

Town Council

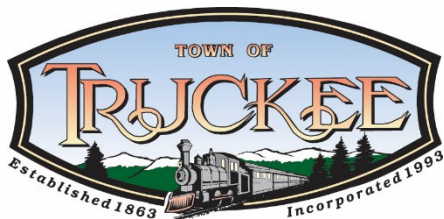
Lindsay Romack, Mayor

David Polivy, Vice Mayor

Anna Klovstad, Council Member

Jan Zabriskie, Council Member

Courtney Henderson, Council Member



Department Heads

Jen Callaway, Town Manager

Andy Morris, Town Attorney

Danny Renfrow, Chief of Police

Daniel Wilkins, Public Works Director/Town Engineer

Denyelle Nishimori, Community Development Director

Nicole Casey, Administrative Services Director

Judy Price, Town Clerk

Hilary Hobbs, Assistant to the Town Manager

April 19, 2023

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). Please note that the information presented in this letter is preliminary based upon the Town's Fiscal Year (FY) 23/24 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 and 22/23 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 22/23**

In FY 22/23, TSSA 1 funds were or are anticipated to be used to fund work on the Pioneer Trail and Bridge Street Extension project; Microtransit/TART Connect Pilot Program; Speed Feedback Signs; Nevada County administrative fees; and professional financial services. A summary of estimated actual TSSA 1 expenditures for FY 22/23 is provided in **Table A** below (based upon the draft FY 23/24 budget). The Capital Improvement Projects are described in more detail below. It is estimated that the TSSA 1 fund balance will be approximately \$4 million at the conclusion of FY 23/24.

---

10183 Truckee Airport Road, Truckee, CA 96161-3306

[www.townoftruckee.com](http://www.townoftruckee.com)

530-582-7700 | email: [truckee@townoftruckee.com](mailto:truckee@townoftruckee.com)

Printed on recycled paper.

**Table A: TSSA 1 Expenditures in FY 22/23**

| Project   | FY 22/23                      |                                       |
|---|-------------------------------|---------------------------------------|
|   | Estimated Actual Expenditures |                                       |
|   | TSSA 1                        | Total<br><i>(all funding sources)</i> |
| Pioneer Trail and Bridge Street Extension (C1503) | \$115,000                     | \$230,000                             |
| Microtransit Pilot Program (C2313)                | \$170,747                     | \$1,425,309                           |
| Speed Feedback Signs (C2326)                      | \$25,000                      | \$50,000                              |
| Administrative and Professional Fees              | \$3,500                       | \$3,500                               |
| <b>Total</b>                                      | <b>\$314,247</b>              | <b>\$1,708,809</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, 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. As such, in addition to the continuation of the Pavement Maintenance Program, staff has recommended the inclusion of the following project in the FY 23/24 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. 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 justified 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 continued 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 22/23, FY 23/24, and FY 24/25 for a total TSSA 1 funding amount of \$2,490,074. 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. A draft Phase 1 project schedule is provided below:

- Complete traffic analysis: May 2023
  - Complete alternatives design analysis: May 2023
  - Complete initial evaluation of funding strategies: June 2023
  - Project update to Town Council: Late summer/early fall 2023
2. **Summer 2022 Microtransit Pilot Program:** Transit is currently an allowed use of the TSSA 1 funds that were collected in FY 19/20 and FY 22/23. The Town is running a Microtransit pilot project, which provides on-demand transit service to the various Truckee neighborhoods, including Tahoe Donner. The Town appreciates the Tahoe Donner Association's support for using TSSA 1 funds to fund the initial pilot year. For Fiscal Year 23/24, staff proposes to extend the service to all area of the Town, as well as provide an extended service schedule. Staff is currently developing a funding plan for the service and will provide more details to TDA staff as they become available.
  3. **Tahoe Donner Trail (Internal to Tahoe Donner, Tahoe Donner Project C2).** At your request, Town staff has included planning and design funding for an approximate 4.5-mile long Class I paved trail though the Tahoe Donner Subdivision, connecting the Trout Creek Trailhead with the Northwoods Clubhouse, Trout Creek Recreation Center, the Alder Creek Adventure Center, and the Downhill Ski Area through the center of Tahoe Donner. This trail is Project C2 in the Tahoe Donner Trails Master Plan. While TSSA 1 is an eligible use of this funding, Town staff does not currently have capacity to work on a trail project in addition to what is already planned. Therefore, the assumption is that TDA would lead trail design on a reimbursement basis.
  4. **Speed Feedback:** Although the expenditure is planned for FY 22/23, this project would Radar Speed Signs at entrances to the Tahoe Donner Subdivision on Northwoods Boulevard and Schussing Way (two total signs). Implementation of this project is consistent with the Truckee Local Road Safety Plan recommendations to increase roadway safety and awareness.

