

DRAFT

**TECHNICAL MEMORANDUM NO. 1**

**JUNE LAKE ECONOMIC CONDITIONS AND ISSUES**

**To:** Dan Lyster, Mono County  
Scott Burns, Mono County

**From:** Catherine Hansford

**Date:** November 30, 2007

---

Hansford Economic Consulting (HEC) has been retained by Mono County (County) to provide an Economic Development and Job Creation Study (Study), which is being funded through a Community Development Block Grant (CDBG), for the community of June Lake. The purpose of the Study is to provide a comprehensive analysis of June Lake's current economic conditions and create a plan of action to work toward a healthy, sustainable local economy. This memorandum provides the first step in accomplishing these tasks by summarizing the key economic conditions and issues faced by the June Lake community.

The first section of this memorandum presents major findings resulting from stakeholder interviews. In the second section of the memorandum, HEC provides a compendium of pertinent economic indicators used to investigate the major topics raised by interviewees. This baseline economic conditions report may be enhanced further on in the Study process as HEC continues to gather all available sources of relevant research materials and data. The third section of the memorandum describes expansion of this analysis and additional topics of research necessary to complete the Study.

## **STAKEHOLDER INTERVIEWS**

In this first section of the memorandum HEC presents the issues as expressed by those individuals interviewed. The information garnered from personal interviews is presented at face value; HEC has not attempted to verify the accuracy of statements made during personal interviews.

On October 22 and 23, 2007, HEC held a series of on-site stakeholder interviews with local business owners, citizen-based and business-based community groups, community service and recreation providers. In addition, a number of telephone interviews were conducted subsequent to this round of interviews. A list of interviewees is provided in **Appendix A**.

The purpose of these interviews was to:

- ◆ Learn the needs and desires of the community,
- ◆ Understand economic retention and expansion opportunities and constraints, and,
- ◆ Gain a historical perspective on the community of June Lake.

Accordingly, a list of stakeholders was compiled with input from Mono County to represent a broad cross-section of the community members with varying interests and perspectives. The stakeholders are critical to steer the direction of this Study, and as such, will continue to be contacted for input throughout the course of the Study.

## MAJOR FINDINGS

**Figure 1** provides an illustration of the major perceived economic development issues in June Lake, based on conversations with stakeholders. The text below provides description of each of these issues.

**Figure 1**



**Appendix B** summarizes these perceived issues in matrix format with columns describing problems or constraints faced by existing businesses, potential future businesses and the community at large, and suggestions for resolving these problems.

The overriding problem statement expressed by the community was, to quote one interviewee,

“We have all the signs of a dying community”

## Housing

### Primary Home Ownership

There are three main pockets of housing inhabited by permanent residents; the Village, the Peterson and Clark Tracts. The latter two tracts are located ‘Down Canyon’. The costs of purchasing property and building are becoming prohibitive for locals at approximately \$200,000 for a 5,000 square foot lot, and building costs of \$220 - \$300 per square foot. Building fees charged by the County add to the high costs of development.

As permanent residents move away the existing stock of housing units is being purchased by non-locals as vacation units. Second-homeowners drive up the price of real estate making homeownership more difficult for the entry-level buyer.

### Visitor Housing

Two types of visitor housing were discussed during the interviews, 1) second home or seasonal-use homes, and 2) nightly room rentals.

New housing development has primarily been in Highlands I and II located on the north side of Gull Lake. The Highlands lots have mostly been purchased by second-homeowners building large homes. Lots here originally sold for \$150,000 to \$200,000; more recently the sales price was as high as \$400,000 but that has dropped with the downturn in the real estate sector. Several interviewees expressed disappointment that the vacation home owners are not using their homes and not frequenting the June Lake stores.

A permanent stock of seasonal-use homes exists around the shores of June Lake, Gull Lake, and Silver Lake. The USFS created tracts of lands in the 1930’s for residential use to meet a booming recreation demand. Cabins built on these tracts may never be used for primary residences unless a special use permit is not renewed and the USFS sells the property. Cabin owners pay possessory interest in lieu of property taxes. Possessory interest is valued lower than fee simple real estate because the USFS owns the land. The USFS pointed out several items of interest with regard to cabin ownership:

- Master special use permits were issued in 1988 to all cabin owners. Since these are 20-year 'leases' of the land they are due in December 2008. The USFS has restructured the agreements to reflect increased value of the land, and rent per cabin is expected to increase dramatically in 2009.
- The cabins are restricted in size and design, may only be used for private purposes, and cannot be rented out. The cabins are not to be used as permanent residences (the owner must be out of the home a minimum of 15 days per year).
- Improvements to structures are permitted but should be replacements in kind to maintain a rustic appearance. Two enforcement officers conduct annual inspections.
- Cabins change hands fairly regularly, as other real estate does in June Lake.

The majority of the lodging establishments were built in the late fifties around the time that the ski area opened. June Lake was a summer resort before Mammoth. The following comments were made regarding lodging:

- Boulder Lodge has the only full-size pool, and Double Eagle has a lap pool.
- There are not enough warm beds to support June Mountain's operations.
- There is a need for a central online booking service for all accommodations in June Lake.
- One place has gone into long-term rentals to smoothen out the effect of seasonality on cash flow.
- The upper range of the market continues to be fairly strong.
- Resorts have synergy; they add to each other and are not so much in competition with each other as they are with Mammoth.
- Occupancy rates during the 3-month summer season are about 80% to 90%. Many places are seeing a drop-off in guest numbers in August due to the year-round school schedules in Southern California.
- In the spring, lodging businesses do better when Easter is late (falls in April).
- During the shoulder months 11-15% occupancy rate is reasonable. November is usually the quietest month of the year.

- During the winter occupancy rates are around 50% with spikes of 90-95% over holidays and weekends. Last year one lodging owner reported winter occupancy of only 14-27% due to the close of June Mountain after only 3 weeks.

The last large condominium complex to be built (Interlaken) was developed by the owner of June Mountain to increase the number of guest rooms available. These condominiums are owned but rented out by the vacation property rental agencies. According to a local rental agency, of the condos, Interlaken is most popular, and Sierra Suns is very popular with the all-men fishing parties.

### Rental and Workforce Housing

Rentals for permanent residents have become much harder to find since rates increased with the housing boom of the late 1990s and early portion of this decade. As the price of properties increased rental rates had to increase to cover higher mortgage and tax payments. A two bedroom unit will typically rent for \$700-800 per month. A one-bedroom apartment above a shop will rent for \$750 in the commercial core. There are conflicting reports on whether rental units are being sold and turned into second homes. Multi-family housing opportunities are difficult to find; there is little quantity and it is of poor quality.

### **Physical Development**

June Lake is physically constrained. On the south side of the highway the terrain is very steep making construction of buildings very challenging. In addition, this side of the highway is an avalanche zone, which constrains what uses may be made of existing structures. The large holding of public lands interferes with the marketplace and there is a lack of vacant readily developable acreage in the already-developed areas which constrains the potential for future economic activities that may be desired.

June Lake has difficulty accommodating trends toward bigger 'things'. A good example is the increased consumer demand for pontoon boats which are much larger than the traditional fishing boats. There are few places to store pontoon boats, and they cause damage to the docks in windy conditions.

The USFS grants special use permits for operators of recreational activities on Forest Service land. Resort permits are issued by the USFS for 20 years (includes the Marinas), Big Rock Resort and Boulder Lodge. Ski area permits last 40 years. Pack operations are conducted on a 10-year permit. The pack operations have a resort component for facilities such as corrals, barns, and an outfitter guide component for trips to their permit. Improvements are discounted against the operators' operating revenues. The fee structure is based on gross revenues. The pack operations are assigned a number of service days (number of entries per day).

Any development on USFS property is required to comply with State and County regulations; however, the only planning function of the County is to inspect for code compliance (certificate of occupancy).

#### Natural Resource Carrying Capacities

It was noted that June Lake is an environmentally sensitive area and that the area's beauty and the quality of recreation experience is a major attraction for tourism. There is a great deal of concern that new development will affect runoff quantity and degrade water (and lakes) quality. In turn, these factors may decrease the quality of fishing and other recreational experiences.

There is concern that the natural resources and wildlife dependent on them will be pressured by more summertime visitation caused by the proposed Rodeo Grounds development. June Lake is a resource-constrained area and the carrying capacities of the Loop are limited.

#### **Economic Base**

Unanimously, the interviewees agreed that they want a year-round economy and a better lifestyle. The business owners felt that this would be accomplished best by diversifying and expanding the economic base. Several homeowners were concerned how this could be accomplished to keep the scale of economic activity in harmony with June Lake's scenic qualities and natural resource carrying capacities.

#### Employment

Interviewees generally agreed that there is a problem with the quality of the workforce. The Hispanics do a lot of the housecleaning and handyman work and there is a language issue/barrier. These workers live in both June Lake and Lee Vining, but there has been a recent trend of more workers commuting from Lee Vining. More and more services that used to be performed locally are now being outsourced. For example, many lodging facilities now send their linens to be washed by the firm 'Mission' which has its nearest base about 3 hours away and a satellite in Bishop.

As new owners have purchased properties some of the older affordable cottages have been removed, displacing a portion of the workforce. Several of the business owners, particularly the accommodations owners, do provide employee housing with little or no rent asked. Many business owners readily admitted to hiring undocumented workers. In 2007 the June Lake Public Utility District (PUD) leased a unit for 2 employees to ensure they had a place to live.

The critical issue facing the workforce is affordable housing. The community needs commercial activity that will generate sufficient income to sustain families. One suggestion provided was that perhaps County government should be working on land trades with the Forest Service to provide workforce housing.

### Seasonality

Business owners make the majority of their sales in the summer months when there are an additional approximately 900 people in town (with all the campgrounds filled). A major problem for businesses is that mortgages are based on year-round income but cash flow has peaks and valleys in a tourism-driven economy. Only businesses that own their property and have no mortgage continue to be viable in June Lake.

