



## STAFF REPORT

**Report To:** Board of Supervisors      **Meeting Date:** February 6, 2020

**Staff Contact:** Darren Schulz, Public Works Director

**Agenda Title:** For Discussion Only: Discussion and presentation regarding the ONE TAHOE initiative by the Tahoe Transportation District. (Darren Schulz, Dschulz@carson.org and Lucia Maloney, LMaloney@carson.org)

Staff Summary: Tahoe Transportation District's staff and consultant will provide a high-level overview regarding the ONE TAHOE initiative, which aims to identify revenue mechanisms to fill the transportation funding shortfall for the Tahoe Basin. The presentation will include information on the process and results of the work to date.

**Agenda Action:** Other / Presentation      **Time Requested:** 30 minutes

### Proposed Motion

N/A

### Board's Strategic Goal

N/A

### Previous Action

N/A

### Background/Issues & Analysis

ONE TAHOE is an initiative by the Tahoe Transportation District to identify revenue mechanisms to fill the shortfall in transportation funding for the Tahoe Basin. The current estimated shortfall for the next 23 years is \$1.53 billion (in 2017 dollars) or about \$67 million annually. Unless additional funding can be found, the Lake will continue to see a degradation of the quality-of-experience for both residents and visitors and further environmental deterioration, the combination of which is expected to significantly impact the regional economy. Ideas for potential ways to raise this revenue were collected from the public, businesses, political leaders, local government staff, multiple stakeholder groups, and transportation professionals. These proposed ideas were then screened for viability and preliminary recommendations on the most appropriate mechanisms have now been made by the consultant team to the Tahoe Transportation District Board. This presentation will provide a high-level overview of this process and the results of this work to date.

### Applicable Statute, Code, Policy, Rule or Regulation

N/A

### Financial Information

**Is there a fiscal impact?** No

**If yes, account name/number:** N/A

**Is it currently budgeted?**

**Explanation of Fiscal Impact:** N/A

**Alternatives**

N/A

**Attachments:**

[Mini overview v14.pdf](#)

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

# ONE TAHOE

*A transportation funding initiative*



# There is only ONE TAHOE...



A unique place ...



exhilaration ...



rejuvenation...



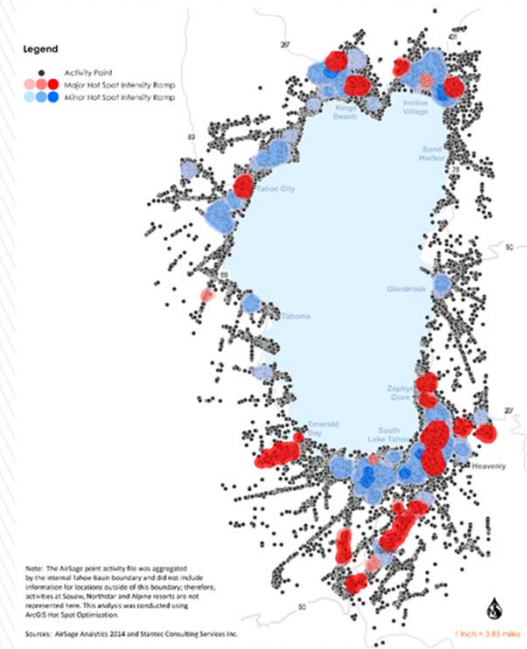
recreation...

***... but the quality of the "Tahoe experience", the Lake's fragile environment, and our economic prosperity are threatened.***



# Transportation Challenges to Lake Tahoe

- ▶ Travel patterns
  - Typical community travel: work, shopping, school, recreation *but...*
  - Overlain with tremendous influxes of vehicles during peak seasons, holidays, and special events
- ▶ Dependence upon vehicular travel (2014 data)
  - 50+ million vehicle trips into/out of/within the Basin annually
  - 75% of vehicular trips by visitors; 25% by residents
  - 42% of visits are day trips
  - 58% of visits are 4+ days
  - Could see 25% increase in visitation by 2035





# Transportation Challenges to Lake Tahoe

- ▶ Congestion on roadways and parking lots
  - Unsafe conditions for drivers, pedestrians, and cyclists
  - Water pollution–declining lake clarity
  - Air pollution
  - Fire danger–climate change and evacuation issues
  
