

Town Council

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March 20, 2025

Annie Rosenfeld, General Manager
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). Please note that the information presented in this letter is preliminary based upon the Town's Fiscal Year (FY) 25/26 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; design and construction of the Pioneer Trail/Bridge Street Extension Project, and emergency preparedness, roadway safety infrastructure, and design/construction of emergency egress improvements. Parking improvements, emergency preparedness, and roadway safety infrastructure, 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, 22/23, and 23/24 fiscal years are also eligible to use on transit. Any change to the use of TSSA 1 funds requires Truckee Town Council approval.

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 (PMP), 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 similar 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; trails projects; and emergency preparedness, roadway safety infrastructure, and emergency egress improvements.

In addition to the annual paving project, the following projects have expended or are planned to expend TSSA 1 funds in Fiscal Year 24/25 (July 1 2024-June 30, 2025). While these projects are eligible uses of TSSA 1 funding, Town staff does not currently have capacity to work on these projects in addition to what is already planned. Therefore, Town staff is working on reimbursement agreements with TDA staff, through which TDA staff would conduct the work and request reimbursement from the Town using TSSA 1 funds.

- **Tahoe Donner Trail Project (C2417):** At TDA's request, Town staff has included planning and design funding for an approximately 4.5-mile long Class I paved trail through 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.
- **Tahoe Donner Emergency Egress Improvement Study (C2513):** At TDA's request, Town staff has included planning and design funding for a feasibility study to evaluate improvements to emergency access and response in the Tahoe Donner subdivision. Potential improvements may include additional access routes, improvements to existing roadways, or communication upgrades.
- **Tahoe Donner Roadside Vegetation Management (C2514):** At TDA's request, Town staff has included planning, design, and construction funding for a TDA led roadside vegetation management project in 2025. It is Town staff's understanding that the project will likely focus on the Northwoods Boulevard loop, with additional defensible space work occurring on the TDA-owned parcels contiguous with the Town's right-of-way. This project is a follow up and continuation of the roadside vegetation project led by the Town in Tahoe Donner in 2020 and the defensible space efforts TDA performs on an annual basis.

To summarize, staff is recommending the inclusion of the following projects in the FY 25/26 (July 1, 2025 – June 30, 2026) budget using TSSA 1 funds:

- **Annual Paving and Drainage Project (C2502):** Staff recommends continuing to use TSSA 1 funds to repave roadways in Tahoe Donner at an increased frequency compared to other roadways within Town (using TSSA 1 funds to fund the associated increased cost of that frequency).
- **Tahoe Donner Trail Project (C2417)**
- **Tahoe Donner Emergency Egress Improvement Study (C2513)**
- **Tahoe Donner Roadside Vegetation Management (C2514)**

The current staff Capital Improvement Program budget recommendations are summarized in the attached **Table A**.

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 \$3.8 million. It should be noted, however, that the use of TSSA 1 funds for special projects diminishes the fund balance available for larger capital projects, such as the construction of Tahoe Donner Trail project or the Pioneer Trail/Bridge Street Extension project.

Option to Restructure Improved Roadway Maintenance

Town staff is currently in the process of updating the Town's Pavement Maintenance Program (PMP), with an anticipated adoption date by Town Council in summer 2025. As part of the update process, Town staff has identified a potential need to increase the repaving frequency of local roads throughout Truckee from an Overall Condition Index (OCI) of 60 to OCI 65 (repaving approximately every 25-years versus the current 30-years). If Council adopts the PMP with the adjustment in repaving frequency for local roads, the improvement in townwide local road maintenance would reduce TSSA 1's share of the additional local road maintenance in Tahoe Donner, which is calculated to be the additional cost associated with the increased paving frequency (20-year compared to 30-year versus 20-year compared to 25-year). This change would reduce the TSSA 1 expenditure to \$403,000 per year, leaving approximately \$194,000 per year in TSSA-1 funds unspent and available for Tahoe Donner Special Projects.

A second option would be to further reduce the paving frequency on local roads in Tahoe Donner to match the potential new Town local road repaving interval, reducing the OCI goal from 70 to OCI 65 (repaving approximately every 25-year instead of every 20-years). Under this scenario, approximately \$435,000 TSSA 1 funds annually would be available for use on Tahoe Donner Special Projects. The repaving interval for Northwoods Boulevard would remain at every 8 years (OCI 80).

