

## 4 SOCIAL AND ECONOMIC EFFECTS

### 4.1 INTRODUCTION

This chapter presents a high-level assessment of the potential social and economic effects of the proposed program. While the social and economic effects are not *required* to be included in an environmental impact report (per State CEQA Guidelines Section 15131(a)), these effects may be studied for informational purposes to gauge the value of implementing the proposed program or alternatives and used as part of the decision making process for adopting the Tahoe PTEIR and approving the proposed program. Furthermore, *Guidance in the Preparation and Review of Program Timberland Environmental Impact Reports* (Board of Forestry and Fire Protection and CAL FIRE 2014) states, "a PTEIR may consider the social or economic changes of the project where it is related to a physical change and used in determining whether the physical change is significant." The economic and social effects of the proposed program and alternative described herein would not result in any new or more severe environmental effects beyond those assessed in this PTEIR.

The information presented in this chapter has been generated using the best information that is readily available, but some details (such as treatment costs, changing dynamics in the market for timber, inflationary forces, labor market fluctuations, etc.) are not known with a high degree of certainty at this time, and could change in the future. As such, the results presented herein should be considered conceptual planning-level estimates.

### 4.2 GENERAL APPROACH AND METHODOLOGY

The social and economic analysis of the PTEIR and alternatives, including the cost to implement treatment activities, the cost to suppress wildfires, and related impacts to public health, recreation, tourism, property values, and municipal revenues is based on a number of resources. Much of the economic research presented in this chapter is informed by the Lake Tahoe West Economics Team: Key Findings and Methodology Documentation (Lake Tahoe West in prep.). In addition, data on forest fuel treatment implementation costs, wildfire suppression costs, property impacts, tourism impacts, municipal revenue impacts, and other relevant data were obtained from a variety of sources, including:

- ▶ U.S. Department of Agriculture Forest Service Lake Tahoe Basin Management Unit (USFS),
- ▶ Newspaper and magazine articles, and
- ▶ Tahoe Prosperity Center.

The social and economic information presented herein is focused on the proposed program and later treatment activities, which are compared to existing conditions (Alternative A described in Chapter 6, "Alternatives"). Each of the program alternatives included in Chapter 6 are also discussed.

### 4.3 COSTS TO IMPLEMENT TREATMENT ACTIVITIES

There will be a substantial cost to the project proponents to implement the later treatment activities analyzed in the PTEIR over the next several years. There will also be costs associated with wildfire suppression, which could differ between existing conditions and the conditions contemplated in the PTEIR and selected alternatives. All of these costs will have a nominal effect on the local economy through the hiring of labor, and the purchase and rental of equipment, supplies, and other necessary inputs. The spending from PTEIR activities will support jobs, payroll, and additional indirect spending throughout the local and regional economies.

### 4.3.1 Treatment Costs

As described in Chapter 2, "Program Description," the PTEIR would authorize a variety of forest management treatments designed to reduce wildfire risk to communities and improve forest health within the program area. These activities include manual thinning, mechanical thinning, pile burning, and prescribed understory burning. The proposed program would treat an estimated 1,250 acres per year, broken down among the various treatment types as shown in Table 4-1. Approximately 500 acres would be treated using manual methods, 300 acres would be treated using mechanical treatments, 250 acres would utilize pile burning, and 200 acres would be treated through prescribed understory burning. Compared to existing conditions, the activities in the PTEIR represent an increase in treatment of approximately 747 acres per year.

**Table 4-1      Estimated Acres Treated by Treatment Type**

	Manual Treatments	Mechanical Treatments	Pile Burning	Prescribed Broadcast Burning	Total
Total Acres Treated - Existing Conditions	199.0	200.0	104.0	0.0	503.0
% of Total	39.6%	39.8%	20.7%	0.0%	100.0%
Total Acres Treated - Proposed Program	500.0	300.0	250.0	200.0	1,250.0
% of Total	40.0%	24.0%	20.0%	16.0%	100.0%
<b>Potential Net Increase (Acres)</b>	<b>301.0</b>	<b>100.0</b>	<b>146.0</b>	<b>200.0</b>	<b>747.0</b>

Source: Compiled by Ascent Environmental in 2019

The cost factors for treatment activities included in the proposed program are based on information from the Lake Tahoe West Economics Team (LTW Economics Team) and USFS. First, cost estimates that were prepared by the LTW Economics Team for the Lake Tahoe West Restoration Partnership were reviewed. The LTW Economics Team used the USFS BioSum OpCost model and adjusted the cost factors using actual thinning contracts from the USFS to reflect the higher costs of activities in the Tahoe region. The treatment costs from the LTW Economics were then inflated to 2020 dollars using the Bureau of Labor Statistics' Consumer Price Index (CPI).

