

Town Council

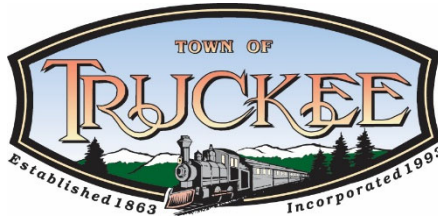
Courtney Henderson, Mayor

Lindsay Romack, Vice Mayor

David Polivy, Council Member

Jan Zabriskie, Council Member

Anna Klovstad, Council Member

Department Heads

Jen Callaway, Town Manager

Andy Morris, Town Attorney

Danny Renfrow, Interim Chief of Police

Daniel Wilkins, Public Works Director/Town Engineer

Denyelle Nishimori, Community Development Director

Nicole Casey, Administrative Services Director

Judy Price, Communications Director/Town Clerk

Hilary Hobbs, Assistant to the Town Manager

April 22, 2022

David Mickaelian, General Manager  
 Tahoe Donner Association  
 11509 Northwoods Blvd  
 Truckee, CA 96161

RE: Truckee Special Service Area 1 Funds - Revised

Dear Mr. Mickaelian,

The purpose of this letter is to provide the Tahoe Donner Association (TDA) with updated information regarding Truckee Special Service Area 1 (TSSA 1) funds **and includes additional information on Microtransit that is provided to update correspondence sent to you on April 14, 2022.** Please note that the information presented in this letter is preliminary based upon the Town's Fiscal Year (FY) 22/23 administrative draft budget, which has not been reviewed by the Town Council and is subject to change.

**TSSA 1 Background**

Properties within the Tahoe Donner subdivision are contained within TSSA 1. An existing annual assessment amount of \$95.00 per improved lot and \$70.00 per unimproved lot on properties within TSSA 1 results in approximately \$597,000 per year of revenue to the special assessment fund. All funds are maintained in an individual account, which bears interest, and whose use is limited to the purpose for which the funds were collected.

Allowable uses of the parcel charge include roadway and drainage maintenance and improvement; trail development and construction within and/or serving the TSSA 1 service area; enhanced snow removal; parking improvements in the Town right-of-way which provide direct benefit to the residents of the TSSA 1 service area and are open to the general public; and design and construction of the Pioneer Trail/Bridge Street Extension Project. Parking improvements may be located outside of the TSSA 1 service area boundaries so long as they meet the previous criteria. Funds collected during the 19/20 fiscal year are also eligible to use on transit. Any change to the use of TSSA 1 funds requires Truckee Town Council approval.

**TSSA 1 Expenditures in Fiscal Year 21/22**

1. In FY 21/22, TSSA 1 funds were or are anticipated to be used to fund work on the Pioneer Trail and Bridge Street Extension project; Donner Pass Road Corridor Improvement Study (between Donner Memorial State Park and East End of Donner Lake); 2021 Paving & Drainage Project; Nevada County administrative fees; and professional financial services. Note that the Town installed boulders along the south side of Donner Pass Road in 2021 to restrict on-street parking to parallel parking and conducted a user study that was meant to update the original 2018 study with 2021

data for comparison purposes. The new boulder configuration appears to be functioning adequately and so no additional improvements are identified in the budget at this time.

A summary of estimated actual TSSA 1 expenditures for FY 21/22 is provided in **Table A** below (based upon the draft FY 22/23 budget). The Capital Improvement Projects are described in more detail below. It is estimated that the TSSA 1 fund balance will be approximately \$5 million at the conclusion of FY 21/22.

