

TAHOE REGIONAL PLANNING AGENCY
ENVIRONMENTAL IMPROVEMENT, TRANSPORTATION, &
PUBLIC OUTREACH COMMITTEE

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September 22, 2021

Meeting Minutes

I. CALL TO ORDER AND DETERMINATION OF QUORUM

Chair Mr. Lawrence called the meeting to order at 9:30 a.m.

Members present: Ms. Faustinos, Ms. Gustafson, Ms. Hill, Mr. Lawrence, Ms. Novasel, Ms. Williamson, Mr. Yeates

II. APPROVAL OF AGENDA

Ms. Regan stated no changes to the agenda.

Mr. Lawrence deemed the agenda approved as posted.

III. Transportation Funding Initiative briefing and staff direction

[Agenda Item 2 Transportation Funding Briefing](#)

Ms. Regan, TRPA introduced this item by providing some context and background, before turning over to the RGS Consultants for the main presentation.

Ms. Regan said they have all been working hard on transportation funding solutions for a number of years, and that this has been a longstanding challenge in the basin. It now feels like the stars are aligning to make some real headway on transportation.

The bi-state transportation consultation has been underway for around four years. While that may sound like a long time, great progress has been made:

- The group identified, and reached consensus on, regional transportation priorities
- They looked at a 10 year action plan for funding
- They agreed on a need of a minimum \$20 million for transportation revenue
- They updated the Regional Transportation Plan
- They agreed on a new VMT standard and new fee structure

All this represents some big policy achievements in the last couple of years. But the 'large nut to crack' now, is how to solve the minimum \$20 million regional revenue need. While they have done some hard work, it is getting harder, as they work together to reach consensus around a regional revenue plan, and agreement on the path forward.

At the Lake Tahoe Summit, they heard loud and clear from the Congressional Delegation, who want them to agree on a unified vision, with one consistent voice for Tahoe, and not

multiple and competing asks.

There are some upcoming deadlines, with a report and a presentation to the legislative oversight committee in Nevada, due by the end of the calendar year. They are also on the hook to deliver new revenue by 2023, as per the agreement made with stakeholders and the California Attorney General's Office. As part of the decision on the VMT update, the new revenue will flow into the basin in just a couple of short years, so there is pressure to find a solution.

Ms. Regan said she is very pleased to report that the consultants have done a good job of building on the excellent work that has been done over many years, to identify new revenue solutions, and find a path forward.

The information being presented today needs further vetting and analysis, but they are presenting the unvarnished version of what has been heard from key stakeholders and participants, about new revenue options. Legal and political feasibility questions also remain, but Ms. Regan feels that they are moving the ball forward, and with the leadership and support of the Committee, they can take this to the next level in terms of collaborating on solutions for transportation.

Robert Spencer and Josh Metz with RGS Consultants provided the presentation. Mr. Spencer began with recap of the August presentation. SCR8 expresses support for the identification of key transportation priorities for the Lake Tahoe Basin. Mr. Spencer said they are thinking about the policy drivers in terms of two general questions:

- What are the regional revenues they are going to authorize?
- What's the structure to adopt, collect, and administer?

Both these questions will need to be addressed by the end of the year, but the presentation today will focus on the first question, with a review of where they are now with the revenue strategy, and a look at what is possible, and what they are looking at.

Based on interviews conducted in August/September 2021 regarding the Revenue Strategy, the consultants found that there was insufficient support for a basin entry fee. With that, they could also conclude that no single source is going to be large enough to fill the funding gap of \$20 million per year, over 25 years. So, they will need to look at a multiple source strategy as a starting point, which is not unusual in long range transportation plans.

As for interview feedback on questions around governance and administration, there was a desire for understanding the need for more revenue, but no consensus on exactly how that would get structured. Deeper discussions will be needed on that second stream of work, because if not a regional source, then are we really just pursuing the status quo where jurisdictions raise their own strategy?

With regard to the Revenue Strategy, Mr. Spencer said he wanted to highlight the Environmental Improvement Program (EIP) as a success story with demonstrated regional benefits to the region, that has been built on the participation of all sectors. Mr. Spencer that may be a theme we want to carry over into the Regional Transportation

Plan.