It is reasonable to assume that the costs presented in the LTW Team's analysis would be similar to those that would be incurred as part of the later treatment activities under the Tahoe PTEIR. However, differences between the program area and Lake Tahoe West planning area (e.g., slope, distance to nearby roadways, forest density, and other variables) would influence the actual costs incurred. It's anticipated that of the mechanical treatments undertaken in the program area, approximately 70 percent would likely be cut-to-length and an estimated 30 percent would be whole tree treatments. The LTW Economic Team's cost estimates for mechanical treatments were adjusted accordingly. In addition, treatment activities within the program area are expected to be smaller and cover multiple land ownerships intermixed with developed communities. These projects would not achieve as the same economies of scale as the larger projects in general forest that were included in the Lake Tahoe West cost estimates. To account for this discrepancy, the cost estimates provided by the LTW Economics Team were inflated to 2020 dollars using CPI and adjusted upward by a factor of 20 percent to account for the anticipated higher costs of the smaller projects within and adjacent to the WUI.

For pile burning and understory burning activities, cost estimates from the USFS 2014 *Multi-Jurisdictional Fuel Reduction and Wildfire Prevention Strategy* (TFFT 2014) were used and adjusted to 2020 dollars.

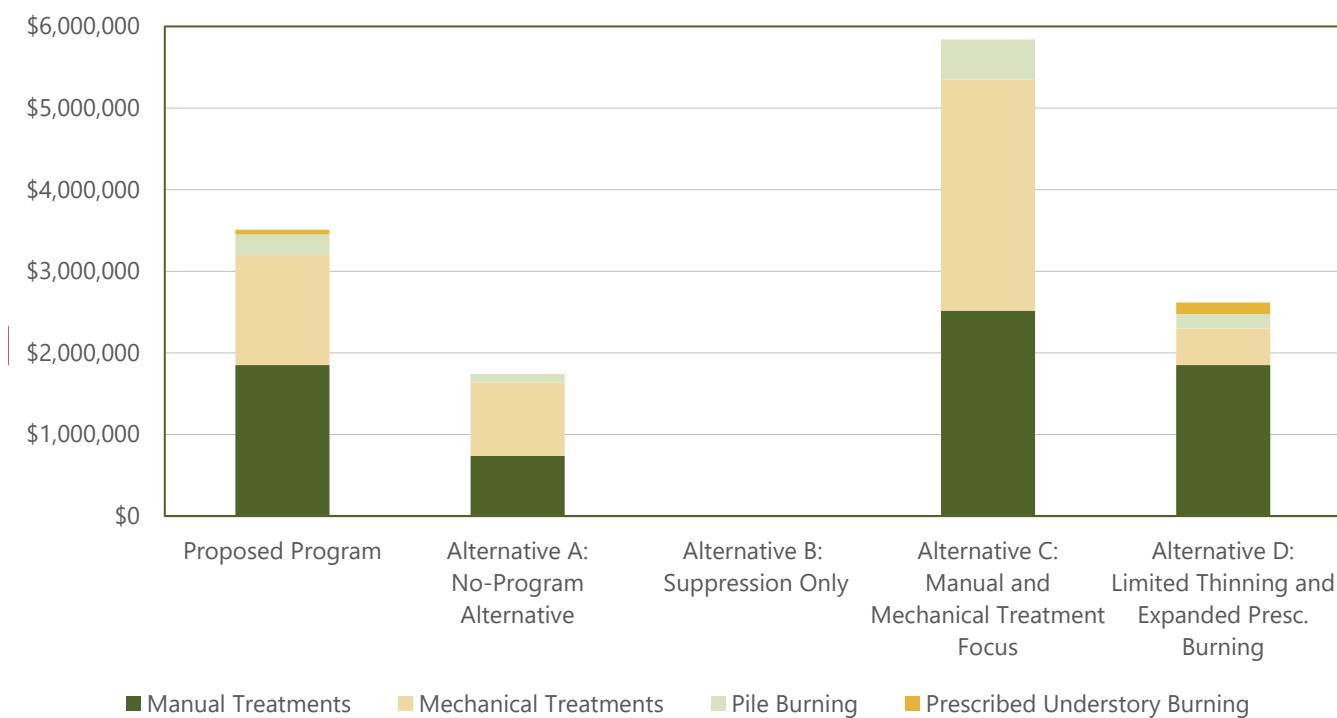
Table 4-2 summarizes the cost factors used to estimate annual treatment costs of later treatment activities.