There are several businesses (the majority of which are lodging establishments) currently for sale. Several interviewees felt that the County should be very concerned with this trend since business closure translates into loss of tax revenue. Reasons for business closures, in addition to making mortgage payments, are lack of manpower base, high land values and associated taxes, and lack of return on investment.

Recent efforts to enhance the economic performance of accommodations have included the OH! Card (the response to this remains unknown since it was launched last year and June Mountain was only open for three weeks). The OH! Card is handed out at June Mountain when a lift ticket is purchased and provides lodging discounts and other promotions for staying in June Lake mid-week. The June Book is a program run by the Chamber of Commerce for fishing contests. Prizes are given in the form of free accommodations and meals, gear etc which the Chamber reimburses the participating business for. The June Book program keeps dollars in the community rather than awarding cash to the fishing winners which may be spent elsewhere.

### Retail Performance

The following observations were made by interviewees regarding the business climate and retail performance in June Lake:

- Business has been impacted by the recent dramatic growth of Mammoth Lakes. As Mammoth has grown, commerce has been drawn away from June Lake.
- Some business owners have left June Lake to retire.
- The remaining businesses stay primarily because the owners love to live in June Lake, not so much because they want to make vast profits; however, the community needs vitality in order not to become just a bedroom community.
- Several business owners expressed that economic strength should not be obtained at the expense of community character.
- One business owner explained that everybody is wary, even if cautiously optimistic, of change that may take place in June Lake, and uncertain how to plan for it.

- June Lake has always been about recreation. The community was built on this root.
- Originally the community was boarded up in the winter time. The economy has been dependent on fishing in the summer and skiing in the winter; both of these have suffered recent setbacks since California Fish and Game has not stocked as many fish and the ski area was only open for 3 weeks in 2007.
- Some business owners run their own business during the summer months only and then work at the ski area during the winter months.
- There is a need to stop the leakage of spending from Mono County to its neighbors.
- There is a great fear that commercial / retail spaces will stay vacant if built. This is the current situation in Mammoth's Village (but, as noted by one interviewee, two more hotels remain un-built, therefore the Village is not at full capacity).
- There is fear that any new retail in the proposed Rodeo Grounds development will keep customers from coming into the Village. Some interviewees were concerned that business in town will completely fold with Rodeo Grounds development.
- Everyone wants to see the June Lake Loop revitalized with viable business enterprises.
- Major purchases by residents of June Lake tend to be made in Carson City. Much of the everyday needs are purchased in Mammoth and only emergency purchases made in June Lake; however, many interviewees would like to see this reversed, with spending dollars kept in June Lake. Some interviewees noted that shopping on the internet has become more common.

### Tourism and Recreation

It was expressed by various community members that the business owners and community leaders originate from very diverse backgrounds; however, there is a common desire to promote and protect the heritage of tourism and recreation in June Lake. It was noted that until recently, even though there had been a tradition of collaboration within the community, there had not been a unified voice to market June Lake as a destination. Several interviewees added that, in addition to this critical unified marketing effort, there must be regional collaboration to combine the efforts of each of the individual communities in the area.

There has been no history of public-private partnerships in June Lake to promote its economic base, although CalTrans participated in the Main Street program efforts by



installing decorative street lamps. The Chamber and the Mono County Tourist Commission are working together on several new initiatives. In 2000 the Visitor Center, run by the Chamber, was expanded; however, it is only open during the summer.

The interviewees identified the following visitor trends:

- Multi-generational, repeat visitors
- Primary reasons for visits are fishing in the summer and skiing in the winter
- June Lake has historically appealed mostly to medium income groups
- Known as a good place for families since it tends to be slower paced
- Seeing more young professionals (not bums) and fewer families in the ski crowd
- Increased number of people travelling with pets
- Decreased visitation by elderly persons on fixed incomes
- Summer all-male fishing parties popularity declining
- More quads and jeeps than dirt bikes
- Increased requests for snowmobile tours
- More photographers coming since digital photography
- More visiting artists in summer and fall
- Less children
- Families visiting for 4-5 days rather than 3 weeks, increased long weekend breaks
- More young adults (professionals in their twenties and thirties) going on wilderness trips

Most interviewees agreed that their clientele is different than Mammoth's although the majority of the visitor-population base is from Southern California for both. (Some interviewees thought that visitation from the Bakersfield area was increasing).

Interviewees attributed increased photographer and artist visitation to the Mono Committee, which has been sponsoring artist workshops. A couple of interviewees stressed that some visitors come to June Lake simply to relax, summer or wintertime. Less affluent elderly visitors on a fixed income are frequenting less due to increased travel costs, and increased room rates.

### June Mountain

Representatives of June Mountain provided information regarding past operations of the mountain, current operations and future plans for change. Information garnered from the interview included:

- June Mountain employs 20 persons year-round and about 200 during the winter.
- Charter buses shuttle skiers from Mammoth to June during busy holiday periods.
- The mountain hires domestic and foreign workers.
- Employees are housed in Mammoth.
- All Mammoth lift products are valid at June but not vice-versa. June Mountain sells about 2,000 season passes per year, of which 1,500 are college passes (mostly kids from Los Angeles and Santa Barbara).
- June Mountain has run a shuttle bus around the lodging establishments in June Lake during busy holiday periods to reduce congestion at the ski area parking lot (which has capacity for 760 vehicles and is adequate 90% of the time).
- The bottleneck is the double-seat lift chair from the parking lots up to the chalet. The majority of skiers also ride the lift down the hill because it is difficult terrain to ski back to the parking lot.
- The ski area has 1,000 sq ft of retail and two restaurants.
- June Mountain has never been a money-maker. It is subsidized by Mammoth. Mammoth bought the mountain in 1985/86, with original thoughts to link Mammoth and June but this is extremely unlikely to happen.
- The Vision for the mountain long-term is to focus on the family, enhance operations with snowmaking, stay in tune with the small town feel, and add some type of retreat

or conference facility on the mountain. Additional ideas include kids' camps, conferences, and better access to existing recreation opportunities such as hiking since the terrain is flatter from the chalet. There is also opportunity for a year-round restaurant.

- 38 years of the 40-year permit remain with the Forest Service.
- A major catalyst for expanded operations at June Mountain is increased air service at Mammoth Airport with flights coming from Las Vegas, Los Angeles, San Jose, and Long Beach. The expectation is that these services will be available beginning December 2008.

Many community members strongly opined that the ski area must not be allowed to close. One suggestion to keep the mountain open if Mammoth no longer wishes to operate it is to purchase the ski area as a community and run a cooperative. These community members feel that such a back-up plan is critical.

Most of the locals interviewed felt that the ski area has a regular customer base, and is not dependent on overflow from Mammoth. The ski resort should be June Lake's major asset, its trump card.

### **Infrastructure and Services**

Interviewees made the following observations regarding community services and transportation:

- There is a lack of typical community services in June Lake, for example, there is no school, no structural church, no health care (paramedic only through the fire department), no bank, and limited postal service (one pickup per day, all mail goes through Santa Clarita).
- A good hospital is nearby in Mammoth, but for specialized services residents must go to Carson / Reno hospitals.
- There is a manned sheriff substation housed in the community park (on USFS property), but the fire department is all volunteer (2 fire stations, one in the Village, and one Down Canyon). New development represents an opportunity to enhance infrastructure and services.
- The Eastern Sierra Transit Authority (ESTA) provides public transportation along the Eastern Sierra Front. ESTA runs a bus between Mammoth, Lee Vining and June Lake that is geared toward commuters. The bus schedule allows workers to travel to and from June Lake. ESTA provides this service because the Board of Directors

determined that there was an unmet need to transport workers to and from June Lake. Under State funding requirements, this bus route needs to generate 10% of its operating costs from passenger fares after it has been running for a trial period of two years. If this share of costs is not met by passenger fares within two years (the route has been running for one year) then it will be difficult to justify continuation of the route. A midday service has already been cancelled due to insufficient ridership.

The following observations and facts were provided regarding infrastructure:

- The majority of homes are heated with propane, others are heated with wood or pellet stoves.
- CalTrans does a very good job of snow removal from Hwy 158. The County has responsibility for a few roads and contracts with a local snow removal provider to clear these roads. Other private roads are also cleared by the same snow removal provider. There are some issues with snow removal (places to put the snow) and parking during the winter. Since there is no enclosed storage space available, the County keeps snow removal equipment at the park.
- Water and sewer systems are adequate and repairs and improvements are made according to June Lake PUD's capital improvement plans, and as necessary. The only major infrastructure issue faced by the utilities provider is the lack of adequate storm drain facilities. During flood events, the sewer system is overloaded by infiltration from storm water. The PUD has a total of 700 water and sewer connections. There are no issues with access to utilities. A water main now provides for fire hydrants through town. An estimated 74% of water extracted for consumption is returned to the environment.
- The June Lake Fire Protection District (JLFPD) has an excellent ISO rating for a volunteer rural service. Response time is 3-5 minutes in most areas. The JLFPD has mutual aid agreements with the other County providers. The Forest Service and BLM may also help extinguish structural fires, however, they are primarily charged with controlling wildfires. One paramedic, funded through transient occupancy tax revenues, is based at the fire station but is often called over to Mammoth Lakes. Four Emergency Medical Technicians (EMTs) are on the JLFPD volunteer staff. The sheriff's department provides mountain search and rescue and keeps specialized equipment housed in Bridgeport and Mammoth Lakes.
- Internet service is decent; however, land line phone service is not excellent. Internet is available from several providers, one of which is a local business owner who leases a T1 line and then hooks up customers. Cable TV and power (the latter provided by Southern California Edison) usually have no service problems.

## **Culture**

With a decline in the resident population there has been a corresponding loss of volunteers. The JLFPD has been especially impacted since it is staffed entirely by volunteers. Not only do the majority of interviewees believe that the population has declined, they believe that the number of families has declined. The lack of family has resulted in a tearing of the fabric of the community since community revolves around all life stages. As one interviewee described this phenomenon, “the town has an empty feel”.

One major reason cited by interviewees for a declining number of families has been limited education opportunities for young students and dissatisfaction with the public schools in Lee Vining.