With regard to priorities for revenue sources, they are looking at revenue sources that are sustainable, fungible, transparent, equitable, and substantial. To be worth the effort, they would like to try and generate at least one million dollars a year from any single source, in order to have a chance of meeting that \$20 million a year gap.

Mr. Spencer moved on to outline some key options for the committee to consider. The recommendations are based on both fulfilling the priorities, as well as their experience with regional transportation funding, and their understanding of state and local fiscal finance on both sides of the state border.

Firstly, sales tax, tried and true, is the dominant regional transportation revenue source throughout the State of California. It does require a two thirds vote of the local area, and in this case, they would be talking about basin voters, and would need a way to legally segment out basin voters. Mr. Spencer offered the example of adding 0.5% to generate 1.6 million dollars a year basin wide.

The second option (Transient Occupancy Tax), would also need to go to the voters. Mr. Spencer said while this is no 'cakewalk', it is about standing behind the expenditure plan, and being confident that they will deliver benefits. To really generate substantial new revenue, a vote of the people is pretty much always required. With regard to Transient Occupancy Tax (TOT) there are variations around the lake, with the highest rates in Douglas County, and the lowest rates in Placer and El Dorado Counties – although it is important to remember what locals in different jurisdictions might already be contributing. A 0.5% increase in TOT revenue, basin wide would generate 2.7 million dollars a year.

The last tax option being presented today, is a Property Transfer Tax. While this is not a commonly adopted revenue source, it is an option on the California side, for charter cities to adopt their own property transfer tax. Again, this would require a majority, or two thirds vote, depending upon the use of the funds.

As a general law city, South Lake Tahoe does not have this option, and neither do Counties, so some statutory enabling would be required in order to tap this revenue source on the California side.

If this option were to be adopted basin wide, with an increase of one dollar per thousand, in finance terms, 10 basis points per property transaction, approximately \$2 million a year in revenues could be generated basin wide.

At a more local level, there are some additional fee options. These include a zonal transportation user fee. Although the basin entry fee may not have support at this time, there may be sufficient support for zonal user fee that would be paid at certain boundaries around the lake, between zones. The initial concept here is that a user would only pay if they moved between zones – if users only travel within their zone, there would be no fee. There are many details to work out, for example, perhaps the fee would vary between residents and non-residents.

Another fee option involves parking fees. They recognize they will need to start charging for parking, simply to provide a revenue stream for the construction and maintenance of Park and Ride Lots, which are a key component of any transportation solution in the basin. Whether parking fees could generate additional revenue for capital, and possibly transit operations, remains to be seen.

Finally, development impact fees are included in the analysis, not because they meet the million dollar a year threshold by any means, but simply because, they are an existing fee that TRPA imposes. This is, this is probably the smallest piece of that.

Mr. Spencer explained that these are the options they are currently reviewing, and then outlined other options that have been 'left on the cutting room floor'. He wanted to be clear on the options that they are recommending now, and on other options they are not recommending, that could be revisited per the direction of the Committee and Governing Board.

On the state revenue side, options not being recommended at this time include Park User Fees, Grant Eligibility Requirements, EIP Bonds.

In reference to Grant Eligibility, Mr. Spencer informed that California gives preference to counties that have passed a 'self help sales tax'. There is preference in tapping state and federal funding that flows through the state for transportation if they have adopted a regional revenue source.

On the federal side, there is a Federal Transportation bill that is going through reauthorization, so there is opportunity there with the potential a 25% increase in existing programs - leading to possibly one million dollars per year to TRPA for transportation. There are also some new programs in the bill, which line up very well with basin priorities around climate, electrification, and active transportation. While there is potential in the transportation bill, they still have the same request to our congressional delegation around improved grant eligibility, to ensure Tahoe is not unfairly penalized.

On the regional side, Mr. Spencer said we need to co-ordinate grant requests among the jurisdictions, to ensure there is no duplication or competitions – and all of this requires congressional delegation support.

In wrapping up, Mr. Spencer said that the private sector also has a role to play. There is already support for micro transit. From their interviews they learned that employee access to work sites has become a critical issue in the basin. Due to increase housing costs, workers have moved further away, which has become a significant pain point for employers.