**Table 4-2 Summary of Treatment Cost Factors**

Treatment Method	Adjusted Cost per Acre 2020 \$	Source/ Notes
<b>Manual Treatment</b>		
Hand-Thinning	\$3,700	LTW costs escalated by 20% to account for likely higher values in the Program Area
<b>Mechanical Treatment</b>		
Ground-Based CTL	\$3,200	LTW costs escalated by 20% to account for likely higher values in the Program Area
Ground-Based WT	\$7,500	LTW costs escalated by 20% to account for likely higher values in the Program Area
Mechanical Treatment Wtd. Avg.	\$4,500	Utilizes adjusted LTW factors; assumes 70% CTL and 30% WT
Pile Burning	\$1,000	From USFS Multi-Jurisdictional Fuel Reduction and Wildfire Prevent Strategy (2014). Costs scaled from 2014 dollars to 2020 dollars using CPI.
Understory Burning	\$300	From USFS Multi-Jurisdictional Fuel Reduction and Wildfire Prevent Strategy (2014). Costs scaled from 2014 dollars to 2020 dollars using CPI.

Sources: TFFT 2014, Lake Tahoe West Economics Team: Key Findings and Methodology Documentation; draft provided in December, 2019

Figure 4-1 shows the estimated annual treatment cost of the proposed program and each alternative. As shown, the proposed program is estimated to cost an average of approximately \$3.5 million per year. This cost is approximately \$1.7 million higher than existing conditions (i.e., Alternative A), which is estimated to cost approximately \$1.8 million per year. Alternative B would have zero treatment costs, since this alternative proposes to cease all forest treatment operations and instead would only suppress wildfires when they occur. The proposed program is estimated to cost considerably less than Alternative C (\$5.8 million per year) and slightly more than Alternative D (\$2.6 million per year).



Source: Prepared by Wells Barnett Associates in 2020

**Figure 4-1 Estimated Annual Treatment Costs (2020 \$)**

## 4.3.2 Wildfire Suppression Costs

In addition to the costs incurred to implement treatment activities, as described above, costs would be incurred by CAL FIRE, local fire protection agencies, and other fire suppression agencies to carry out needed suppression activities when wildfires do occur. Section 3.2, "Wildfire," of this PTEIR discusses the impact of wildfire in detail and includes an estimated quantity of total acres burned each year in the WUI on the California side of the Tahoe Basin under each of the alternatives.

The LTW Economics Team utilized the LANDIS-II model to estimate the likely number, size, and location of wildfires in the WUI on the California side of the Lake Tahoe Basin within each decade over the next 100 years. Table 4-3 summarizes data presented in Section 3.2, "Wildfire," focusing on the projected acreage of wildfires by year for each scenario considered in the Lake Tahoe West Restoration Partnership over the next 30 years. As shown, it is expected that wildfires will burn approximately 41 to 45 acres per year (on average) in the WUI on the California side of the Tahoe Basin during this time period.