**Table A: TSSA 1 Expenditures in FY 21/22**

Project	FY 21/22 Estimated Actual Expenditures	
	TSSA 1	Total (all funding sources)
Pioneer Trail and Bridge Street Extension (C1503)	\$70,000	\$140,000
Donner Pass Road Corridor Improvement Study (between Donner Memorial State Park and East End of Donner Lake) (C1823)	\$15,000	\$30,000
2021 Paving & Drainage Project (C2102)	\$838,661	\$4,029,944
Administrative and Professional Fees	\$3,500	\$3,500
<b>Total</b>	<b>\$927,161</b>	<b>\$4,203,444</b>

### Ongoing Uses of TSSA 1 Fund

TSSA 1 funds are currently being used for three primary purposes:

1. **Improved Maintenance on Tahoe Donner Roadways:** Consistent with the Town's Pavement Maintenance Program, the TSSA 1 funds have historically been used to slurry seal the Tahoe Donner roadways on a three year interval, as opposed to the five year interval that is applied to local roads in other portions of Town. However, the Town has not pursued a slurry seal project since 2018 because slurry seal costs have significantly risen such that the slurry seal program no longer provides the most cost effective pavement maintenance treatment. Therefore, slurry seal projects have been suspended at this time.  
  
In Tahoe Donner, paving on local roads continues to occur more frequently (on an approximate 20-year interval as opposed to a 30-year interval). In addition, the funds are used to overlay the Northwoods Boulevard loop (a TSSA Major Collector Road) on an 8-year cycle as opposed to the 15-year cycle applied to other collector roads in Town.
2. **Reserve Funding for Future Pavement Maintenance:** The funds establish a reserve fund to allow future pavement maintenance within Tahoe Donner to occur more frequently than on local roads in other areas of the Town.
3. **Special Projects:** The funds are also used for special projects such as on-street roadway and parking improvements, roadway and drainage maintenance, and trails projects. Town staff also wants to acknowledge that TDA previously identified traffic calming projects, such as roundabouts and pedestrian crossings as a potential future use of funding, as well as a trail that would connect Trout Creek Trail to the Alder

Creek Adventure Center. The traffic calming improvements and trail would be an allowable use of TSSA 1 funds.

### 2018 Pavement Maintenance Program

Under the 2018 Pavement Maintenance Program, TSSA 1's annualized funding share of the paving and slurry seal cost would be approximately \$541,000 per year, while Measure V and/or the General Fund would fund approximately \$3.6 million annually. The Pavement Maintenance Program indicates an annual paving cost of \$3,318,000 per year, \$349,000 of which would be funded with TSSA 1 funds and an annual slurry seal cost of \$963,000, \$192,000 of which would be funded with TSSA 1. If slurry seals continue to be suspended without increased paving frequency, the average conditions of roadways will reduce but it would increase the amount of funding that is available annually for other TSSA 1-funded projects. If there is a desire to continue the slurry seal program in Tahoe Donner, this can occur but will require some combination of reduced frequency and increased TSSA 1 funding share.

### Other Special Projects

In addition to the continuation of the Pavement Maintenance Program, staff has recommended the inclusion of the following project in the FY 22/23 budget using TSSA 1 funds.

- 1. Pioneer Trail & Bridge Street Extension.** This project is identified as a future improvement in the Town of Truckee General Plan and includes construction of a new access road linking Tahoe Donner to SR 89 north/SR 267 via an extension of Pioneer Trail as well as a connection to Downtown Truckee via a Bridge Street extension using the Trout Creek I-80 underpass. The project would provide a third access to and from Tahoe Donner, reduce congestion on Donner Pass Road, and support development. The project is included in the Town of Truckee's Traffic Impact Fee program but is anticipated to cost over \$40 million to design and construct.

For reference, the Town of Truckee's Traffic Impact Fee (TIF) Program provides a rational and equitable basis on which to fund the expansion of roadway facilities necessary to mitigate the effects of land development on the Town transportation network. Under the program, new development projects mitigate their contribution to the total impact on the road system through the payment of fees which are based on the amount of traffic and associated impact generated by those development projects.