- ▶ Significantly mitigating congestion by adding additional road capacity is not an option
  - Extreme environmental sensitivity
  - High costs for construction and land
  - Lack of alternative routes requires keeping roads open during construction



# The solutions have been known for decades:

*A community vision for a complete transportation system*



# The community's transportation vision

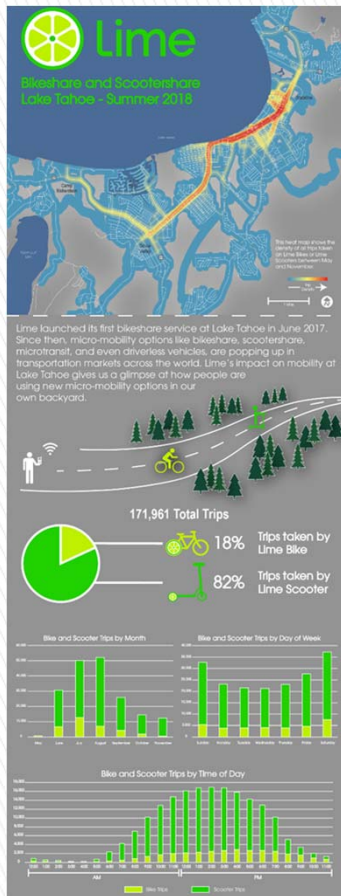
- ▶ Developed over decades through extensive public process and input with partners



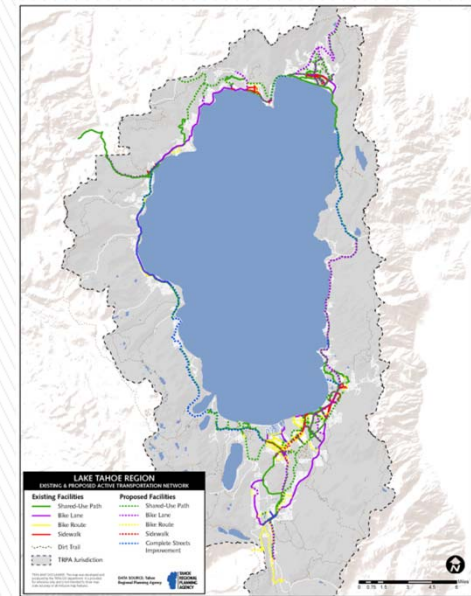
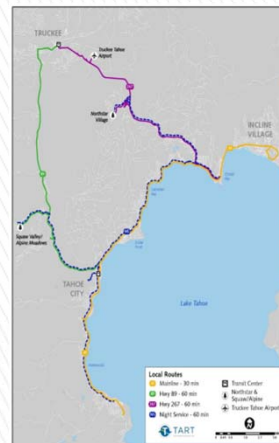
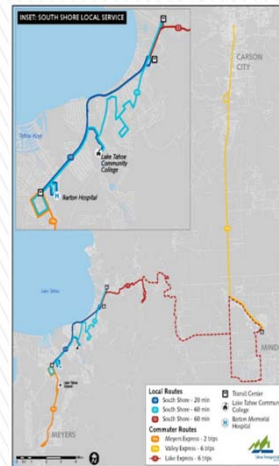
- ▶ Articulated in successive transportation plans