**Table 4-3 Estimated Acreage of Wildfire in the WUI on the California Side of the Lake Tahoe Basin By Decade**

Timeframe	<u>Scenario 1</u> No Treatment Total Acres	<u>Scenario 1</u> No Treatment Average Acres Per Year	<u>Scenario 2</u> Business as Usual Total Acres	<u>Scenario 2</u> Business as Usual Average Acres Per Year	<u>Scenario 3</u> Increased Treatment Total Acres	<u>Scenario 3</u> Increased Treatment Average Acres Per Year	<u>Scenario 4</u> Increased Prescribed Burning Total Acres	<u>Scenario 4</u> Increased Prescribed Burning Average Acres Per Year
Decade 1 (Years 1 - 10)	323.9	32.4	316.4	31.6	336.8	33.7	309.7	31.0
Decade 2 (Years 11 - 20)	477.0	47.7	485.2	48.5	429.3	42.9	512.8	51.3
Decade 3 (Years 21 - 30)	519.9	52.0	543.2	54.3	480.2	48.0	531.2	53.1
Average Overall - Years 1 Thru 30		44.0		44.8		41.5		45.1

Source: Compiled by Wells Barnett Associates in 2020

Next, the LTW Economics Team derived estimates of the cost to suppress wildfires, based on actual cost data from wildfire events in the Lake Tahoe region from 1987 to 2018 (Table 4-4). The cost of fire suppression generally varies by the size of the fire, with larger wildfires generally sustaining a lower cost-per-acre because of economies of scale. Adjusted to 2020 dollars, costs have ranged from approximately \$8,000 per acre for fires between 1 and 10 acres in size to approximately \$2,800 per acre for fires larger than 1,000 acres in size.

**Table 4-4 Summary of Suppression Costs Used in LTW Economic Study**

	Fire Size	Cost per Acre (2018 \$)	Cost per Acre (2020 \$)
Suppression Costs	1 - 10 Acres	\$7,898	\$8,114
	10 - 100 Acres	\$6,109	\$6,276
	100 - 300 Acres	\$3,017	\$3,099
	300 - 1,000 Acres	\$3,053	\$3,136
	1,000 - 5,000 Acres	\$2,732	\$2,807
Gross Average Suppression Costs			\$4,600
Gross Average of 1-10 Acre Fires and 10 - 100 acre fires			\$7,200

Source: Lake Tahoe West in prep.

High-level estimates of the cost to suppress wildfires in the WUI on the California side of the Tahoe Basin over the long-term were developed based on the wildfire cost estimates presented in Table 4-4, and the estimated acreage of wildfire projected over the next 30 years. This analysis is based on an average suppression cost of \$7,200 per acre, which is the approximate average cost for suppression of fires between 1 and 100 acres in size, because it is assumed that most wildfires in the WUI would be relatively small in scale. It should be noted that this analysis assumes that the average cost of wildfire suppression remains constant over time; whereas, in reality, staffing costs, equipment costs, and other expenses may differ.

The analysis is focused on presenting costs for both the Lake Tahoe West Scenario 2 (i.e., "business as usual" scenario) and Scenario 3, which would involve increased treatment including a mixture of hand-thinning and mechanical treatments, with biomass being removed after treatment and no prescribed burning. While these scenarios do not align perfectly with the proposed program, they are relatively similar and provide a range in the amount of treatment activities that would be less than or more than would occur under the proposed program.

The estimated cost to suppress wildfires in the WUI under these two scenarios is shown in Table 4-5. Under Scenario 2, the annual cost to suppress wildfires in the WUI is \$2.3 million over the first 10 years and a total of \$9.7 million over 30 years. Under an increased treatment scenario (Scenario 3), costs are estimated at \$2.4 million over the first 10 years and \$9.0 million over 30 years. Overall, Scenario 3 shows an estimated savings of approximately \$709,000 in suppression costs over a 30-year period. It should be noted that these cost estimates assume that suppression costs are the same regardless of the severity of the wildfire. As shown in Section 3.2, "Wildfire," Scenario 3 is expected to result in an approximately 14 percent decrease in the proportion of wildfire's that burn at high-severity. To the extent that high-severity wildfires are more costly to suppress, scenario 3 would result in greater cost savings than presented in Table 4-5.

