

CHAPTER 3

Economic Development

Donner Summit currently lacks adequate infrastructure and broad-based community support for significant development. The community desires to build upon local assets and revitalize the economic and social infrastructure of the Old Highway 40 corridor through Soda Springs without sacrificing shared values. There is a clear need to revitalize the physical appearance and accessibility of the area to increase economic activity. With a thoughtful Area Plan and imaginative local support the area is in a unique position to capture more local-resident-serving commercial sales, as well as capture more tourist sales. Soda Springs is developed by strip commercial development along Donner Pass Road (Old Highway 40). Shortcomings of this type of development include the area's irregular building frontage, relatively small and fragmented parcels, stand-alone structures, older businesses struggling to be profitable, and lack of landscaping and aesthetic design.

Economic development is described as the process of creating wealth through the mobilization of human, financial, physical and natural resources to generate marketable goods and services. Through comprehensive strategic planning, it is possible to maximize utilization of local resources while minimizing local constraints in order to achieve a healthier local economy. Simply put, economic development is preserving, creating and attracting jobs and associated public services.

There is a reason why small, isolated mountain communities are often not prosperous. Even if a community is blessed with unique natural amenities, it requires ingenuity, a will and wherewithal to introduce economic vitality into the local economy. The most difficult facts that secluded mountain communities have to accept are that economic vitality involves the loss of some privacy, that economic prosperity may reduce tranquility, a secluded lifestyle, and that economic success typically requires strategic use of all available resources. With sensitive and thoughtful planning, negative consequences of development can be mitigated.

The economy of Soda Springs Rural Center is largely dependent upon tourism, which fluctuates seasonally. Soda Springs' seasonal economy is based on heavy day and especially weekend traffic during the winter and a lighter presence of summer vacationers. Accordingly local employment is seasonal with the exception of machine operators, mostly young, unskilled "migrant" people support the ski areas. After the snow is gone, construction jobs provide employment to some winter recreation workers. Additionally, the improvement of the economic climate depends upon the availability of adequate and affordable housing for those workers.

The seasonality of the economy raises the question: Are there any viable alternatives for greater economic stability and sustainability? Soda Springs' businesses suffer from wildly fluctuating revenues as the number of customers they serve rises and falls with the seasons. Individual businesses do not have the resources to mount comprehensive marketing campaigns or the time and knowledge needed to ally with others in order to take a collective approach to overcoming their seasonal tourism challenge. This fluctuation in business revenues has a dramatic ripple effect on employment that is especially severe on low-wage seasonal workers. Correspondingly, the flight of workers to areas with more stable employment and/or more affordable housing make it difficult for businesses to hire new workers for the next high season. As part of the larger strategy to promote revitalization, the Area Plan must address numerous challenges inherent in the current conditions and shortcomings of the area. Soda Springs must address the need for comprehensive marketing and promotion of all of Donner

Summit for year-round tourism, seek opportunities for mutually-supportive marketing of the area, and provide assistance as needed to ensure the availability of an adequate, well-trained and well-paid workforce. These basic concerns are complicated by the overlapping web of primary and second homeowners, an array of environmental groups, seasonal ski resorts, multi-jurisdictional water districts and the two separate county governments which all must coexist. Add the fact that Donner Summit feeds into three major California watersheds and local development must not compromise this essential water source for state needs.

Economic viability necessitates a concerted and ongoing promotional campaign that uses advertising, signage and special events to draw people with diverse interests to the area. Festivals, competitions and community celebrations that feature unique attractions of the area are recommended. These off-season public events could draw history buffs, bird watchers, butterfly enthusiasts, rock climbers, hikers and others with diverse interests. A venue for such special events for the spring and summer months would require a central public gathering location, park or plaza that engenders a sense of place. The public gathering place would need nearby lodging facilities well-designed for the alpine character of the area. Campground sites, public restrooms, off-street parking, park and picnic areas to accommodate public gatherings would be desirable amenities. Signage identifying the many recreational opportunities the area affords would be helpful in branding the area. Such infrastructure would give the area an identifiable center and provide a sense of place – “a there there.” Zoning changes will enable creation of a variety of commercial uses needed to support a more stable residential population year round. A key element for economic development would be signage along Interstate 80 that identifies the Soda Springs exist onto Old Highway 40 as an alternate scenic corridor en route to Truckee. Many would choose the alternate road if they knew the additional distance and time involved was not significant. Additional travelers would enhance the economic prospects of tourist businesses. To promote year-round occupancy of residential housing and businesses that support residents and travelers (i.e., grocery store, recreational equipment rental and sales, laundry mat, restaurants, community cultural center, etc.) would support greater prosperity for the area.