# A transportation system offering realistic alternatives to the car



Transit  
Ferries  
Bike  
Walking



*Not for every trip, but where and when these alternatives work!*



# What is keeping the vision from becoming a reality?

*A substantial shortfall in the financial resources needed*

## Purpose of ONE TAHOE:

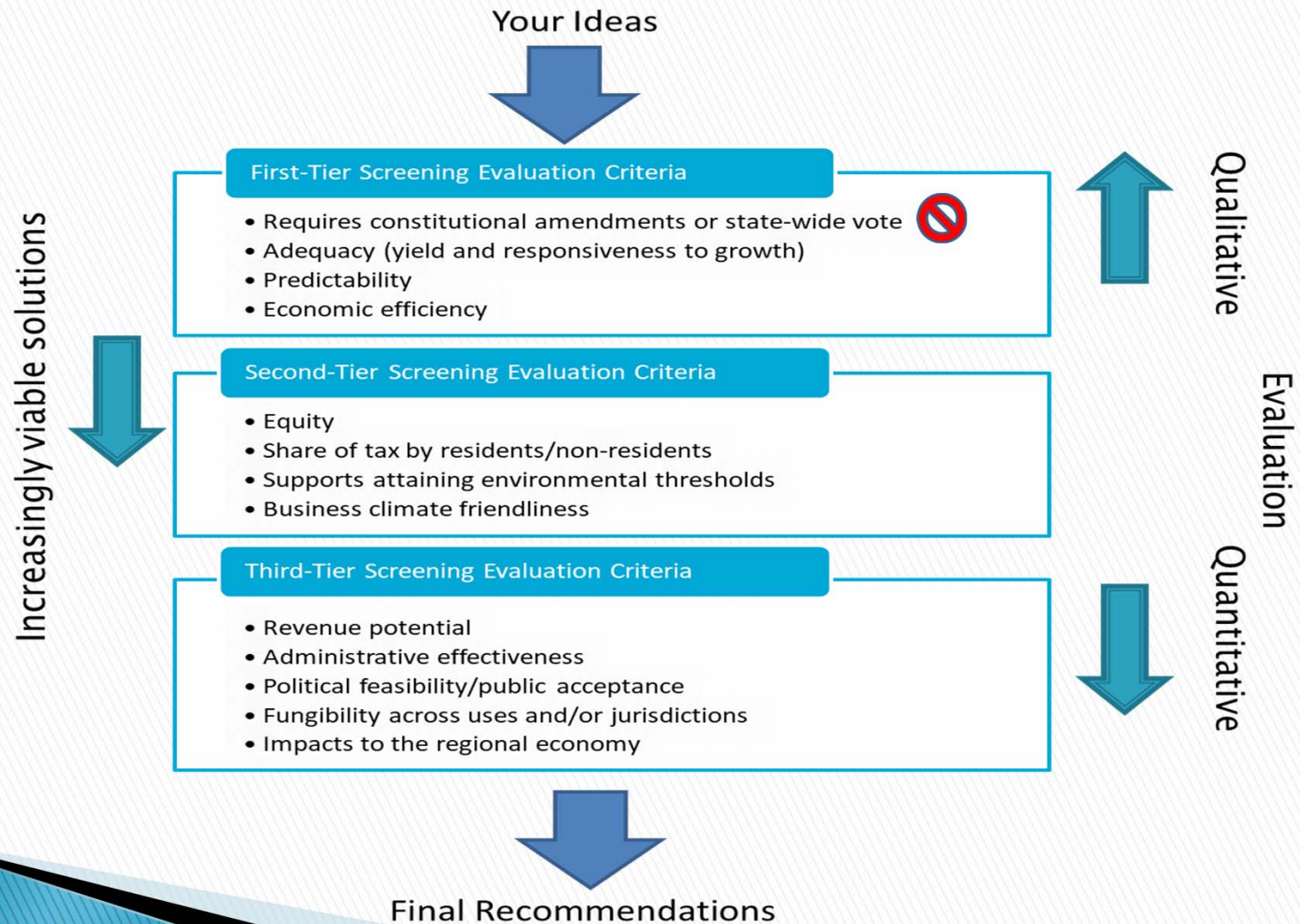
To take significant next steps towards filling the transportation funding shortfall in the Lake Tahoe Basin through 2040 and beyond, including recommendations on funding mechanisms



# Tahoe Transportation Funding Shortfall

- ▶ **2017-2040 Data** **(2017\$)**
    - Projected Costs: \$3.11 Billion
    - Projected Existing Revenues: \$1.58 Billion
    - Projected Shortfall: **\$1.53 Billion**
  - ▶ **Shortfall \$67 million/year; 1% of basin economic activity**
  - ▶ **O&M accounts for about 62% of total costs**
  - ▶ **Shortfall investments**
    - \$1.035 billion in transit/water ferries/rail
    - \$366 million in streets, bicycle and pedestrian facilities
    - \$110 million in communications and technology
    - \$18 million in transit oriented development
- Sustainability requires commitment beyond 2040**