**Table 4-5 Total Acres of Wildfire (Projected) in the WUI on the California Side of the Lake Tahoe Basin**

Item	Scenario 2 Business as Usual Total Acres	Scenario 2 Business as Usual Average Acres Per Year	Scenario 2 Business as Usual Average Cost per Year <sup>1</sup>	Scenario 2 Business as Usual Cumulative Cost (End of Decade)	Scenario 3 Increased Treatment Total Acres	Scenario 3 Increased Treatment Average Acres Per Year	Scenario 3 Increased Treatment Average Cost per Year <sup>1</sup>	Scenario 3 Increased Treatment Cumulative Cost (End of Decade)	Cost Difference (Cumulative)
Decade 1 (Years 1 - 10)	316.4	31.6	\$227,808	\$2,278,080	336.8	33.7	\$242,496	\$2,424,960	-\$146,880
Decade 2 (Years 11 - 20)	485.2	48.5	\$349,200	\$3,493,440	429.3	42.9	\$309,096	\$3,090,960	\$402,480
Decade 3 (Years 21 - 30)	543.2	54.3	\$391,104	\$3,911,040	480.2	48.0	\$345,744	\$3,457,440	\$453,600
Average Overall - Years 1 Thru 30	<b>48.3</b>	<b>44.8</b>			<b>913.6</b>	<b>91.4</b>			

<sup>1</sup> Assumes average suppression costs of \$7,200 per acre. See Table 4-4.

Source: Compiled by Wells Barnett Associates in 2020

## 4.4 ECONOMIC BENEFITS OF THE PROPOSED PROGRAM

### 4.4.1 Value of Merchantable Timber

During the course of implementing the proposed program, biomass would be removed from the program area, some of which would subsequently be transported and sold to recoup a portion of the costs of implementing the later treatment activities. As described in Section 2.4.6, "Biomass Disposal," an estimated average of 10,000 to 15,000 tons of biomass would be removed during implementation of the proposed program each year, which is broken down by the type of biomass in Table 4-6.

**Table 4-6 Breakdown of Biomass Removal**

	%	Quantity (Tons) Low Estimate		Quantity (Tons) High Estimate	Quantity (Tons) Mid-Point Estimate
Estimated Average Quantity of Biomass Removed Each Year:		10,000	to	15,000	12,500
Sawlogs	60	6,000		9,000	7,500
Burning	20	2,000		3,000	2,500
Biomass Energy Generation	5	500		750	625
Firewood	5	500		750	625
Onsite Decomposition	5	500		750	625
Other Forest Products	5	500		750	625
<b>Total PTEIR Acres</b>	<b>100</b>	<b>10,000</b>		<b>15,000</b>	<b>12,500</b>

Source: Compiled by Ascent Environmental in 2019

The overall average of net revenues generated per acre of treatment for the proposed program is based on the LTW Economic Team's assessment of Scenario 2. Under this scenario, the LTW Economic Team found that approximately \$511,000 could be generated from timber sales annually from approximately 1,000 acres treated per year. On a per-acre basis, this equates to net revenues of approximately \$511 per acre treated.

Using a rounded approximate value of \$500 per acre, the proposed PTEIR program is estimated to produce an average of \$400,000 per year in net biomass sale revenues on the 800 acres per year that would be treated by manual and mechanical treatments, according to the assumptions described above. Compared to the No-Program Alternative (Alternative A), implementation of the proposed program would result in an increase in net timber sales of \$200,000 per year. The calculations and assumptions used to derive these results are shown in Table 4-7.

**Table 4-7 Estimated Value of Biomass Removal**

	Manual Treatments	Mechanical Treatments	Pile Burning	Prescribed Broadcast Burning	Total
<b>No Program Alternative</b>					
Acres Treated/ Year	199	200	104	0	503
Assumed Net Revenue/ Acre <sup>1</sup>	\$500	\$500	\$0	\$0	
Net Annual (Annual)	<b>\$99,500</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$199,500</b>
<b>Proposed PTEIR</b>					
Acres Treated/ Year	500	300	250	200	1,250
Assumed Net Revenue/ Acre <sup>1</sup>	\$500	\$500	\$0	\$0	
Net Annual (Annual)	<b>\$250,000</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$400,000</b>
<b>Additional Revenue PTEIR</b>	<b>\$150,500</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,500</b>

<sup>1</sup>. Net revenue per year of \$500 per acre is based on the values reported by the Lake Tahoe West Economics Team, for Scenario 2 (Business As Usual, WUI-Focused).