June Lake has had an Arts Guild since 1976 but in the last couple of years has had problems finding new artists. The Guild runs a summer program for kids through the Walter Lance (creator of Woody Woodpecker) Trust. This program is a 2-week workshop run at the community center for a nominal (\$20 per child) charge, but was not conducted in 2007 since there have been difficulties getting enough volunteers to run it. Also, the Guild hosts a gallery for artists to show at the community center and awards are given but this gallery has not been hosted for 4 or 5 years. June Lake has seen some increase in visitation from amateur artists, partly due to The Mono Committee running artist workshops. Ideas for promotion of the arts have included an art mobile, shared between Inyo and Mono Counties, and hosting artist workshops in June Lake (painting, photography, and stitchery for example).

## **JUNE LAKE ECONOMIC INDICATORS**

In this second section of the memorandum a compendium of economic indicators is presented. Charts are used to depict findings of data analysis. Supporting tables to the charts are attached in the accompanying supplement to this memorandum **‘Support Tables for the June Lake Economic Development Study’ Tables S-1 through S-21**.

## **DEMOGRAPHIC AND SOCIAL PROFILE**

### **Population**

Population growth is an important indicator of economic prosperity since it has direct economic influence on local business and employment patterns.

### June Lake Population

The total population in June Lake fluctuates widely during the course of the year, and even during the course of a week. Population presented here refers to the permanent, year-round residents, not to be confused with persons at one time, which is comprised of the permanent, year-round residents plus overnight and day visitors. The only available reliable sources of population data specific to June Lake are from the U.S. Census Bureau and the June Lake PUD.

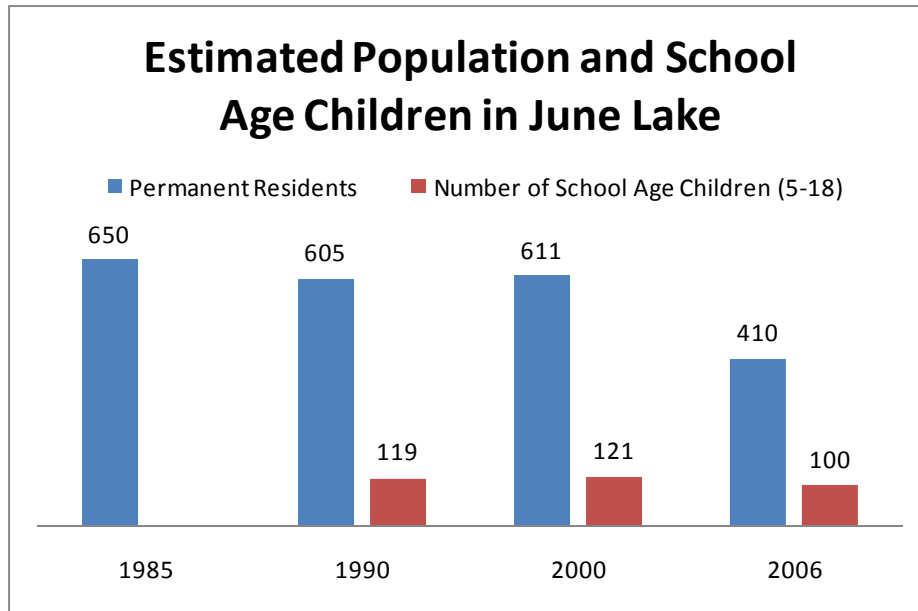
**Table S-1** shows the population estimates for June Lake from various sources. The data suggests that the permanent resident base in June Lake has declined in the range of 4% to 37% over the past 20 years. Although ESRI estimates a population of 623 in 2007, the June Lake PUD population estimate of 410 in 2006 is more likely to be accurate since it is based on utility customer data which is specific to June Lake.

Census data indicate growth of Hispanic residents in June Lake, a trend which is experienced in less affordable communities as the white worker base is forced out of the area due to high living costs.

The June Lake PUD data also indicate that the number of families has suffered a serious decline over the past 16 years from approximately 170 families to 50 families. A corresponding decrease of school age children has occurred from approximately 120 children to 100 children. **Chart 1** shows total estimated population and estimated number of school age children.

**Table S-2** presents population estimates for Mono County from 2000 to 2007, prepared by the California Department of Finance. Based on these population estimates and the June Lake PUD data, June Lake's population declined from 11% of the unincorporated County population in 2000 to 6% in 2006.

Chart 1

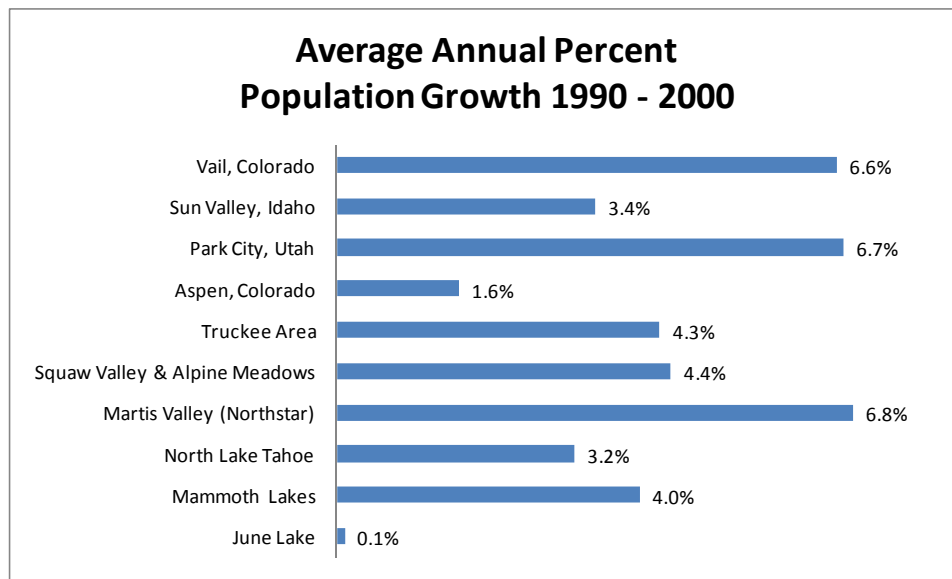


#### Population in other Mountain Resort Areas

Unlike many mountain resort areas, June Lake has experienced, at best, a static number of permanent residents, and per June Lake PUD estimates, a declining number of permanent residents. **Table S-3** presents the change in population for other mountain resort areas in the U.S. The table shows that there have been population increases in all the comparison resort areas except June Lake, with the average annual growth rate ranging between 3% and 7% in the California resort areas, and 1.5% to 7% in resort areas in other states.

Percentage change in population from 1990 to 2000 for each of these areas is depicted in **Chart 2**.

Chart 2



**Housing Units**

Percent of total household units occupied year-round in June Lake remained at approximately 35% between 1990 and 2000. According to June Lake PUD records, 58 single family homes and 10 condominiums have been built since 2000. If all of these units are owned by second-home owners, then the current percentage of occupied units has fallen since 2000. In addition, of the occupied units, a large number are rented. In 2000, only 59% of occupied units were owned.

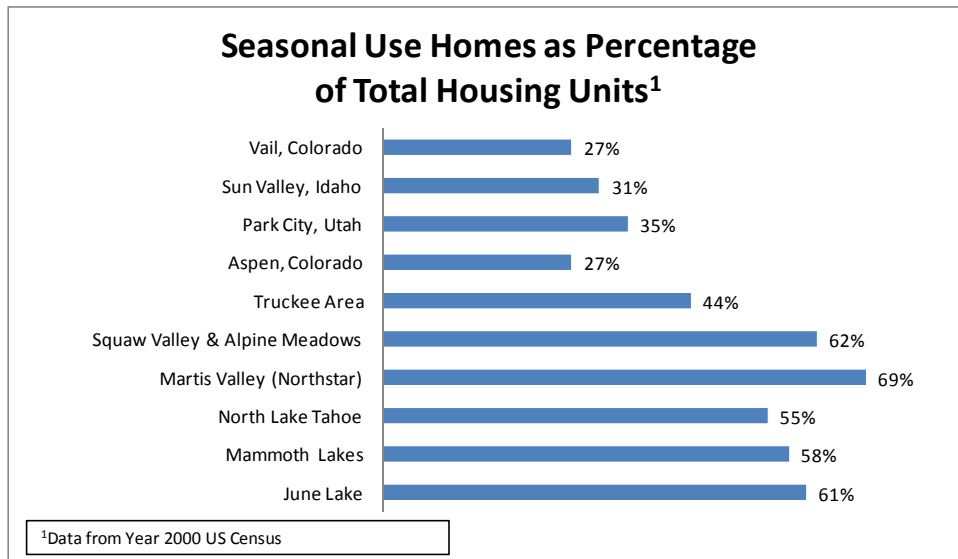
As shown in **Table S-1**, seasonal-use homes (approximated by the U.S. Census Bureau’s seasonal, recreational, or occasional use category) comprised almost two-thirds of total housing units in June Lake in 2000. According to June Lake PUD research, this percentage is now even higher. This data provides one of several indicators estimating the extent to which visitors contribute to the local economy. June Lake is heavily dependent on visitor spending.

Housing Units in other Mountain Resort Areas

**Chart 3** below show the percentage of total housing units that were seasonal-use homes in other mountain resort areas in 2000. Generally, the percentage of homes that are used seasonally is higher in the California resort areas than the comparison resort areas in other states. In 2000, Aspen and Vail, Colorado 27% of units were seasonal-use. In the Lake Tahoe region the percentage increased to between 44% and 69%. In Mono County, Mammoth Lakes percentage of housing units used as seasonal homes was 58%, and in June Lake, 61%. **Table S-4** provides the support data for this chart.