# Gather ideas for funding mechanisms, screen, and evaluate





# Ideas for funding mechanisms

- ▶ Listed verbatim no priority, viability, etc.
  - 1. Sales tax
  - 2. Income tax
  - 3. Property tax
  - 4. Fuel taxes
  - 5. Gross receipts tax
  - 6. Employee tax
  - 7. New sustained federal funding
  - 8. New sustained State of Nevada funding
  - 9. New sustained State of California funding
  - 10. New sustained funding from each county general fund
  - 11. Cordon pricing
  - 12. VMT fee for travel in basin
  - 13. Special district such as a Transportation GID
  - 14. Tolling

# Ideas for funding mechanisms (continued)

- 15. Joint Powers Authority (JPA)
- 16. Zoned “basin transportation fee”
- 17. Tahoe Transportation Fee collected with vehicle registration fees
- 18. Convert all parking in basin to paid parking
- 19. Developer impact fees
- 20. Hourly transportation user fee for time spent within basin
- 21. Congestion pricing
- 22. Increased transit fares
- 23. Basin entry fee
- 24. Vacancy tax
- 25. Transient occupancy tax (TOT)
- 26. Rental car fees
- 27. Road utility
- 28. Fee/tax on ski passes



# Tier 1 screening

- ▶ Primary focus: Elimination of mechanisms
- ▶ Four criteria
  - Does idea require NV or CA constitutional amendments or mandatory statewide votes of the people? If so, a fatal flaw!
  - Can mechanism generate adequate gross revenue at reasonable rates?
  - Is the revenue stream predictable so that the system can be sustained?
  - Does the mechanism have a direct economic link to transportation that encourages efficient use of the system?

# Summary Tier 1 screening results

Item	Description	Constitutional Prohibition	Adequacy (2)	Predictability (2)	Economic Efficiency (1)	Summary rating	Go/ No-go
1	Sales tax	Pass	●	●	●	●	No-go*
2	Income tax	Fail					No-go
3	Property tax	Pass	●	●	●	●	No-go
4	Local fuel taxes	Pass	●	●	●	●	No-go
5	Gross receipts tax	Pass	●	●	●	●	Go
6	Employee tax	Pass	●	●	●	●	Go
7	New federal funding	Pass	●	●	●	●	No-go
8/9	New NV/CA state funding	Pass	●	●	●	●	No-go

\*Not sufficiently robust for a regional source but may be useful for addressing local needs



# Summary Tier 1 screening results (continued)

Item	Description	Constitutional Prohibition	Adequacy (2)	Predictability (2)	Economic Efficiency (1)	Summary rating	Go/ No-go
10	New city/county general funds	Pass					No-go*
11/23	Cordon pricing/basin entry fee	Pass					Go
12	VMT fee in basin	Pass					Go
13/27	Transportation Utility (Special District)	Pass					Go
14	Tolling	Pass					Go
15	Joint Powers Authority	Pass	Governance structure may be considered for governance of final recommended package if advantageous				No-go
16/20	Zoned transportation user fee	Pass					Go
17	Transportation fee collected with vehicle registration	Pass					No go

\*Not sufficiently robust for a regional source but may be useful for addressing local needs

# Summary Tier 1 screening results (continued)

Item	Description	Constitutional Prohibition	Adequacy (2)	Predictability (2)	Economic Efficiency (1)	Summary rating	Go/ No-go	
18	Paid parking	Pass	●	●	●	●	No go*	
19	Developer impact fees	Pass	●	●	●	●	No go*	
21	Congestion pricing	Pass	Pricing structure applicable to multiple mechanisms may be considered for final recommended package					No-go
22	Increased transit fares	Pass	●	●	●	●	No go	
24	Vacancy tax	Pass	●	●	●	●	Go	
25	Transient occupancy tax	Pass	●	●	●	●	Go	
26	Rental car fees	Pass	●	●	●	●	No-go	
28	Tax on ski lift passes	Pass	●	●	●	●	No-go	

\*Not sufficiently robust for a regional source but may be useful for addressing local needs



# Tier 2 screening

- ▶ Nine candidates passed from Tier 1 screening to Tier 2
- ▶ Four criteria
  - Is the mechanism *equitable* to groups of differing income?
  - Do basin *residents* and *non-residents* reasonably *share* the burden?
  - Could the mechanism encourage behavior that *supports attaining Environmental Thresholds ?*
  - Would the mechanism be *perceived as business friendly?*

