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March 15, 2019

Robb Etnyre, General Manager
Tahoe Donner Association
11509 Northwoods Blvd
Truckee, CA 96161

RE: Truckee Special Service Area 1 Funds

Dear Mr. Etnyre,

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. Please note that the information presented in this letter is preliminary based upon the Town's Fiscal Year (FY) 19/20 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 \$595,000 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; and 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. Parking improvements may be located outside of the TSSA 1 service area boundaries so long as they meet the previous criteria.

TSSA 1 Expenditures in Fiscal Year 18/19

Within the past year, TSSA 1 funds were used to fund a portion of slurry seal projects for Tahoe Donner roadways; repaving of several roads in the northeast portion of Tahoe Donner (part of the 2018 Paving and Drainage Project); construction of the vehicle turnarounds on Ski Slope Way; initial work on the Donner Lake/Donner Pass Road Parking Improvement Feasibility Analysis; and Nevada County Administrative Fees. A summary of estimated actual TSSA 1 expenditures for FY 18/19 is provided in **Table A** below (based upon the draft FY 19/20 budget). It is estimated that the TSSA 1 fund balance will be approximately \$4,800,000 at the conclusion of FY 18/19.

Table A: TSSA 1 Expenditures in FY 18/19

Project	FY 17/18	
	Estimated	Actual Expenditures
	TSSA 1	Total (all funding sources)
2018 Slurry Seal Project (C1801)	\$73,000	\$556,000
2018 Paving & Drainage Project (C1802)	\$1,238,000	\$5,100,000
Skislope Way Vehicle Turnaround (C1810)	\$53,946	\$53,946
Donner Lake/Donner Pass Road Parking Improvement Feasibility Analysis (C1823)	\$50,000	\$50,000
Administrative Fees	\$3,500	\$3,500
Total	\$1,418,446	\$5,763,446

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 are 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. Paving on local roads occurs more frequently as well (on an approximate 20-year interval as opposed to a 30-year interval). Finally, 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 Slurry Seals and Overlays:** The funds establish a reserve fund to allow future pavement overlays and slurry seals 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 parking improvements and trails projects.

2018 Pavement Maintenance Program

Town staff recently updated the Pavement Maintenance Program. Under this plan, 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.

Other Special Projects

In addition to the continuation of the Pavement Maintenance Program, staff has recommended the inclusion of the following projects in the FY 19/20 budget using TSSA 1 funds.

1. **Donner Lake/Donner Pass Road Parking Improvement Feasibility Analysis.** Currently parking associated with the Tahoe Donner Beach Club Marina occurs along Donner Pass Road adjacent to the Tahoe Donner Beach Club and Donner

Memorial State Park. During busy summer days, the parking results in traffic congestion and inhibits flow of vehicles, pedestrians, and bicyclists. This project includes preparation of a parking demand analysis and parking improvement feasibility study for parking improvements along Donner Pass Road adjacent to the Tahoe Donner Beach Club Marina and Donner Memorial State Park. Improvements would potentially improve parking, circulation, and pedestrian and bicycle safety along the Donner Pass Road Corridor.

The parking improvement feasibility study was initiated in FY 18/19 and staff is recommending that the FY 19/20 budget include \$100,000 in TSSA 1 funds to complete the parking demand analysis and improvement feasibility study. Staff is also recommending the inclusion of \$1,000,000 in TSSA 1 in FY 20/21 to implement any improvements that are determined to be warranted. Note, however, TSSA 1 funds are only eligible for expenditure for improvements that are entirely contained in the Town right of way.

2. **Tahoe Donner Drainage Maintenance Project.** This project will maintain various cross country drainage courses throughout Tahoe Donner. The project also includes an evaluation of existing drainage courses, identification of existing easements, and establishment of maintenance responsibility for various drainage courses through Tahoe Donner. Staff is recommending \$30,000 in TSSA 1 funds in FY 20/21 and \$500,000 in FY 21/22 to fund this project.

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

Existing TSSA 1 Fund Balance for Allowable Uses

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 \$3.7 million.

Potential Additional Uses of TSSA 1 Funds

Any change to the use of TSSA 1 funds requires Truckee Town Council approval. In 2017 and 2018, the Town identified expanded transit service to the Tahoe Donner subdivision as another potential use of TSSA 1 and the TDA Board indicated they were not supportive of the use of TSSA 1 funds for this purpose. With this letter, the Town is requesting that TDA reconsider whether they would support the use of TSSA 1 funds for enhanced transit service for the TSSA 1 service area. While transit is not currently an allowable use of TSSA 1 Funds, transit service to the Tahoe Donner area could be improved in the near term if transit became an allowable use.

It is also important to note that additional transit funding is expected to be received by the Town next year and, therefore, the Town intends to evaluate potential expansion of transit services throughout Town. The availability of matching funds would impact the prioritization of areas to receive additional service. Making transit an allowable use of TSSA 1 funds would provide a source for such matching funds.

Table A: Draft 6-Year TSSA 1 Fund Planned Expenditures (from admin draft budget)

CIP #	DESCRIPTION	FY 18/19 ESTIMATED ACTUAL	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FUNDING TOTAL
C1801	2018 Slurry Seal Project	\$73,000	\$0	\$0	\$0	\$0	\$0	\$73,000
C1802	2018 Paving & Drainage Project	\$1,238,000	\$0	\$0	\$0	\$0	\$0	\$1,238,000
C1810	Skislope Way Vehicle Turnaround	\$53,946	\$0	\$0	\$0	\$0	\$0	\$53,946
C1823	Donner Lake/Donner Pass Road Parking Improvement Feasibility Analysis	\$50,000	\$100,000	\$1,000,000	\$0	\$0	\$0	\$1,150,000
C1901	2019 Slurry Seal Project	\$0	\$215,000	\$0	\$0	\$0	\$0	\$215,000
C2001	2020 Slurry Seal Project	\$0	\$0	\$197,000	\$0	\$0	\$0	\$197,000
C2002	2020 Paving & Drainage Project	\$0	\$0	\$916,000	\$0	\$0	\$0	\$916,000
C2004	Tahoe Donner Drainage Maintenance Project	\$0	\$0	\$30,000	\$500,000	\$0	\$0	\$530,000
C2101	2021 Slurry Seal Project	\$0	\$0	\$0	\$211,000	\$0	\$0	\$211,000
C2201	2022 Slurry Seal Project	\$0	\$0	\$0	\$0	\$215,000	\$0	\$215,000
C2301	2023 Slurry Seal Project	\$0	\$0	\$0	\$0	\$0	\$197,000	\$197,000
TOTAL		\$1,414,946	\$315,000	\$2,143,000	\$711,000	\$215,000	\$197,000	\$4,995,946

Conclusion

The Town intends to conduct the TSSA 1 annual hearing (parcel charge public hearing) at either the first or 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 expand potential future uses of TSSA 1 funds to include enhanced transit services. Please note that the recommendation to expand the allowable uses of the TSSA 1 funds would not require or commit those funds to be used for those expanded services, but rather would create the flexibility for those funds to be used for those services should they be prioritized at a future date.

The current staff budget recommendations are summarized in **Table B**. Town staff will be refining the 5-year Capital Improvement Program (CIP) budget based upon direction received at an April 1, 2019 initial budget review meeting. The Town Council will review the budget again at the May 16, 2019 Town Council 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 black ink, appearing to read "B. Bucar", with a long horizontal flourish extending to the right.

Becky Bucar,
Engineering Manager
Town of Truckee