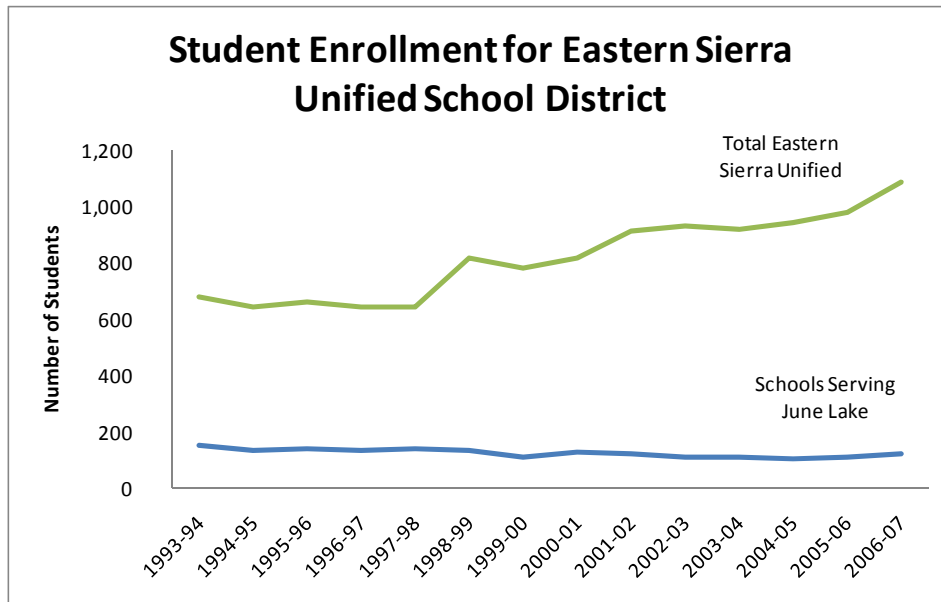
Chart 3



**School District Enrollment**

Students in June Lake live within the attendance boundaries of the Eastern Sierra Unified School District and are educated at the Lee Vining elementary and high schools. Enrollment data at these schools provides an indicator of population stability for the communities of both June Lake and Lee Vining. This data is presented in **Table S-5** and **Chart 4** below.

Chart 4



As shown, total enrollment has increased in the School District as a whole, but the schools in Lee Vining have maintained a flat enrollment rate since 1993. The data suggests that while population and employment, (since children of workers employed within the School District’s boundaries are eligible to attend) have grown in the remainder of the unincorporated County, they have not in the communities of Lee Vining and June Lake. In 2007, 38% of the Lee Vining schools students originated from June Lake. **Table S-6** provides a breakdown of students by grade level.

**Income and Poverty Indices**

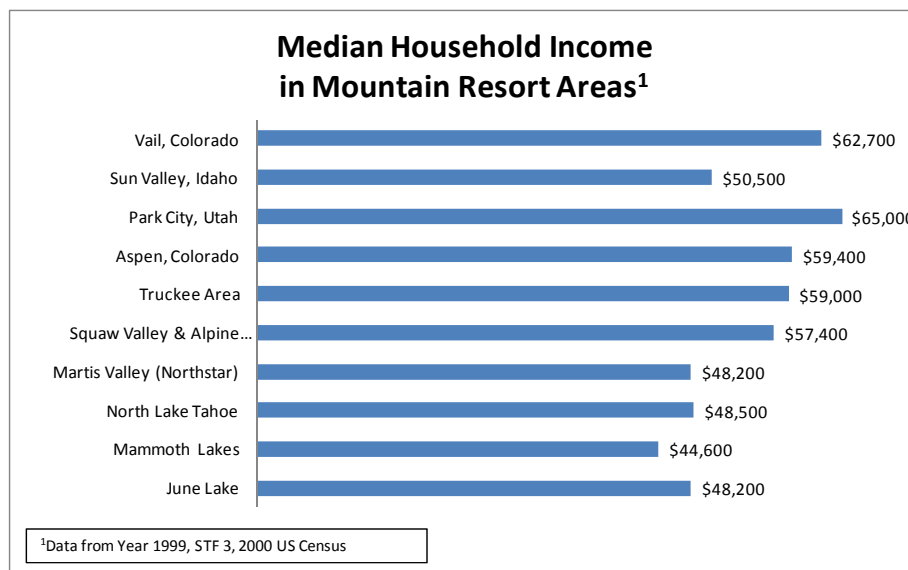
Income

Income is useful gage of spending power and can be used to approximate retail expenditures by the community. Median household income in June Lake was approximately \$48,000 in 2000, as shown in **Table S-7**. ESRI estimates that median household income in June Lake is about \$60,000 in 2007<sup>1</sup>; however, the reliability of this estimate is questionable since the same data source estimates the resident population of June Lake at 623 for 2007 and estimation methods used tend to be highly unreliable in areas with small sample size.

Median Household Income in other Mountain Resort Areas

As of 1999, the highest household incomes of the selected mountain resort areas were in Park City, Utah, Vail and Aspen, Colorado, closely followed by Truckee, California. June Lake and Mammoth Lakes had the lowest household incomes of the selected areas, followed closely by Northstar (near Lake Tahoe) as shown in **Table S-8** and **Chart 5** below.

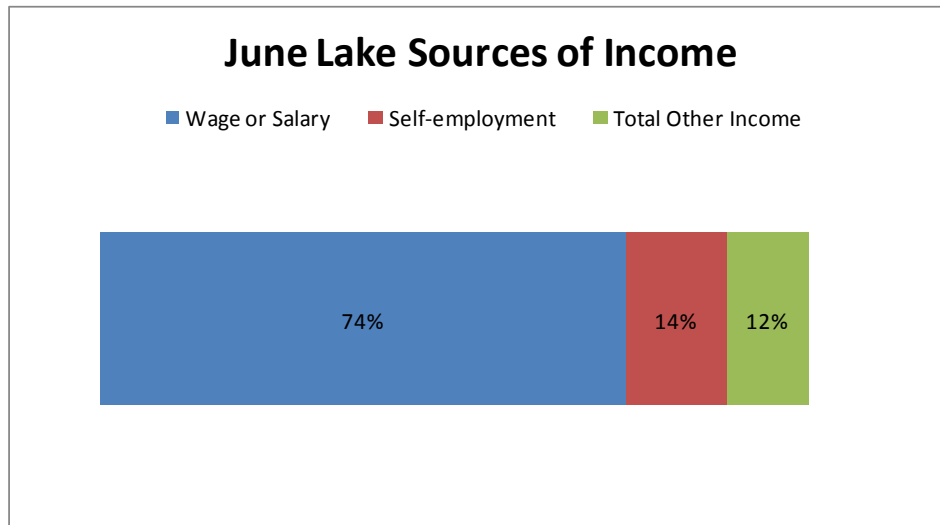
**Chart 5**



<sup>1</sup> ESRI Business Analyst Online, www.esri.com.

Earnings

Sources of earnings are from two sources: 1) wage and salary employees (full and part time), and 2) other earnings such as income of self-employed business owners. Income from employment earnings plus other sources of income are shown in **Chart 6**.

**Chart 6**

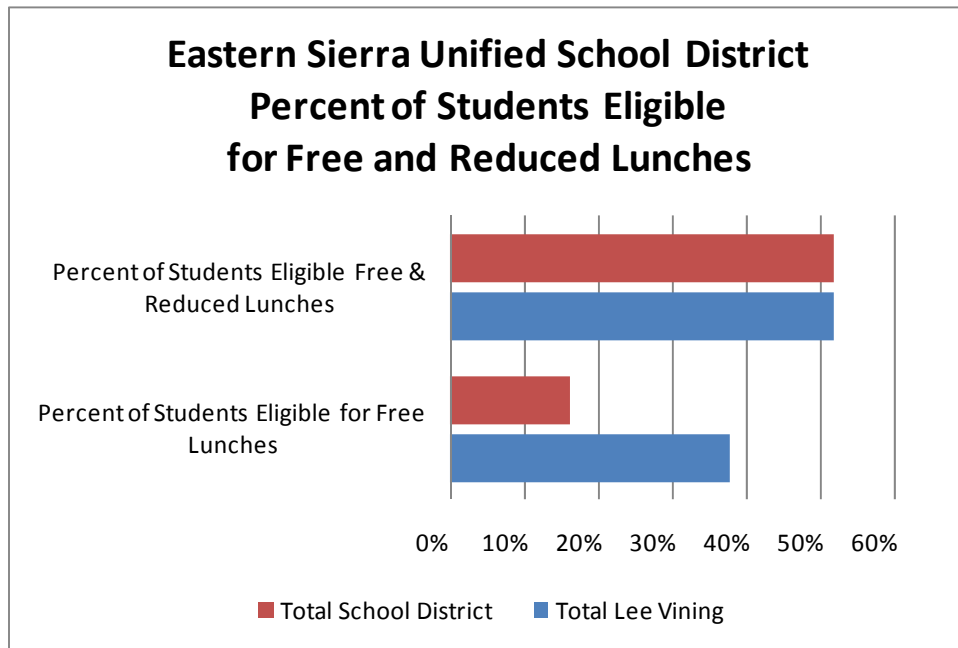
This data indicates that the resident population is largely a working population; however, this may have changed since 2000. This will not be known until the 2010 Census.

Poverty

Although the Census provides indicators of poverty, it is not easily understandable, and does not account for undocumented workers. One useful and easily understandable index of poverty in a community is the number of reduced-price or free lunches at the public schools. As already noted, June Lake school children are served by the Eastern Sierra Unified School District and attend the elementary and high schools located in Lee Vining. Reduced-price and free lunch program information for this school district is available<sup>2</sup> and indicates that for the past three years more than half of all students have been eligible for free and reduced meals. Although data shows that the Lee Vining schools eligibility percentage is roughly the same as for the entire School District, the proportion of students eligible for free lunches is much higher suggesting greater hardship. This data is shown in **Table S-9** and **Chart 7** below.

<sup>2</sup>California Department of Education - [www.cde.ca.gov](http://www.cde.ca.gov).