# Summary Tier 2 screening results

Item	Description	Tier 1 summary rating	Equity (2)	Share paid by out-of-basin v. in-basin residents (2)	Supports attaining environmental thresholds (3)	Business climate friendliness (2)	Tier 2 summary rating	Go/ No go
5	Gross receipts tax							No go*
6	Employee payroll tax							No go*
11	Cordon pricing/basin entry fee							Go
12	Vehicle miles traveled (VMT) fee							Go
13	Transportation utility special district							No go*
14	Tolling							Go
16	Zoned transportation user fee							Go
24	Vacancy tax							Go
25	Increased transient occupancy tax							No-go

\*Mechanism may be considered for inclusion in a final recommended package if it is useful to address resident versus non-resident equity or other factors.



# Tier 3 screening

- ▶ Five candidates passed from Tier 2 screening to Tier 3
- ▶ Five Tier 3 criteria
  - Can the mechanism generate adequate gross revenue?
  - What is the cost and ease of administering and collecting the revenue?
  - How acceptable will the mechanism be to the public and political leaders?
  - Is the revenue fungible so that it can be used across modes, activities, and political jurisdictions?
  - What are the impacts of the revenue on the regional economy?

# Summary Tier 3 screening results

Item	Description	Tier 1 summary rating	Tier 2 summary rating	Revenue potential (3)	Administrative effectiveness (1)	Political feasibility/public acceptance(2)	Fungibility across modes/uses/jurisdictions(3)	Impacts to regional economy (2)	Tier 3 summary rating
11/23	Cordon pricing/basin entry fee	Green	Green	Green	Green	Yellow	Green	Green	Green
12	Vehicle miles traveled (VMT) fee	Yellow	Green	Yellow	Red	Red	Red	Green	Red
14	Tolling	Yellow	Yellow	Yellow	Yellow	Red	Red	Green	Red
16	Zoned transportation user fee	Green	Green	Green	Green	Yellow	Green	Green	Green
24	Vacancy tax	Yellow	Yellow	Yellow	Red	Red	Red	Green	Red



# Preliminary recommendations on funding mechanisms

# Transportation user fees

- ▶ Most equitable, effective and efficient given different types of use and users
  - Residents
    - Non-commuters
    - Commuters
    - Resident businesses
  - Non-residents
    - Day visitors
    - Extended visitors
    - Commuters
- ▶ Full transparency—revenue targets and fees driven by Regional Transportation Plan



# Transportation user fees

- ▶ Maximum fungibility across:
  - Governmental/administrative jurisdictions
  - Modes
    - Roads
    - Transit
    - Water ferries and taxis
    - Bicycle facilities
    - Pedestrian facilities
  - Activities
    - Capital
    - Operations and maintenance

# Transportation user fees

- ▶ Administrative implementation/amendment
- ▶ Flexibility to deal with future changes
  - Revenue from other sources (fed, state, local, private)
  - New mandates impacting transportation by local, state, and federal governments
    - Air quality
    - GHG
    - Congestion
    - Water quality
  - New technology
  - Evolving community goals
  - Adjustments to maintain equity in “who is paying”



# Recommended transportation user fees and illustrative\* rates (2019\$)

## ▶ Non-residents

- Non-resident, non-commuter groups (1 or more persons) entering the basin by vehicle: \$4.10/day
- Non-resident, commuter groups (1 or more persons) entering the basin by vehicle: \$1.06/day

## ▶ Residents

- Resident households: \$7.00/month
- Resident businesses based on trip generation of land use: average \$71/month

\*Planning level estimates based upon one scenario. May be subject to significant revisions based subsequent public/political processes and decision making, and system implementation.

# *Where do we go from here?*

- ▶ Everyone will have something they don't like!

*But ask them ...*

- Do you agree there is a transportation problem?
- Is it important to fix it?
- If you don't like these funding ideas, what are your specific concerns?
- What could you support?
- If visitors need to be a part of the solution, what is the best mechanism to capture their contribution?

***If not fixing the problem is unacceptable, we must reach consensus!***



# Topics for future discussion and recommendations

- ▶ Administrative structure
- ▶ Governance
- ▶ Vehicle for enabling legislation
- ▶ Key legislative provisions
- ▶ Implementation activities
- ▶ Timelines

*Thank you!*