Committee Comments & Questions

Ms. Hill asked for further explanation on why the basin user fee is off the table for the discussion today. Mr. Spencer responded that this option received no support from the state delegations. Ms. Hill asked if there was time to clarify these concerns before that

option was completely taken off the table. Mr. Spencer responded that those conversations would need to take place at the political level. Ms. Hill advised that she was not aware these conversations were taking place, and that she has asked to meet with the Governor to discuss this option. She is concerned about whether some of the other proposed options would work for Washoe County, and does not know why the basin user fee is being completely taken off the table. She said that she had heard that there were some legal concerns with the basin user fee, and asked if that was something that needed to be worked on. Mr. Spencer answered that they are currently in the process of engaging a law firm with experience in both California and Nevada municipal finance issues. There are some outstanding questions about how a basin user fee could legally be adopted. From his experience, Mr. Spencer is not sure that it could be done without a popular vote.

Mr. Spencer said they are considering these legal questions in relation to the proposed zonal user fee, which would have to run through the same type of legal analysis as a basin entry fee. If the committee would like to bring the basin entry fee back onto the table, he would encourage members to pursue conversations at the political level.

Ms. Hill asked for clarification on the difference between the user fee and the zonal fee. Mr. Spencer responded that the basin entry fee would be charged at the 6 or 7 gateways to the basin, for everybody coming into the basin. The zonal fee would be charged within the basin, at boundaries between zones. The concept is that a user would not pay a fee unless they crossed a boundary.

Ms. Hill asked if they believed the zonal fee would be easier to implement. Mr. Spencer said they had not 'tested' the zonal fee with the state delegations, since they were very focused on the basin entry fee, and made it clear that fee needs to come off the table. With the zonal fee, they still need to investigate how that would work, and whether there would be support.

Mr. Lawrence clarified that the recommended options are the consultant's recommendations, based on trying to identify feasible revenue sources, in the required time period. As he understands it, the recommendations are not 'black and white', binary decisions, but are based on the consultant's research and recommendations.

With regard to zonal fees, from his personal observations, Mr. Lawrence said there have been a lot of conversations on how this might fit in with the Constitution, the Compact, and various NDOT regulations. He thinks that before deciding whether it's feasible or on/off the table, these questions need to be answered. Mr. Lawrence added that there is some fatigue, and while there could be merit behind this idea, there are questions that need to be answered. There are concerns from local residents in the Carson Valley about having to pay a fee to drive into the basin, and that may explain why the zone fee resonated, since it may address how to deal with those short trips into the basin.

In terms of on or off the table, Mr. Lawrence does not believe these discussions take anything is off the table. Rather, these are the consultant's recommendations, based on a short timeframe for a huge issue, and what they see as the best possibility of bearing fruit. Mr. Spencer agreed, and added that these are the initial recommendations. They are talking about a 25 year plan, and just because something like a basin entry fee may

not be on the table initially, does not mean it could not be introduced in the future.

Mr. Spencer added that more time, and the experience of tackling something like a zonal fee, could open up other options down the road. The recommendations presented today are based on the very short timeframe to get a report back to the Nevada Legislature. Finally, on the Nevada side, they still need to dig into the state constitutional issue of whether they could characterize the fee as not a toll, but as a transportation fee. That is an outstanding legal question.

Ms. Faustinos asked what percentage of the \$20 million need is for capital cost, versus operational costs. She thinks it is important to understand what things state grants and other capitals sources will pay for, versus operational costs, which typically, local revenues like taxes or fees, can be used to cover.

Mr. Spencer responded that he does not have the exact numbers, but can provide a general answer. The regional source is to cover what would not come down in terms of 'color of money' from state and local sources, which are primarily capital sources. So, you need a regional source for a couple of major reasons. One is for the Transit Ops piece - ongoing, sustainable, transit operations. That is typically the cash starved piece of any transportation system, and that is where regional sources are needed. The other key reason, is that you need the regional source for match. Almost all of these capital grant programs require match, and so the regional source is the match. And finally, the regional source is the oil that keeps the machinery going; it keeps the planning going keeps the public committee's engaged, and keeps the Regional Transportation Plan moving forward.