Chart 7



**BUSINESS AND WORKFORCE PROFILE**

**Employment**

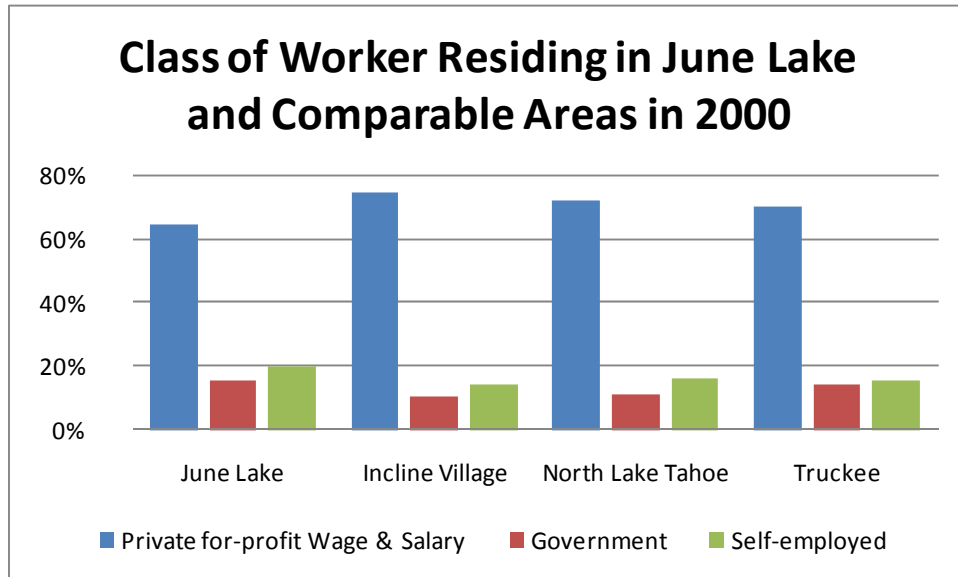
Minimal employment data is available for June Lake. Employment data is available by Place of Residence from the U.S. Census. This data indicates what types of employment June Lake residents have but does not indicate what employment in June Lake is. This latter information (employment by Place of Work) is obtainable from the California Employment Development Department (EDD); however, in conversation with EDD their estimates would be highly unreliable since they are based on a methodology that severely skews numbers for rural areas due to their small sample size.

**Chart 8** shows the type of worker residing in June Lake in 2000, and compares June Lake with communities around the north shore of Tahoe. June Lake has a high proportion of residents employed by the government sector and self-employed individuals. This result is unsurprising since government often employs a greater share of the workforce in rural areas, and since June Lake is an alluring place for self-employed individuals.

Accompanying **Table S-10** shows that approximately 25% of the workforce is employed in the leisure industry, which is another indicator that June Lake is heavily dependent on tourism. These figures are similar in the comparison areas, except for Truckee which has a

lower percentage of employment in the leisure industry as its economy is not as dependent on tourism.

Chart 8



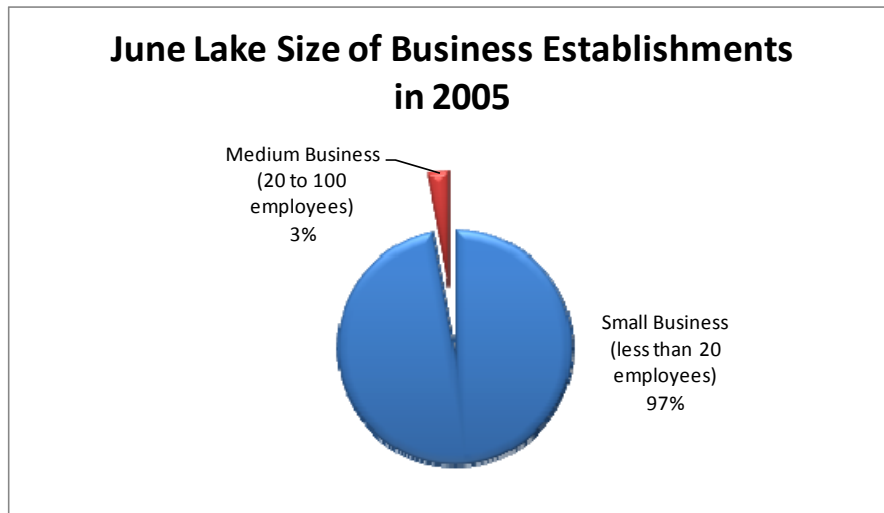
**Size of Businesses, Jobs and Average Earnings (Payroll)**

The U.S. Census provides estimates of business size, jobs, and earnings in June Lake in the County Business Patterns by Zip Code publication. **Table S-11** displays the Business Patterns by Zip Code data including number of jobs, earnings, and size of businesses.

**Chart 9** indicates that approximately 97% of businesses employ less than 20 employees. These jobs are primarily generated by the lodging establishments serving visitors to the area. The only major employer in June Lake is June Mountain, which generates more than 200 jobs during the winter months and 20 jobs year-round.

According to the County Business Patterns by Zip Code publication, there were 272 jobs in the June Lake zip code area in 2005 compared with 182 jobs in 2000. Given that total population of June Lake has declined (per June Lake PUD records) it is suspect that the total number of jobs has increased. This data source also states that payroll almost doubled over the 5-year period, far outstripping inflation, and is also very suspect; therefore, HEC questions the reliability of this data. Since June Lake is so rural, the only way to obtain good business and workforce statistics is to perform a business survey.

Chart 9



### Gross Business Receipts

Indicators of gross business receipts include transient occupancy tax and sales tax. Mono County does not track sales tax data. Transient occupancy tax (TOT) data is collected and tracked at the sub-County level by the Mono County Finance Department.

### Transient Occupancy Tax

**Chart 10**, which is based on data in **Table S-12**, shows total rental unit receipts from all rentals in unincorporated Mono County. The dramatic increase in 2002 reflects the addition of campgrounds and RV Parks transient population to the list of transients subject to payment of TOT. The illustration shows an upward trend in rental unit receipts through fiscal year ending 2006 and a slight dip in 2007. The consistent peaks and valleys of overnight stays between summer and winter months shown in this chart is more clearly demonstrated in **Chart 11**.

Mono County's Finance Department was able to provide total TOT collections from June Lake since fiscal year ending 2003 (prior to this date the data included collections from Lee Vining). The transient occupancy rate is currently 12%. All overnight accommodations that are occupied for less than 31 nights are required to pay TOT, including campgrounds and RV parks.

Chart 10

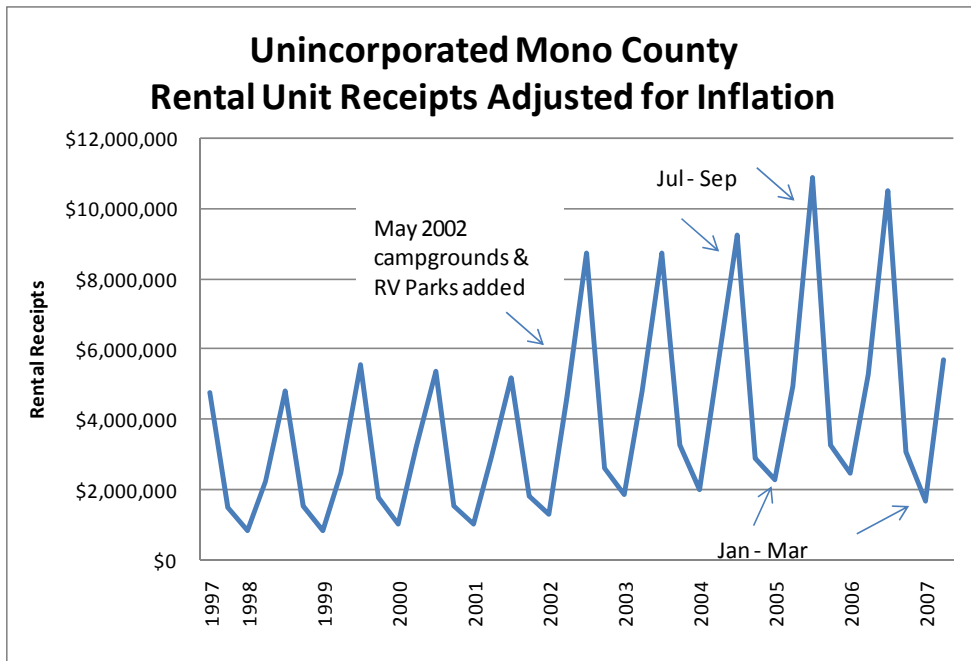
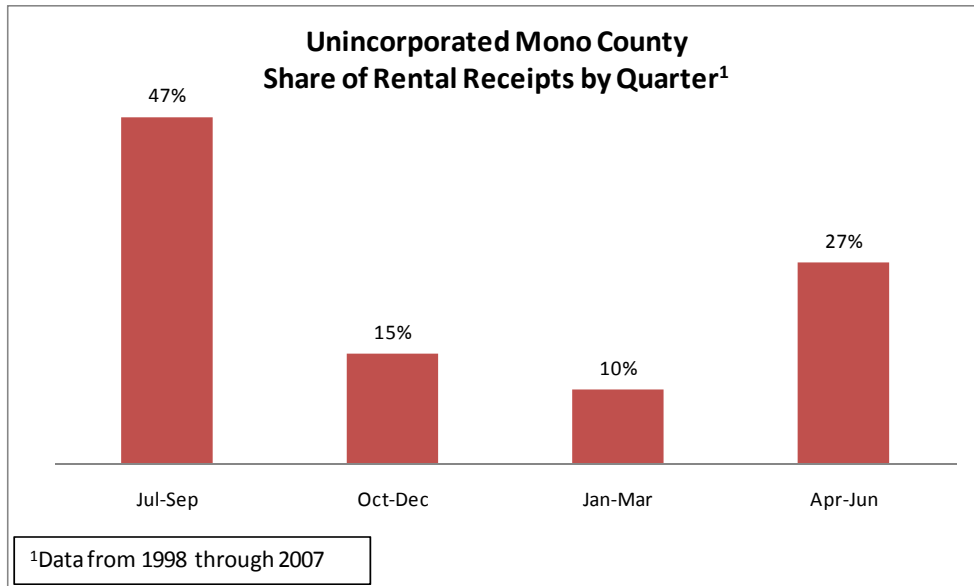