The current staff Capital Improvement Program budget recommendations are summarized in **Table B** below. The Town Council will hold an initial budget workshop on April 25 and staff may have updates to share at the April 28 TDA Board meeting. Town staff also acknowledges that TDA previously identified traffic calming projects, such as roundabouts and pedestrian crossings as a potential future use of funding. While the traffic calming improvements would be an allowable use of TSSA 1 funds, they have not been prioritized at this time. Prioritization might occur through the update to the Truckee Trails and Bikeways Master Plan, which is expected to kick off this fall.

| <b>Table B: Draft 6-Year TSSA 1 Fund Planned Expenditures (from admin draft budget)</b>                                 |  |                          |                    |                    |                    |                    |                    |                    |
|---|--|--------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| CIP #   | DESCRIPTION  | Cumulative through 21/22 | Proposed FY 22/23  | FY 23/24           | FY 24/25           | FY 25/26           | FY 26/27           | FUNDING TOTAL      |
| C2302   | 2023 Paving & Drainage Project   | \$0                      | \$0                | \$650,000          | \$0                | \$0                | \$0                | \$650,000          |
| C2402   | 2024 Paving & Drainage Project   | \$0                      | \$0                | \$0                | \$700,000          | \$0                | \$0                | \$700,000          |
| C2602   | 2026 Paving & Drainage Project   | \$0                      | \$0                | \$0                | \$0                | \$0                | \$700,000          | \$700,000          |
| C1503   | Pioneer Trail and Bridge Street Extension                              | \$75,074                 | \$115,000          | \$550,000          | \$1,750,000        | \$0                | \$0                | \$2,490,074        |
| C2313   | Microtransit Program   | \$7,556                  | \$170,747          | TBD                | TBD                | TBD                | TBD                | \$178,303          |
|   | Tahoe Donner Trail (Internal to Tahoe Donner, Tahoe Donner Project C2) | \$0                      | \$0                | \$250,000          | \$250,000          | \$250,000          | \$0                | \$750,000          |
| C2326   | Speed Feedback Signs   | \$0                      | \$25,000           | \$0                | \$0                | \$0                | \$0                | \$25,000           |
| <b>TOTAL</b>  |  | <b>\$82,630</b>          | <b>\$310,747</b>   | <b>\$1,450,000</b> | <b>\$2,700,000</b> | <b>\$250,000</b>   | <b>\$700,000</b>   | <b>\$5,493,377</b> |
| <b>FY 21/22 Ending Fund Balance (from 22/23 adopted budget)</b>   |  | <b>\$4,689,785</b>       |                    |                    |                    |                    |                    |                    |
| <b>Estimated Annual Revenue</b>   |  | <b>\$597,000</b>         |                    |                    |                    |                    |                    |                    |
| <b>Estimated FY Ending Balance</b>  |  |                          | <b>\$4,976,038</b> | <b>\$4,123,038</b> | <b>\$2,020,038</b> | <b>\$2,367,038</b> | <b>\$2,264,038</b> |                    |
| Note: Funding for the Tahoe Donner Trail and Pioneer Trail and Bridge Street Extension is for planning and design only. |  |                          |                    |                    |                    |                    |                    |                    |

### 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 \$2.2 million. It should be noted, however, that the use of TSSA 1 funds for the special projects diminishes the fund balance available for larger capital projects, and more specifically, construction of the Pioneer Trail/Bridge Street Extension project.

### Conclusion

The Town intends to conduct the TSSA 1 annual hearing (parcel charge public hearing) at the May 23, 2023 Town Council meeting, 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 May 18, 2023 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,



Becky Bucar  
Engineering Manager  
Town of Truckee