

Town Council

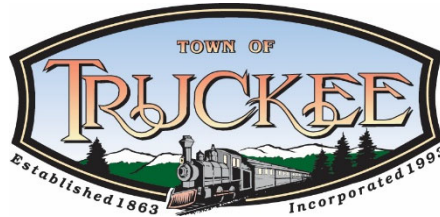
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David Polivy, Council Member

Lindsay Romack, Council Member

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Department Heads

Jen Callaway, Town Manager

Andy Morris, Town Attorney

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Daniel Wilkins, Public Works Director/Town Engineer

Denyelle Nishimori, Community Development Director

April 6, 2021

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

RE: Truckee Special Service Area 1 Funds

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. Please note that the information presented in this letter is preliminary based upon the Town's Fiscal Year (FY) 21/22 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 20/21

In FY 20/21, 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); 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 20/21 is provided in **Table A** below (based upon the draft FY 21/22 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 20/21.

Table A: TSSA 1 Expenditures in FY 20/21

Project	FY 20/21 Estimated Actual Expenditures	
	TSSA 1	Total <i>(all funding sources)</i>
Tahoe Donner Roadways Brushing and Chipping Project (C2008)	\$800,000	\$800,000
Pioneer Trail and Bridge Street Extension (C1503)	\$75,000	\$150,000
Donner Pass Road Corridor Improvement Study (between Donner Memorial State Park and East End of Donner Lake) (C1823)	\$20,000	\$70,000
Administrative and Professional Fees	\$5,931	\$5,931
Total	\$900,931	\$1,025,931

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. These traffic calming improvements 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 projects in the FY 21/22 budget using TSSA 1 funds.

1. **Donner Pass Road Corridor Improvement Study (between Donner Memorial State Park and East End of Donner Lake).** The purpose of the Donner Pass Road Corridor Improvements project (CIP C1823) has been to evaluate parking options to either better organize, relocate, or eliminate on-street parking; and construct pedestrian facilities in order to reduce user conflicts and environmental degradation on the Donner Pass Road Corridor adjacent to Donner Memorial State Park and the Tahoe Donner Beach Club properties. The Town appreciates the participation of TDA staff in the many discussions and working group meetings.

At their March 23, 2021 meeting the Town Council directed staff to pursue the following:

a) Immediate Term

- Install boulders this spring to convert existing head in parking to parallel parking along the frontage of the Tahoe Donner Beach Club/Marina and California State Parks properties.
- Work with TDA and TTUSD to explore the feasibility of a park and ride shuttle service between the Truckee High School and Tahoe Donner Marina / California State Parks Properties and potentially the west end of Donner Lake.

b) Medium Term

- Update the 2018 parking data by collecting origin and destination and occupancy data, as well as identify any spillover parking that may be occurring in the nearby residential areas. This information may be used in the future to develop future funding share estimates.

The staff report may be found here:

<http://laserfiche.townoftruckee.com/WebLink/DocView.aspx?id=59521941&dbid=0&repo=TRUCKEE&cr=1>.

The boulder installation would be funded using Measure V and General Fund but the user survey update is currently proposed to be funded using TSSA 1 and General Funds.

- 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 \$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. 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. Town staff is currently working with TDA staff to review proposals and interview design consultants. Once a consultant is chosen, the project design and funding strategy analysis will commence.

- Tahoe Donner Roadways Brushing and Chipping Project.** This project consists of vegetation removal and chipping along roadways in Tahoe Donner using TTSA 1 Funds. The removal of vegetation along the roadways improves wildfire resiliency, road safety, and snow storage. Work was completed last summer (2020) on residential roadways within the Tahoe Donner Subdivision, but additional vegetation removal is planned along Schussing Way, Northwoods Boulevard, and Alder Creek Road outside the subdivision this summer (2021) using CalFire grant funds in partnership with the Truckee Fire Protection District.

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

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 \$4.3 million.

Table B: Draft 6-Year TSSA 1 Fund Planned Expenditures (from admin draft budget)								
CIP	DESCRIPTION	FY 20/21 ESTIMATED ACTUAL	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FUNDING TOTAL
C2008	Tahoe Donner Roadways Brushing and Chipping Project	\$800,000	\$0	\$0	\$0	\$0	\$0	\$800,000
C2102	2021 Paving & Drainage Project	\$0	\$916,000	\$0	\$0	\$0	\$0	\$916,000
C2302	2023 Paving & Drainage Project	\$0	\$0	\$0	\$639,000	\$0	\$0	\$639,000
C2402	2024 Paving & Drainage Project	\$0	\$0	\$0	\$0	\$639,000	\$0	\$639,000
C2502	2025 Paving & Drainage Project	\$0	\$0	\$0	\$0	\$0	\$639,000	\$639,000
C1503	Pioneer Trail and Bridge Street Extension	\$75,000	\$400,000	\$325,000	\$0	\$0	\$0	\$800,000
C1823	DPR Corridor Improvement Study (Between Donner Memorial and East End Donner Lake)	\$20,000	\$15,000	\$0	\$0	\$0	\$0	\$35,000
TOTAL:		\$895,000	\$1,331,000	\$325,000	\$639,000	\$639,000	\$639,000	\$4,468,000

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, with no expansion of potential uses.

The current staff budget recommendations are summarized in **Table B**. The Town Council will review the budget at the May 20, 2021 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 blue ink that reads "B. Bucar". The signature is fluid and cursive, with a long horizontal stroke at the end.

Becky Bucar
Engineering Manager
Town of Truckee