Source: Prepared by Wells Barnett Associates in 2020

## 4.5 OTHER EFFECTS

### 4.5.1 Risk to Property

The risk of wildfire presents a threat to properties within the program area associated with the risk of a catastrophic wildfire destroying existing structures and causing dramatic declines in surrounding property values. There are several recent examples of such disasters, most notably the Camp Fire in Paradise, California that caused an estimated \$16.5 billion in damages in 2018 (Los Angeles Times 2019), and the Angora Fire in the Tahoe Basin that destroyed 254 homes and caused an estimated \$140 million in property damage in 2007 (Reno Gazette Journal 2017).

The proposed program's potential impacts on property is evaluated based on results from the LTW Economic Team's economic analysis. This includes an estimate of the value of properties that are at risk of being burned by a wildfire. At risk properties were identified by assigning a probability of a fire occurrence on each parcel in the LTW Study Area over a 30-year time horizon (Lake Tahoe West in prep.).

The two scenarios from the LTW analysis that are most similar to the scenarios studied in this PTEIR are Scenario 2 (Business as Usual) and Scenario 3 (Increased Thinning). Scenario 2 is closest to Alternative A - No Program as described in Chapter 6, Alternatives, of this PTEIR, and Scenario 3 is closest to the proposed program.

Table 4-8 shows the comparison of properties at risk of a medium- or high-intensity wildfire. As shown, approximately 1,731 properties are at risk in the LTW Study Area, under Scenario 2 (Business as Usual), while only 681 properties were at risk under Scenario 3 (Increased Thinning), as increased treatments decrease the probability of wildfire.

Assuming the average residential property values of \$500,000 (Lake Tahoe West in prep), this represents a total property value of \$865 million in Scenario 2 versus \$340 million in Scenario 3. In other words, implementing Scenario 3 in the Lake Tahoe West planning area, which is similar to the proposed program, would reduce the amount of property value at risk by approximately \$525 million, as compared to Scenario 2.

**Table 4-8 Estimated Value of Residential Properties at Risk in LTW Scenarios**

Item	Scenario 2 (Business As Usual)	Scenario 3 (Increased Thinning)	Difference (Scen. 2 minus Scen. 3)
Properties at Risk of Medium/High-Intensity Fire	1,731	681	1,050
Value of Properties at Risk <sup>1</sup>	\$500,000	\$500,000	
<b>Total</b>	<b>\$865,500,000</b>	<b>\$340,500,000</b>	<b>\$525,000,000</b>

<sup>1</sup> From the LTW Team's Economic Analysis. Subject to refinement.

Source: Compiled by Wells Barnett Associates in 2020

### 4.5.2 Health Impacts

The LTW Economics Team evaluated health impacts of wildfire by quantifying the economic value of illnesses associated with smoke exposure (from both wildfire and treatments), using BenMAP, which is an economic benefit transfer tool that estimates the health impacts of airborne pollution exposure. This analysis is highly complex and measures the size and characteristics of populations exposed to smoke under various wildfire and forest treatment (i.e., prescribed burning) scenarios, and quantifies the economic value of potential illnesses caused by this exposure. Given the high number of variables inherent to this analysis, the estimated results vary widely based on differing conditions; however, the LTW Economic Team's analysis found that the costs of health impacts of a single wildfire in the Tahoe Basin could be in the range of \$5 million to \$70 million.

### 4.5.3 Recreation/Tourism

It is very difficult to quantify the magnitude of the impact of wildfire on tourism and recreation, since the impacts depend on many variables, including the specific timing, location, and severity of the fire and consequent smoke, and effects on transportation routes. However, it is clear that when wildfires occur near tourism areas, the impact felt by the tourism industry can be substantial.

There is very little empirical research connecting tourism losses to the effects of wildfire, but some anecdotal evidence exists. For instance, the Angora Fire of 2007 has been said to cause a total loss of \$1 billion in tourism spending in the Lake Tahoe Basin (USFS no date). More recently, the Yosemite Valley area experienced significant tourism impacts related to the Ferguson Fire in 2018, which cost the park a loss of approximately \$1.7 million in entry fees and cost local business upwards of \$50 million in tourism spending (Outside Magazine 2018).