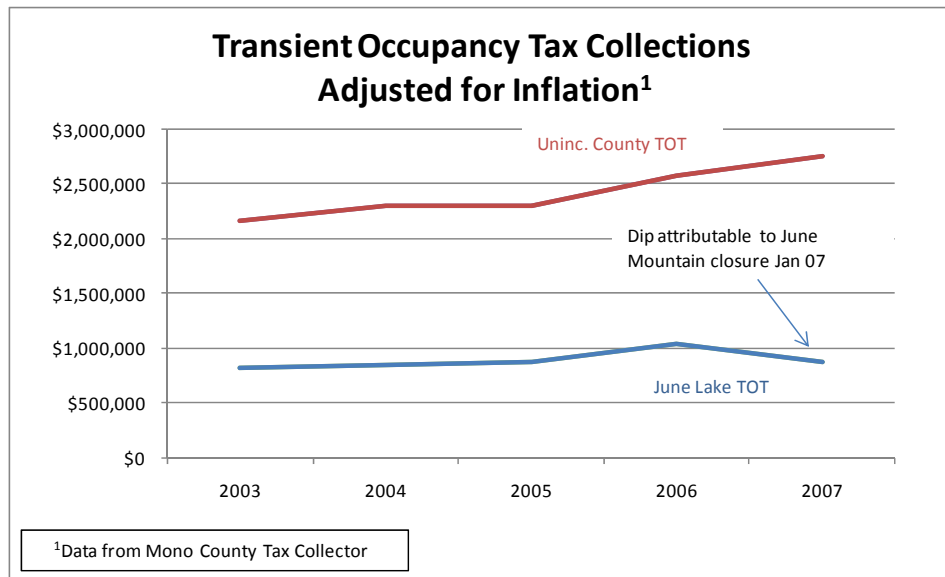
Chart 11



**Chart 12** shows how June Lake’s TOT collections compare with the remainder of the unincorporated County after adjusting for inflation using the California Consumer Price Index. The TOT data indicates that either there was an upwards jump in room rates in 2006 and 2007 or there was increased visitor volume in these years for the total unincorporated County. June Lake typically generates 37% of the entire unincorporated County transient occupancy taxes. The dip in TOT collections from June Lake in 2007 is attributable to the closure of June Mountain in January 2007.

It is estimated that \$2,049 in TOT is collected per June Lake resident, compared to \$317 per unincorporated County resident, an indication of the dominance of tourism on June Lake’s economy. Calculation of TOT collections per resident are shown in **Table S-13**.

**Chart 12**



**Taxable Sales**

Point of sales tax data is not collected by Mono County; however, total taxable sales for the entire unincorporated portion of the County are provided by the California Board of Equalization. Taxable sales data (*note: this is not sales tax*) was adjusted for inflation using the California Taxable Sales Deflator. Taxable sales data is presented in **Table S-14**. **Chart 13** shows that Mammoth Lakes generates the lion share of taxable sales in Mono County.



Chart 13

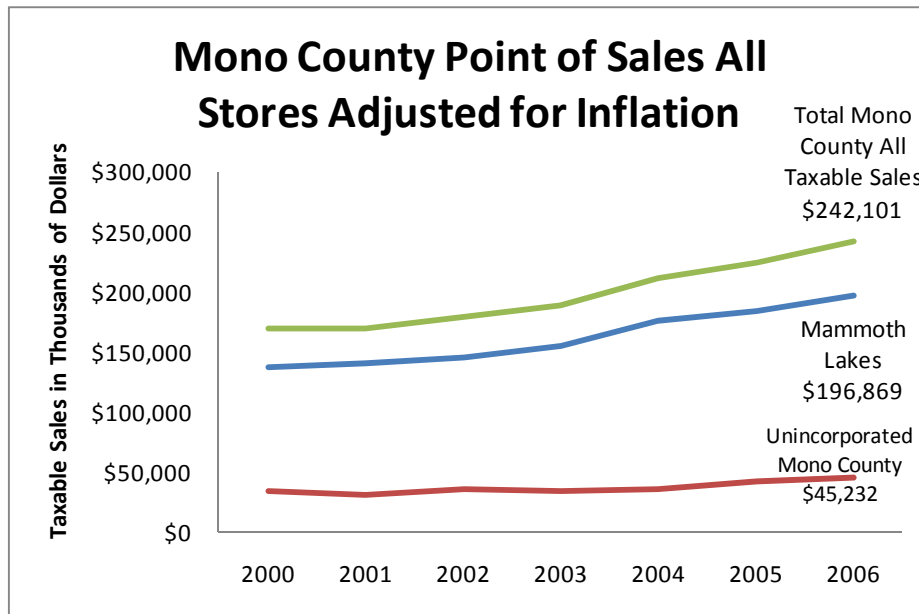
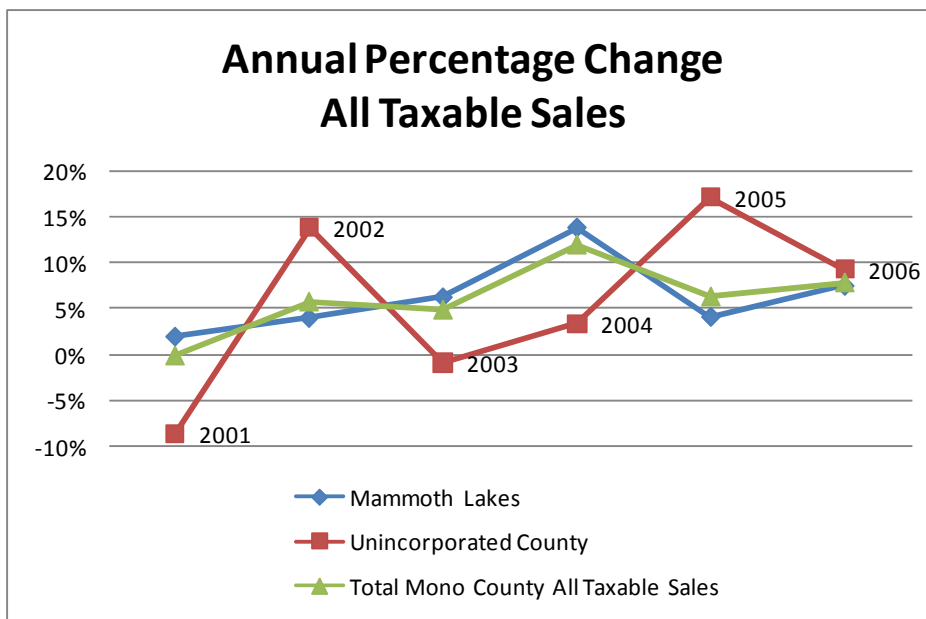


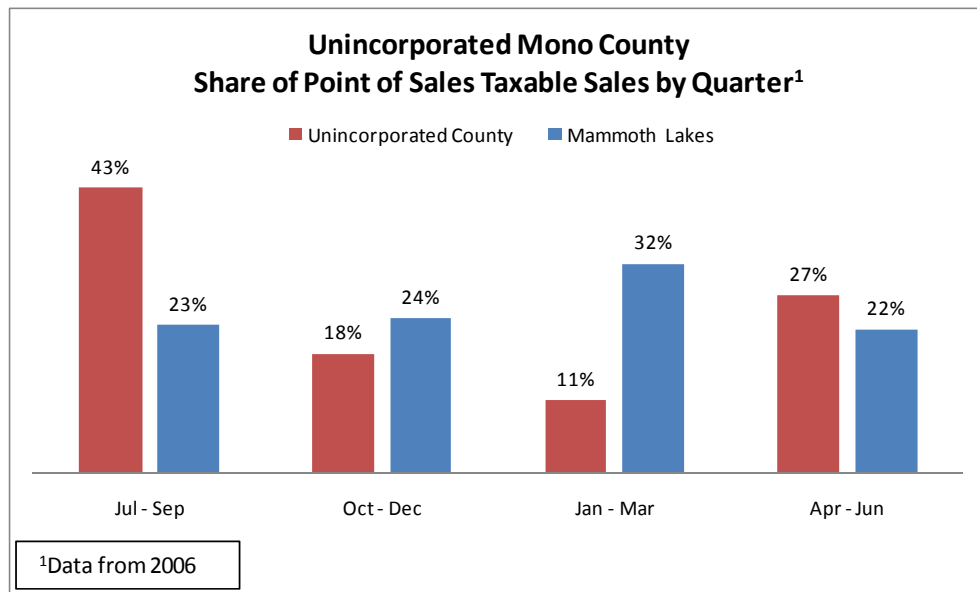
Chart 14 shows that taxable sales from the unincorporated County swings widely year to year in percentage terms.