With major investment in visitor-serving facilities and the skills of welcoming and serving visitors, the community may wish to look for means that would help to change Soda Springs from a seasonal to a year-round destination. This would justify adding more overnight accommodations, would attract overnight guests for longer stays and would reduce the need for closing businesses after the “season”.

The natural resources play a key role in potential economic development. Visitors come to the area to experience the natural beauty and the many recreational amenities that the natural setting offers. From taking in the vast views of the Sierra Nevada Mountains, to the diversity of high quality recreation, it is an essential part of what attracts visitors, which in turn, promotes economic stability.

A. EXISTING ECONOMIC CONDITIONS

INFRASTRUCTURE ASSESSMENT



Housing conditions vary greatly throughout Soda Springs. Of the total XXX houses within the Area Plan, XXX, or XX% are single family units. The median housing value in Soda Springs is \$XXX, while in the broader area including Truckee, the median value is \$XXX. The 2010 Census reported Soda Springs had a year-round population of 81.



Lodging on Donner Summit is rustic. There are a number of lodging providers that offer simple accommodations with convenient access to some of the best destinations for outdoor recreation in America. Nearby options include the Cal Lodge, Clair Tappan Lodge, Sugar Bowl Lodge, Schull Lodge, Kingvale Lodge, OSC Donner Lodge, and numerous homes offered as vacation rentals.



Commercial activity within Soda Springs is very specifically geared toward serving the small resident population and winter skier tourist trade. All of the businesses directly front Old Highway 40 and include: a gas station, restaurant, ski equipment rental and sales, snow plow service, Post Office, grocery store, vacation rental office, residential building specialties and a gift store.

ECONOMIC STRENGTHS AND CHALLENGES

Soda Springs area has some aspects that favor economic development including excellent highway access, located within reasonable travel distance of a population base of over 10 million people, beautiful scenic setting, extensive and excellent outdoor recreation, a historically rich identity and colorful community character. A plan and program for economic viability and prosperity will require branding and a stronger physical presence and district identity that draws travelers to exit Interstate 80 onto Old Highway 40 as a must destination. Key local champions and leaders will need to spearhead strategic planning and a business plan to attract investment in improvements to the area.



Rustic small town atmosphere and natural beauty is the primary draw to Donner Summit. Most residents and visitors appreciate that the area has avoided over-development. The natural setting, with an abundance of wildflowers and mountains and hiking and biking trails provide recreational amenities for visitors throughout the year.



Historical name recognition of the events surrounding the Donner Party, create an instant identity for most Californian's. Despite this identity the area does not have a clear and appealing image in the mind of the public. To a large extent this can be solved with an appropriate level of signage, including signage in I-80.



Proximity to Highway 80, 5 major day-ski resorts, and Amtrak railways offers substantial potential to capture more visitors driving the primary interstate traffic route in northern California. The ability to capitalize on this opportunity is currently hindered by a lack of promotion and organization.



Nearby markets like Truckee, Lake Tahoe, and Reno are major employment centers that provide services including restaurants, general merchandise, apparel, home furnishings and appliance stores, and building supply stores which primarily (but not exclusively) serve local residents. Particularly the extensive services provided in nearby Truckee provide a competitive challenge that commercial investors and developers must fully consider.

B. ECONOMIC DEVELOPMENT GOALS & POLICIES

ECONOMIC DEVELOPMENT VISION

To create a commercial, residential, and recreation year-round economy to provide a broad range of economic opportunities for all Donner Summit residents.

GOAL ED-1: MAKE SODA SPRINGS A BETTER PLACE TO LIVE BY PROVIDING MORE JOBS AND SERVICES FOR LOCAL RESIDENTS.