Town staff also ran an analysis to see if all Tahoe Donner local roads could move to a 15-year repaving schedule (estimated OCI of 75), and based on our calculations of that scenario, the cost exceeds the annual revenue for TSSA 1. This is the case even if you take out the additional costs associated with paving Northwoods at a higher frequency. If desired, TDA could request that Town

staff evaluate if there is a subset of Tahoe Donner local roads for which more frequent repaving could be planned to utilize the approximate \$195,000 in funds available annually as a part of the Pavement Maintenance Program update.

Conclusion

The Town intends to conduct the TSSA 1 annual hearing (parcel charge public hearing) at the May 13, 2025 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, with no changes to allowable uses.

The current staff budget recommendations are summarized in **Table A** (attached). An initial budget review with the Town Council is planned to occur on April 22, 2025 and the final budget workshop is scheduled to occur May 27, 2025. Town staff requests input from TDA prior to the first budget workshop, specifically providing consideration for the following:

- Does TDA want to maintain the 20-year (OCI 70) repaving interval for Tahoe Donner local roads or adjust repaving interval as described in the options above (maintain OCI levels, reduce OCI levels to increase special projects reserve funds, or analyze a subset of roads for which OCI level could be increased to expend all TSSA 1 revenues on pavement maintenance)?
- Would TDA like Town Council to consider other eligible uses of TSSA-1 funds?

In closing, 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 at smathot@townoftruckee.gov or 530-582-2481 should you have any questions.

Sincerely,



Scott Mathot
Senior Engineer
Town of Truckee

Attachment: Table A

Table A: Past and Projected TSSA Expenditures based on DRAFT 5-Year CIP Budget

CIP Number	Project Name	Cumulative Through 23/24 with 24/25 Draft Estimated Actuals		Fiscal Year 25/26 Draft Estimated Actuals		Fiscal Year 26/27 Draft Proposed Budget		Fiscal Year 27/28 Draft Proposed Budget		Fiscal Year 28/29 Draft Proposed Budget		Fiscal Year 29/30 Draft Proposed Budget		Future Beyond Fiscal Year 29/30		TOTAL Through and Beyond Fiscal Year 29/30			
		TSSA 1 Funds	Total Project	TSSA 1 Funds	Total Project	TSSA 1 Funds	Total Project	TSSA 1 Funds	Total Project	TSSA 1 Funds	Total Project	TSSA 1 Funds	Total Project	TSSA 1 Funds	Total Project	TSSA 1 Funds	Total Project		
C2402	2024 Paving and Drainage	\$900,000	\$4,169,304	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$900,000	\$4,169,304
C2502	2025 Paving and Drainage	\$200,000	\$2,525,000	\$200,000	\$3,475,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$400,000	\$6,000,000
C2602	2026 Paving and Drainage	\$0	\$0	\$0	\$2,375,000	\$565,000	\$4,126,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$565,000	\$6,501,000
C2702	2027 Paving and Drainage	\$0	\$0	\$0	\$0	\$0	\$2,375,000	\$565,000	\$4,126,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$565,000	\$6,501,000
C2802	2028 Paving and Drainage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,375,000	\$565,000	\$4,126,000	\$0	\$0	\$0	\$0	\$0	\$0	\$565,000	\$6,501,000
C2902	2029 Paving and Drainage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,375,000	\$565,000	\$4,126,000	\$0	\$0	\$0	\$565,000	\$6,501,000	
C1503	Pioneer Trail and Bride St Extension	\$138,932	\$292,828	\$0	\$0	\$50,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,217,083	\$0	\$188,932	\$42,609,911	
C2417	Tahoe Donner Trail Project*	\$10,000	\$0	\$240,000	\$0	\$250,000	\$0	\$250,000	\$5,350,000	\$0	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$750,000	\$10,350,000	
C2514	TD Roadside Vegetation Management	\$125,000	\$125,000	\$125,000	\$125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000	
C2513	TD Emergency Egress Improvement Study	\$125,000	\$125,000	\$125,000	\$125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000	
TOTAL		\$1,498,932	\$7,237,132	\$690,000	\$6,100,000	\$865,000	\$6,601,000	\$815,000	\$11,851,000	\$565,000	\$11,501,000	\$565,000	\$4,126,000	\$0	\$42,217,083	\$4,998,932	\$89,633,215		
Estimated TSSA 1 Fund Balance at End of Fiscal Year		\$4,391,790		\$4,298,790		\$4,030,790		\$3,812,790		\$3,844,790		\$3,876,790		\$4,473,790					

*Note: \$10,100,000 identified between FY 27/28 and FY28/29 for Tahoe Donner Trail is **unfunded**. Also, the \$42,217,083 beyond FY 29/30 for the Pioneer Trail and Bridge St Extension is **unfunded**.