Chart 14



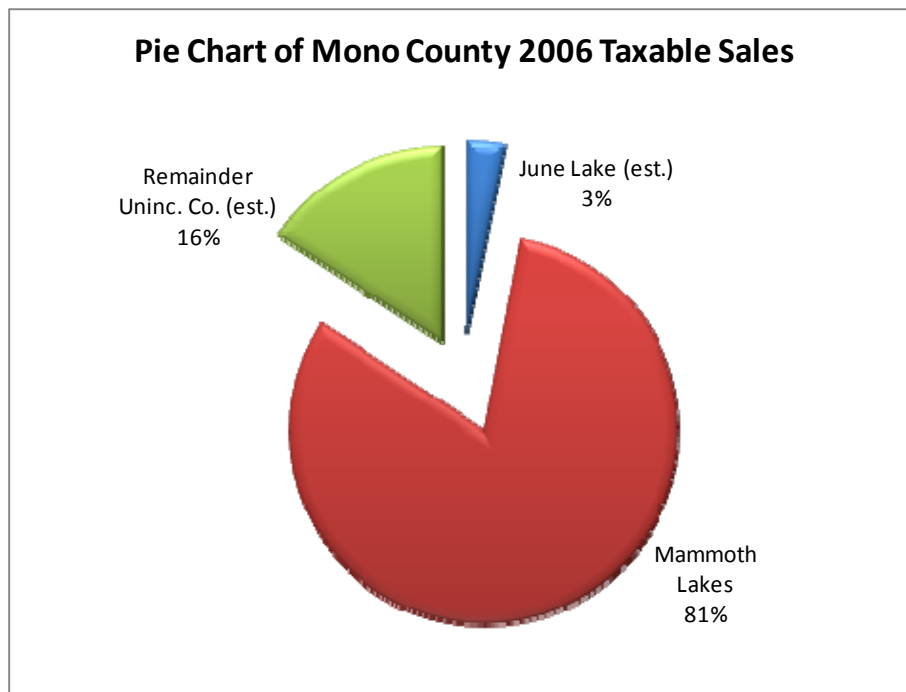
**Chart 15** shows the seasonality of taxable sales in the unincorporated County and Mammoth Lakes. The reason for comparing both areas side by side is to highlight that Mammoth Lakes has a more diverse economic base. Although almost one-third of Mammoth Lakes’ taxable sales are generated in the winter, remaining sales are spread out evenly during the rest of the year. In the unincorporated portion of the County, the summer months generate almost half of annual taxable sales. June Lake’s taxable sales generation is probably more similar to Mammoth Lakes in the winter and summer months and lower than Mammoth Lakes and the unincorporated County in the spring and fall months since it is so heavily tourist-dependent.

**Chart 15**



HEC has produced an estimate of the share of taxable sales that may be attributable to June Lake businesses based on taxable sales per capita in the unincorporated portion of the County. The purpose of calculating this estimate is to evaluate retail performance in June Lake, and is more fully explained in the next step of the Study. Regardless of the exact population of June Lake, the percentage share of taxable sales captured by June Lake is approximately 3% of the total County, as shown in **Chart 16** below.

Chart 16



#### Number of Visitors

In **Table S-15**, HEC estimates that June Lake has approximately 408,805 visitor days per year, of which 10% are made by seasonal-use homeowners, 15% by day visitors, 27% by visitors staying in hotels, motels, and cabins, and 39% staying in RV Parks and campgrounds, as illustrated in **Chart 17**. The percentage share of visitor-days by overnight visitors is 85% of the total (see **Chart 18**).

The number of visitor-days is not equivalent to total number of visitors, which is estimated at approximately 150,491 per year. The total number of visitors is an estimate based on assumed average length of stay by accommodation type, and as such, may be refined with better data. Day visitors are 42% of total visitors (or trips), but only comprise 15% of visitor days. Seasonal-use homeowners comprise only 4% of total visitors, and 10% of visitor days. Support data for **Table S-15** is found in **Tables S-16** through **S-19**.

Chart 17

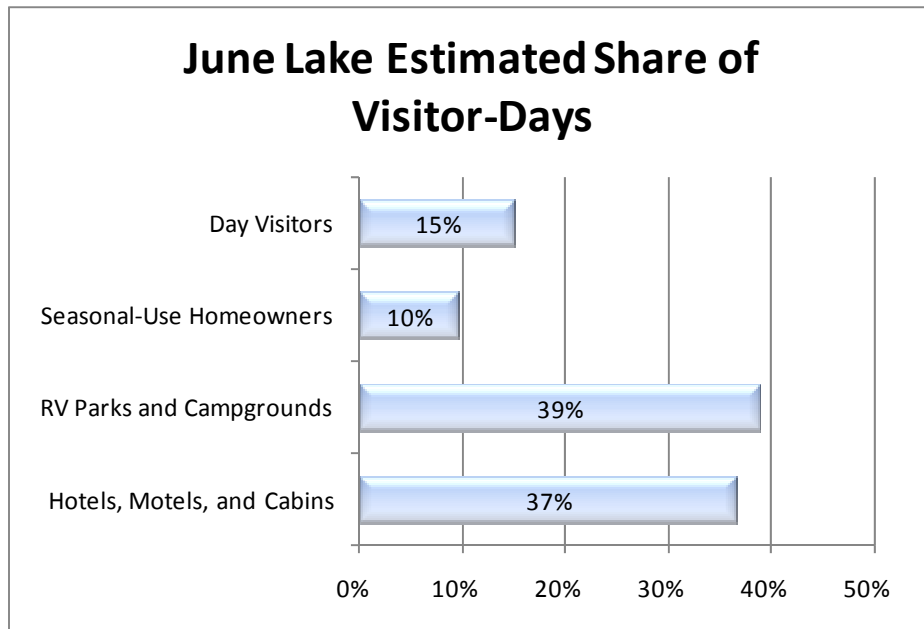
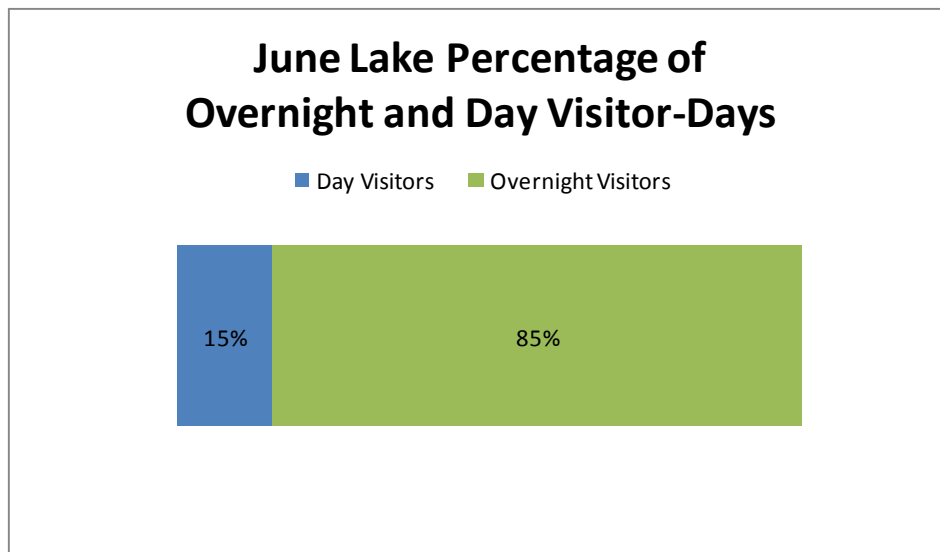
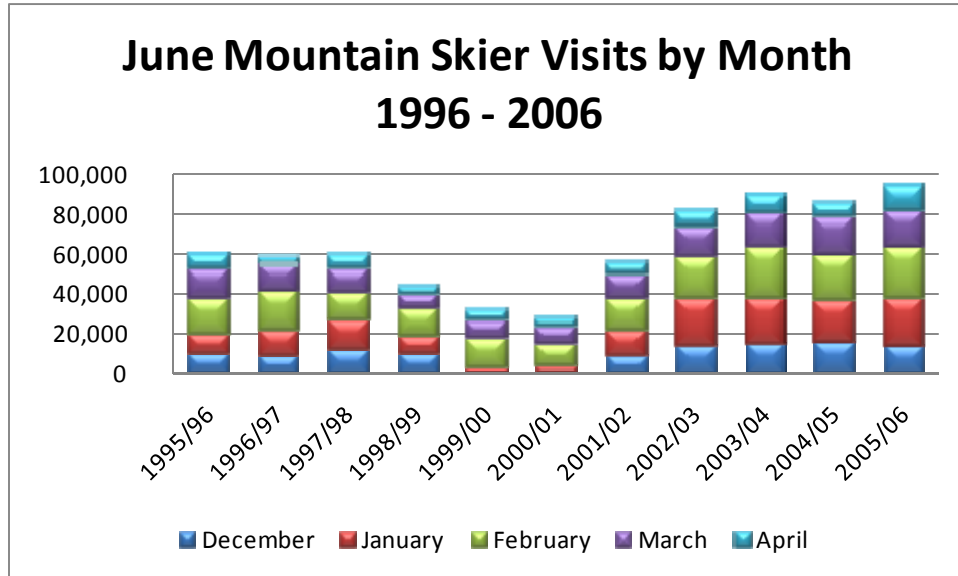


Chart 18



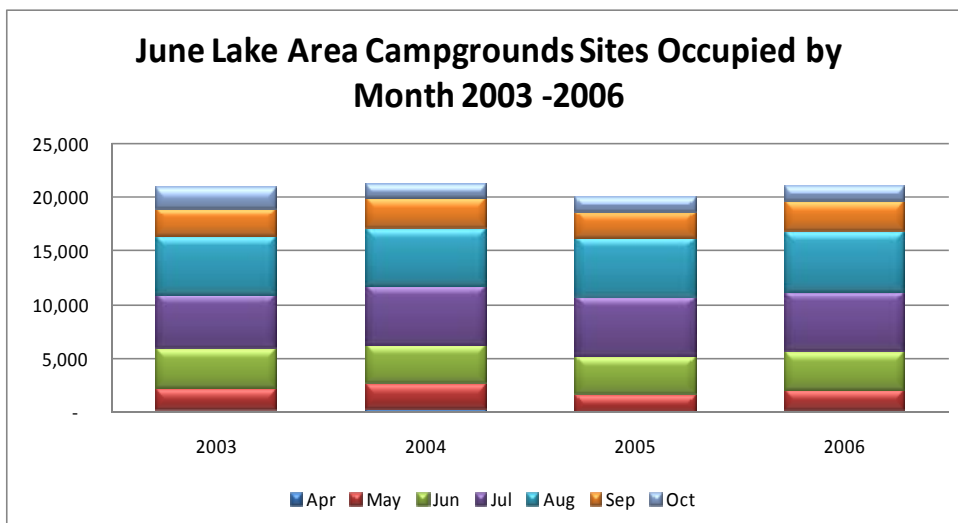
An indication of visitor numbers over time is available from number of skier visits and campground use. **Chart 19** shows skier visits by month 1996 – 2006 based on data from June Mountain in **Table S-20**. Skier visits data is influenced by weather, nevertheless, the data indicates increased visitation during the winter months 2003 – 2006.