Policy ED-1.1: Local Services

Retain and expand existing businesses that serve the needs of Donner Summit residents, particularly those that offset the current seasonality of the area.

Policy ED-1.2: Sustainability

Encourage sustainable businesses that support development of recreational facilities that complement the natural landscape and natural resources on Donner Summit. Promote economic diversity and prosperity for residents.

Policy ED-1.3: Character

Build the local economy on Soda Springs' strengths and uniqueness. Achieve a more diversified economy and employment base consistent with community character.

GOAL ED-2: CREATE ECONOMIC DEVELOPMENT AND ACHIEVE SUSTAINABLE TOURISM BY BUILDING ON THE AREA'S NATURAL BEAUTY, RECREATIONAL, CULTURAL, AND HISTORIC ASSETS.

Policy ED-2.1: Hub

Provide incentives and remove barriers to help redevelop Soda Springs into the key focal place of Donner Summit. Focus uses toward commercial retail, dining, groceries, professional offices and outdoor recreational uses.

Policy ED-2.2: Mixed-Use

Remove barriers to help redevelop Soda Springs' gateways into mixed-use office, commercial, and residential corridor.

Policy ED-2.3: Broadband

Encourage broadband internet availability throughout Soda Springs. Seek funding sources and innovative approaches to extending communications systems throughout Donner Summit.

Policy ED-2.4: Regional Collaboration

Work collaboratively to promote regional economic development strategies to establish and implement a clear economic strategy. Leverage Donner Summit's "natural capital" in implementing economic development strategies and increase participation and coordination of local agencies.

Policy ED-2.5: Funding

Utilize and leverage funding from a variety public and private services.

Policy ED-2.6: Create Interest

Create public plazas, gathering spaces, and active streetscapes to promote a lively market.

Policy ED-2.7: Special Events

Promote the development of additional festivals and cultural events with emphasis on producing multi-day events with particular attention to midweek and shoulder seasons.

Policy ED-2.8: Visitor Experience

Improve the visitor experience by creating community gateways, establishing signage to identify the community, and creating a year-round economy through expanded use of the railroad and home businesses. Promote and enhance Soda Spring's role as a sustainable year-round tourist destination.

Policy ED-2.9: Stay and Play

Encourage the development of tourist accommodations in the Area Plan by removing barriers to hotel and other types of lodging development (or redevelopment) and promoting opportunities for public-private partnerships.

C. ECONOMIC DEVELOPMENT IMPLEMENTATION

The following actions will accelerate implementation of the goals and policies listed above.

1. Rezone areas of the Soda Springs Rural Center to add a Rural Center (RC) Combining District that identifies flexible development standards as incentives for achieving the following Area Plan goals:
 - Mixed use, incorporating one or more residential units into commercial projects.
 - Allow a broader range of commercial uses.
 - Pedestrian building orientation, moving the building close to the street edge, placing on-site parking to the rear or side of buildings.
 - Pedestrian improvements along road frontage.
 - Shared parking opportunities.
 - Public gathering spaces, such as a town plaza.
2. Develop sustainability indicators that are easy to understand, update, and can be used over time to gauge progress toward a more sustainable Soda Springs.
3. Collaborate with the Nevada County Economic Resource Council in grant proposals to fund collaborative economic development projects.
4. Work with key stakeholder groups and volunteers to develop and provide gateway-style information (maps, signage, wayfinding) for visitors on how to access key natural resource and cultural amenities. Identify the elements needed to link existing assets and attract more travelers to stop in Soda Springs and access commercial services in conjunction with adjacent natural resource amenities
5. Prepare a Soda Springs marketing plan. Marketing should be aimed at attracting both local and out of town shoppers, as well as business, into the Rural Center.
6. Research funding resources, develop funding strategies, and provide grant assistance to local jurisdictions for economic development projects, infrastructure needs and historical building renovation.

7. Develop and leverage economic development partnerships. Coordinate regional economic development activities by maintaining working relationships with local economic development entities such as the Nevada County Economic Resource Council and Truckee Donner Chamber of Commerce.
8. Develop and implement urban design standards for buildings and structures that reflect Donner Summit's mountain identity.
9. Work with Caltrans to open Old 40 at Donner Lake during the winter.