The Traffic Impact Fee Program does not currently have the fund balance required to progress the Pioneer Trail and Bridge Street Extension project. However, the use of TSSA 1 funds justify initiating the planning and design of the project, which would otherwise be delayed until a more substantial TIF Program fund balance was available. Therefore, Town staff is recommending the use of TSSA 1 funds in combination with Traffic Impact Fee funds to fund design of the roadway. Design, environmental permitting, and right of way funds are included in FY 21/22, FY 22/23, and FY 23/24 for a total TSSA 1 funding amount of \$2,492,074. The first phase of the design is underway and includes 30 percent designs and cost estimates as well as an evaluation of funding strategies which might allow construction to occur in advance of the Traffic Impact Fee fund balance reaching a fund balance equal to the total construction cost.

2. **Summer 2022 Microtransit Pilot Program:** Transit is currently an allowed use of the TSSA 1 funds that were collected in Fiscal Year 2019/2020, but it was suspended as an allowable use in Fiscal Years 2020/2021 and 2021/2022. The Town is now currently proposing a Summer 2022 Microtransit pilot project, which would provide on-demand transit service to the various Truckee neighborhoods this summer (June 25 – September 5 from 10 AM – 10 AM), including Tahoe Donner. This proposal was presented to TDA as part of their April 21, 2022 meeting which was received favorably, however, a request was made to include this funding amount in Table B and verify that future projects would not be potentially jeopardized. This letter serves to provide additional information associated with the programming of approximately \$160,000 to fund this pilot. This pilot is being cooperatively funded with additional funding being provide in the form of Glenshire Homeowners Association TSSA #5 funds and Visit Truckee Tahoe Tourist Business Improvement District funds. Additionally, the Town is proposing to cover 1/3<sup>rd</sup> of the overall costs.

The current staff Capital Improvement Program budget recommendations are summarized in **Table B** below.

	Revised Table B: Draft 6-Year TSSA 1 Fund Planned Expenditures (from admin draft budget)							
CIP	DESCRIPTION	FY 21/22 ESTIMATED ACTUAL	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FUNDING TOTAL
Pending	Microtransit Pilot Project		\$160,000					\$160,000
C2102	2021 Paving & Drainage Project	\$838,661	\$0	\$0	\$0	\$0	\$0	\$838,661
C2302	2023 Paving & Drainage Project	\$0	\$0	\$540,000	\$0	\$0	\$0	\$540,000
C2402	2024 Paving & Drainage Project	\$0	\$0	\$0	\$540,000	\$0	\$0	\$540,000
C2502	2025 Paving & Drainage Project	\$0	\$0	\$0	\$0	\$540,000	\$0	\$540,000
C2026	2026 Paving & Drainage Project	\$0	\$0	\$0	\$0	\$0	\$540,000	\$540,000
C1503	Pioneer Trail and Bridge Street Extension	\$70,000	\$1,167,000	\$1,250,000	\$0	\$0	\$0	\$2,487,000
C1823	DPR Corridor Improvement Study (Between Donner Memorial and East End Donner Lake)	\$15,000	\$0	\$0	\$0	\$0	\$0	\$15,000
TOTAL:		\$923,661	\$1,327,000	\$1,790,000	\$540,000	\$540,000	\$540,000	\$5,660,661

### Existing TSSA 1 Fund Balance

There are adequate reserves within the TSSA 1 fund to pursue the projects mentioned above concurrent with the provision of the enhanced roadway maintenance. Furthermore, over the next five years the TSSA 1 fund balance is expected to remain at or above approximately \$3 million.

### Conclusion

The Town intends to conduct the TSSA 1 annual hearing (parcel charge public hearing) at the second Council meeting in May, at which time Town Council will establish the annual assessment amounts and allowable uses of the TSSA 1 funds. At this point, it would be Town staff's intention to recommend that the TSSA 1 assessments remain at \$95 per improved lot, and \$70 per unimproved lot, and to include transit as an allowable use.

The current staff budget recommendations are summarized in **Table B**. The Town Council are tentatively scheduled to review the budget the last week of May during Budget workshops. If there are additional projects that TDA would like the Town to consider funding with TSSA 1 funds, please let us know.

Thank you for your time in reviewing this information, and we welcome input from TDA on the above information. Please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Bucar", with a stylized flourish at the end.

Becky Bucar  
Engineering Manager  
Town of Truckee