

Town Council

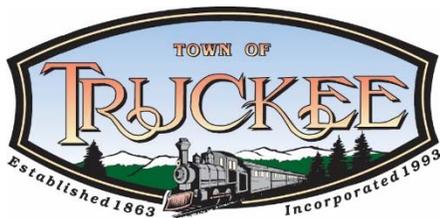
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March 19, 2020

Annie Rosenfeld, Director of Risk Management and Real Property

Tahoe Donner Association

11509 Northwoods Blvd

Truckee, CA 96161

RE: Truckee Special Service Area 1 Funds

Dear Ms. Rosenfeld,

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) 20/21 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 19/20

In FY 19/20, TSSA 1 funds were or are anticipated to be used to fund a portion of the 2018 Paving and Drainage Project; work on the Donner Lake/Donner Pass Road Parking Improvement Feasibility Analysis; the Tahoe Donner Roadways Brushing and Chipping Project; Nevada County administrative fees; and professional financial services. A summary of estimated actual TSSA 1 expenditures for FY 19/20 is provided in **Table A** below (based upon the draft FY 20/21 budget). The Donner Lake/Donner Pass Road Parking Improvement Feasibility Analysis and the Tahoe Donner Roadways Brushing and Chipping Project are described in more detail below. It is estimated that the TSSA 1 fund balance will be approximately \$6,200,000 at the conclusion of FY 19/20.

10183 Truckee Airport Road, Truckee, CA 96161-3306

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Table A: TSSA 1 Expenditures in FY 19/20

	FY 19/20	
	Estimated	Actual Expenditures
Slurry Sea	TSSA 1	Total (all funding sources)
2018 Paving & Drainage Project (C1802)	\$110,250	\$117,794
Donner Lake/Donner Pass Road Parking Improvement Feasibility Analysis (C1823)	\$15,000	\$15,000
Tahoe Donner Roadways Brushing and Chipping Project (C2008)	\$700,000	\$700,000
Administrative and Professional Fees	\$9,950	\$9,950
Total	\$835,200	\$842,741

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 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. 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, roadway and drainage maintenance, and trails projects.

The Town did not pursue a slurry seal project last year because the bids came in almost twice the amount that had been received two years earlier. Over the winter, the Town Engineering Division evaluated increased slurry seal prices to develop cost/benefit analyses for pavement maintenance programs that include 1) paving and slurry seals and 2) only paving. From this analysis it was determined that the slurry seal program no longer provides the most cost effective pavement maintenance treatment. Therefore, at this time, Town staff is recommending to the Town Council that the slurry seal projects be suspended in the future.

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 projects in the FY 20/21 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 work slowed in 19/20 as Town staff worked with California State Parks and Tahoe Donner Association staff to determine what solutions might be supported. Staff is recommending that the FY 20/21 budget include \$100,000 in TSSA 1 funds to complete the parking demand analysis and improvement feasibility study, as well as develop designs if a project is selected to move forward. Staff is also recommending the inclusion of \$1,000,000 in TSSA 1 in FY 21/22 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.

In order to finalize the parking study, Town staff is soliciting feedback from key stakeholders. As such, Town staff is prepared to present information regarding the parking study analysis and potential alternatives at the upcoming March 28, 2020 TDA Board meeting.

2. **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 \$22,600,000 to design and construct.

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, Town staff believes the use of TSSA 1 funds would help to 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 \$800,000 in Traffic Impact Fee funds and \$800,000 in TSSA 1 funds over three years (FY 20/21, FY 21/22, and FY 22/23) to fund environmental permitting, right of way, and design for the project. Staff anticipates the first phase of the design will include 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 (estimated to be \$21,000,000).

3. **Emergency Evacuation Planning.** This project includes emergency evacuation planning, including an evaluation of evacuation routes and estimated time to evacuate residential areas under various scenarios such as time of year and time of day. This study will inform the Police Department and other local and regional agencies involved in emergency services to develop evacuation plans and to enhance our Emergency Operations Plan that was last updated in 2011. Staff is recommending \$125,000 in funding for this effort in FY 20/21, \$50,000 of which would be funded with TSSA 1 funds.
4. **Tahoe Donner Roadways Brushing and Chipping Project.** Project would consist of vegetation removal and chipping along roadways in Tahoe Donner using TSSA 1 Funds. The removal of vegetation along the roadways will reduce the potential for root damage but will improve visibility of signs, maintenance of clear zones, winter road maintenance/snow removal, and defensible space. The Truckee Town Council recently approved \$1,000,000 in TSSA 1 funding for this project. The draft budget assumes the expenditure of \$700,000 in TSSA 1 funding in FY 19/20 and \$300,000 in FY 20/21 to hire a contractor or contractors to conduct the work.
5. **Tahoe Donner Drainage Maintenance Project.** This project will maintain various cross country drainage courses throughout Tahoe Donner in order to preserve property and improve water quality. 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 (for initial planning) and \$500,000 in FY 21/22 (for implementation) 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 \$4 million.

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

	DESCRIPTION	FY 19/20 ESTIMATED ACTUAL	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FUNDING TOTAL
C1503	Pioneer Trail & Bridge Street Extension	\$0	\$300,000	\$250,000	\$250,000	\$0	\$0	\$800,000
C1802	2018 Paving & Drainage Project	\$110,250	\$0	\$0	\$0	\$0	\$0	\$110,250
C1823	Donner Lake/Donner Pass Road Parking Improvement	\$15,000	\$100,000	\$1,000,000	\$0	\$0	\$0	\$1,115,000
C1913	Emergency Evacuation Planning	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
C2002	2020 Paving & Drainage Project	\$0	\$916,000	\$0	\$0	\$0	\$0	\$916,000
C2004	Tahoe Donner Drainage Maintenance Project	\$0	\$30,000	\$500,000	\$0	\$0	\$0	\$530,000
CXXX3	Tahoe Donner Roadways Brushing and Chipping Project	\$700,000	\$300,000	\$0	\$0	\$0	\$0	\$1,000,000
C2302	2023 Paving & Drainage Project	\$0	\$0	\$0	\$0	\$639,000	\$0	\$639,000
C2402	2024 Paving & Drainage Project	\$0	\$0	\$0	\$0	\$0	\$639,000	\$639,000
Total		\$825,250	\$1,696,000	\$1,750,000	\$250,000	\$639,000	\$639,000	\$5,799,250

Potential Additional Uses of TSSA 1 Funds

Any change to the use of TSSA 1 funds requires Truckee Town Council approval. In 2017, 2018, and 2019, 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 again 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. The availability of matching funds impact the prioritization of areas to receive additional service and making transit an allowable use of TSSA 1 funds would provide a source for such matching funds.

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 March 30, 2020 initial budget review meeting. The Town Council will review the budget again at the May 11, 2020 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,



Becky Bucar
Engineering Manager
Town of Truckee