Chart 19



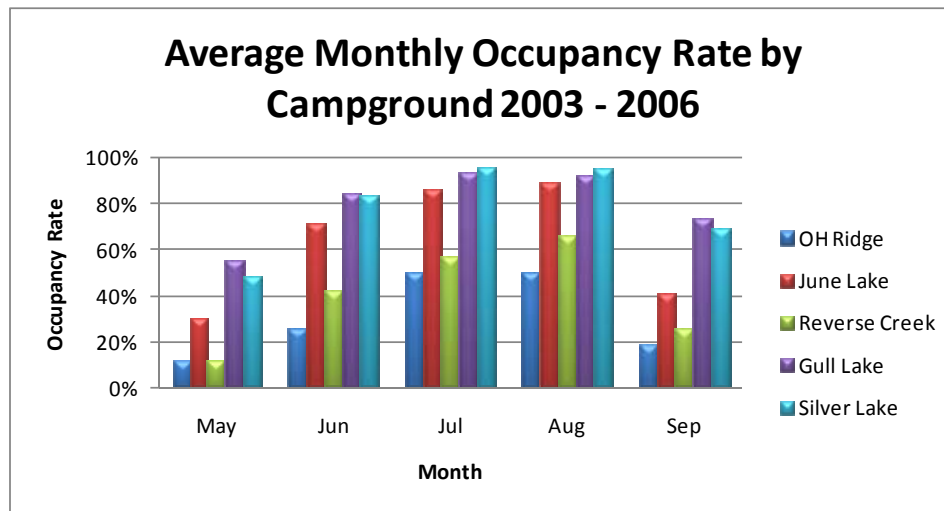
**Chart 20** shows campground use by month 2003-2006 for all campgrounds (June Lake, Gull Lake, Silver Lake, Oh Ridge, and Reverse Creek) combined and shows stable annual visitation at the campgrounds. This data is found in **Table S-21**.

Chart 20



**Chart 21** shows average occupancy by campground by month for the 2003 – 2006 time period. Although the campgrounds are open for portions of April and October these data are not included in the occupancy statistics since opening and closing dates are dependent on weather. Of the campgrounds, Gull Lake has had the greatest occupancy rate over this period followed by Silver Lake, June Lake, Reverse Creek, and Oh Ridge in order from greatest to least occupancy.

**Chart 21**



## TOPICS FOR FURTHER RESEARCH AND NEXT STEPS

This memorandum has mostly been concerned with the documentation of what the economic climate is in June Lake through provision of citizen, business-owner and land management perspectives and analysis of available historical data. The next step of research will be to explore the topics presented here in further detail to:

- ◆ Determine the linkages between land use and economic performance,
- ◆ Quantify the relationship between lodging (warm beds) and tourism (leisure/recreation visits),
- ◆ Quantify (based on the best available data) expenditure on goods and services in June Lake, and the resultant supply - demand ratio for retail space,
- ◆ Identify undeveloped property capabilities and limitations,
- ◆ Explore potential for diversification of the economic base,
- ◆ Describe the interdependence between June Lake's economy, the regional economy, and national economy,

- ◆ Suggest optimal locations for expanded and/or new clusters of economic activity,
- ◆ Specify current regulatory incentives and disincentives (if any) for economic development in June Lake,
- ◆ Approximate development costs and returns for job-creating businesses to gauge investment potential,
- ◆ Analyze quantity and quality of existing retail stock,
- ◆ Document earnings levels required to sustain a permanent, year-round employment base,
- ◆ Outline strategies for using existing funding sources to invest in the community,
- ◆ Present economic development principles for sustainable communities recommended by think-tanks and non-profits vested in the well-being of Sierra Nevada communities.

The information, findings and recommendations in this portion of the Study will be encapsulated in Technical Memorandum No. 2.

After County staff has reviewed Technical Memorandums No. 1 and No. 2, a presentation will be made to all concerned public for input. Based on the direction provided at the presentation, and subsequent public input, HEC will create a Strategic Plan for use by Mono County and the community of June Lake.





# **APPENDIX A**

## **LIST OF INTERVIEWEES**



## **INTERVIEWEES**

Jerry Allendorf

Juli Baldwin

Vikki Magee Bauer

Mike Bauer

Cheri Bromberger

Dorothy Burdette

Eric Diem

Jill Ellis

John Fredrickson

Al and Patti Heinrich

Paul McCahon

Vicky Moffett

Lynn Morton

David Naaden

Chris Piper

Mindy Pohlman

Danny Roberts

Linda Rossier

Mike Schlafmann

Linda Thompson

Carl Williams

Ken Willingham



## **APPENDIX B**

### **STAKEHOLDER ISSUES**



<b>HOUSING</b>	
<b>Problems / Constraints</b>	<b>Suggestions</b>
<p>Majority of new housing is for second-home owners</p> <p>Second-homeowners forced up real estate prices, homeownership difficult for entry buyer, rental rates increased</p> <p>Lack of workforce / employee housing</p> <p>Expensive to build housing</p> <p>Conflicting statements made regarding sales of rental units turned into second-home ownership, reducing the rental pool</p>	<p>New housing should target warm beds</p> <p>County government should play strong role, could work on land trades with USFS</p> <p>Government should reduce fees AND make more streamlined, comprehensive process</p>
<b>INFRASTRUCTURE AND SERVICES</b>	
<b>Problems / Constraints</b>	<b>Suggestions</b>
<p>Concern development of Rodeo Grounds is going to take 20 years causing disruptions to the tranquility of June Lake</p> <p>Ski parking /traffic bottleneck on busy winter holidays</p> <p>Even the federal postal service has been reduced to one pick-up per day, and delivery times are unreliable</p> <p>Lack of typical community facilities and services that foster community stewardship and pride (such as churches and schools)</p> <p>On-site paramedic is rarely on-site since this person is often called out to Mammoth</p> <p>Lack of adequate storm water drainage facilities floods the sewer system causing overloading</p>	<p>Continue June Mountain's shuttle bus round the lodging establishments</p> <p>Use private mail carriers out of Mammoth</p> <p>County fund an additional paramedic</p> <p>Design and install appropriate storm water drainage facilities</p>
<b>CULTURE / HERITAGE</b>	
<b>Problems / Constraints</b>	<b>Suggestions</b>
<p>Shrinking permanent resident population results in difficulty sustaining necessary volunteer base for community services and public safety (fire protection)</p> <p>Declining number of families tears fabric of the community; community revolves around all life stages</p> <p>"The town has an empty feel" (interviewee quote)</p> <p>Don't want to be a bedroom community</p> <p>Extremely concerned that June Lake must honor its heritage in any future revitalization efforts; economic strength should not be obtained at the expense of community character</p> <p>The root of the community is recreation</p> <p>The Arts Guild which has sponsored many events that draw visitors and provides programs for children is having difficulty sustaining itself</p> <p>Increase in thrift store volume of sales</p>	<p>Don't become Mammoth</p> <p>Promote the arts in June Lake; initiate or have joint ventures (for example with the Mono Committee) to host artist workshops in June Lake</p>

[1] HEC has summarized comments /perceptions of interviewees. HEC has not added any professional or personal commentary to the summary.

**ECONOMIC BASE**

<b>Problems / Constraints</b>	<b>Suggestions</b>
<p>Tourism is the primary industry; peak visitation is in summer when campgrounds are full; June Lake is failing to keep up with competitors for tourists</p> <p>Lodging stock is old, the only establishments with viable business have no mortgage (often passed down through family trust)</p> <p>The resorts have synergy, each adds to the other</p> <p>Summer business greatly affected by change in Southern California school system to "year-round" with shorter summer vacations</p> <p>Lack of manpower base, poor quality workforce, English language barrier</p> <p>Marginal economy, wages insufficient to support a family unless commute to work elsewhere,</p> <p>Fear that if commercial/retail spaces are built they will remain vacant, and that new enterprises in existing spaces will fail (Schat's bakery example)</p> <p>Fear that new development at Rodeo Grounds will steal business from the Village</p> <p>Fishing decline in recent years has affected visitors' experience</p> <p>"We want the visitors to come, spend their money, have a great experience and go home"</p> <p>Major purchases are made in Carson City, everyday purchases are made in Mammoth, emergency purchases are made in June Lake</p> <p>Some visitors come to June Lake simply to be here; they do not need to "do" anything</p> <p>The majority of the visitor base is repeat visitors and multi-generation visitors</p> <p>June Mountain is hampered by unreliability of snow</p> <p>June Mountain is the community's trump card</p>	<p>Need an on-line central reservations tool</p> <p>June Lake should be viewed as part of a region of tourist activities, history and culture</p> <p>Diversify existing businesses to cope with changing patterns of leisure travel</p> <p>Commercial activity to generate income that will sustain families</p> <p>California Fish and Game dedication / partnership to stock more good-quality fish</p> <p>Stop leakage of spending from Mono County to its neighbors</p> <p>Snowmaking facilities necessary</p> <p>The ski area must stay; the County should represent the community and play a role in providing ancillary winter activities</p> <p>If Mammoth pulls out; run the mountain as a cooperative</p>

**PHYSICAL DEVELOPMENT**

<b>Problems / Constraints</b>	<b>Suggestions</b>
<p>Zoning on South side of Hwy makes no sense (avalanche zone and terrain too steep)</p> <p>Carrying capacity of the environment to absorb new development limited; concerns of degradation of resources, most particularly water quality</p> <p>Size limitations; June Lake was built in the 50's and 60's, trends have changed that are difficult to accommodate for now (a great example is the consumer demand for pontoon boats which are much bigger (where to store?) and cause damage to the docks when windy)</p> <p>Large holding of public lands interfere with the marketplace</p>	<p>Land swap with the USFS to develop suitable land</p> <p>Land swaps but they take years</p>

economic issues

[1] HEC has summarized comments /perceptions of interviewees. HEC has not added any professional or personal commentary to the summary.