An estimated 15 million people visit the Lake Tahoe Basin each year. Tourism is the predominant industry in the Basin, accounting for approximately \$3.3 billion dollars in total spending per year and representing approximately 63 percent of the region's total economic activity (Applied Development Economics 2018).

Outdoor recreation, specifically, is a large portion of Lake Tahoe's tourism economy and is especially vulnerable to impacts from major wildfires. The USFS LTBMU estimates that over 7.7 million people visit the LTBMU each year, who spend approximately \$1 billion per year during their visits (USFS 2019). If LTBMU facilities are damaged, destroyed, made difficult or impossible to travel to, or are unusable because of smoke conditions, the impact to visitor spending could be substantial.

### 4.5.4 Municipal Revenues

To the extent tourism is impacted by a fire-related emergency, smoky conditions, or other related factors, municipal revenues to local jurisdictions would also be affected. The Lake Tahoe regional economy is dominated by the tourism industry; in fact, over 60 percent of the Lake Tahoe regional economy is related to tourism (as noted above). Local and regional government agencies depend upon the revenue generated from tourism, primarily in the form of retail sales taxes and transient occupancy taxes (TOT). Should wildfire cause tourism in Lake Tahoe to suffer a perceptible decline, municipal revenues generated would also be impacted accordingly.

As a point of reference, the City of South Lake Tahoe's annual operating budget for 2019/2020 shows that Transient Occupancy Tax (TOT) represents nearly 40 percent of total general fund revenues, and sales tax revenues (which are largely driven by visitor spending) represents approximately 12 percent (City of South Laker Tahoe 2019). Clearly, any major impact to either or both of these sources from a catastrophic wildfire would have serious consequences on the city's budget, and its ability to provide municipal services, including police protection, fire protection, parks and recreation.

## 4.6 CONCLUSION

To summarize, an assessment of the social and economic implications of the proposed program produces a range of results. In regard to implementation costs, it is estimated that the proposed treatment activities will cost approximately \$3.5 million per year to implement. As the treatment activities are carried out, large quantities of biomass will be removed from the program area, which is estimated to be in the range of 10,000 to 15,000 tons of material per year. This biomass can then be sold to nearby processing facilities, which would generate approximately \$400,000 in timber sale revenues per year. This would result in a net program implementation cost of approximately \$3.1 million per year.

Wildfire suppression costs represent another major economic factor that could be affected by the proposed program. To provide some high-level measurement of this dynamic, wildfire suppression costs and projected the quantity (in acres) of wildfire that is likely to occur in the future under various forest management scenarios were examined. Based on data available from the LTW Economics Team, it is estimated that the cost to suppress wildfires of 100 acres

of less in the Tahoe Basin is approximately \$7,200 per acre. Based on the predicted extent of wildfire, an estimated \$9.7 million in suppression costs could be incurred over the next thirty years under "business as usual" conditions (i.e., no enhanced treatment activities). However, when increased treatment activities occur (as modeled by the Lake Tahoe West Scenario 3), this cost is reduced to \$9.0 million over thirty years, a cost-savings of over \$700,000. The actual cost savings associated with suppression may be greater because the treatment activities would also result in a lower proportion of high-severity fires, which could further reduce suppression costs.

The proposed program may also affect public health, property values, tourism activity, and municipal revenues. Public health impacts are particularly difficult to measure accurately; however, the LTW Economics Team found that the costs of health impacts of a single wildfire in the Tahoe Basin could be in the range of \$5 million to \$70 million. The effect of the proposed program on property values is also difficult to quantify, but there is approximately \$865 million in property value that is at risk of being damaged or destroyed by a medium to high-intensity wildfire under current conditions. Under an increased treatment program (represented by Lake Tahoe West Scenario 3), the value at risk would be reduced to \$340 million, a difference of over \$500 million.

While it is very difficult to measure the precise value of the potential loss in tourism spending and municipal tax revenues, the potential losses from a catastrophic wildfire are substantial, and that any activities meant to reduce wildfire risk has considerable economic value.