Ms. Faustinos said that she thinks it will be important to understand the proportional share is, and where the sources the funds have to come from, as they move forward in the deliberations towards a decision. She added, that while the presentation was very clear, identification of projects is important. If people can see that there is a benefit, and we articulate that strongly from the beginning, she thinks they will get more support at both the elected official and local community level.

Mr. Lawrence agreed that it is important to differentiate the strong need for transit operations, since that is where it is really difficult to get the funding. They do have new parking fees starting on the East Shore and at the Casinos, and he is curious as to whether those parking fees that help pay for the operations are considered an existing source, or whether they are now a new revenue source to help reach the \$20 million. It may be small, but it is important to have consistency in how we talk about these things.

Ms. Gustafson thanked the presenters and said that many people in the basin have been working on these issues for many decades. In looking at some of the funding streams recommended, specifically Sales Tax and TOT, she asked how those numbers relate to the required \$20 million a year.

Mr. Spencer responded that a basin wide increase of 0.5 cent in sales tax would raise \$1.6 million a year, and a half percent increase on the TOT side would raise \$2.7 million a year. On the property transfer tax side, a \$1 per thousand dollars of transaction increase would raise about \$2 million a year.

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Ms. Gustafson highlighted a few things she has worked on over the past few years, both as a volunteer and in her work for Placer County. A polling on sales tax for transportation initiatives, three years ago, not reach the two thirds with their local voters. They then took a different approach and got the business community to do a TBID. When you show those numbers for Placer County, with a 1% increase on sales tax through the TBID Assessment, it is really an 8 ¼ % that people are paying when they purchase something. Then the TOT rate in the basin, with the TBID, is already 12%. What are we doing with those funds? The business associations have replaced about \$4 million of TOT, that they have committed to Housing and Transportation. They did look at real estate transfer taxes, but primarily for affordable housing, since they thought that was the best nexus to property transfer fees. They were told that there was no way for the county to legally do that.

Ms. Gustafson added that Placer County does have the authority, because many years ago they got legislation to allow them to collect a separate sales tax in their region. She is not sure if El Dorado County has that authority. It is very difficult for portions of counties to get a sales tax passed, but again, legislation is a possibility to allow for different types of authorities to do that. She thinks it is important, and has felt all along, that the nexus needs to be a link between the problem and the funding source. The basin user fee does capture those day visitors, and provides them with a service that they can directly benefit from. Many times, locals don't see transit as benefiting them, because they need to run five different errands in the course of 15 minutes. So, locals cannot depend on a free, infrequent service as an alternative transit system, but visitors can. She has always felt that they were addressing the equity issue that way.

Ms. Gustafson added that she is very concerned that the California Attorney General is telling us to raise \$20 million regionally, while the Governor is saying we cannot support a basin entry fee. They have not seen any major project get underway in Placer County yet - Tahoe City Lodge has broken ground, but is still struggling for financing. She is concerned that as we look at new projects, we don't have real solutions. No offense to the work the consultants have done. They have recaptured and restated many of the things we have heard and struggled regionally, but there is a big picture here that I think we were all ready to go in on, and start working on. She agrees with many of the comments from Ms. Hill, and believes they need the opportunity to have candid discussions on the problems, how they address any issues with entry fees, versus these other efforts that they already know are going to take several years to get legislation, and then get voters to vote for.

Ms. Novasel thanked Ms. Gustafson for raising the issues with Sales Tax and TOT that would have to passed through voter initiatives and approval. She is disappointed we are not talking about user fees in the mix of this, because as far as our local governments go, it's all the same process. We all have to get approvals, and, and go through basically the same issues with our voters . Frankly, voters don't want to pay sales tax for tourism type transportation. For her constituents, the TOT makes more sense, but it is still a difficult conversation, and she is disappointed that we are not keeping the basin user fee as a top priority. We have a lot of hurdles no matter what, and she feels it is the way we need to go.

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Ms. Novasel added that El Dorado is a Charter County, so they may be able to do something regionally as far as the property transfer tax rates. That said, they have had a lot of comments from real estate and developers saying they did not want that to be considered as a possible solution for some of the other issues in their county. El Dorado have a very low tax rate because they have a lot of opposition to tax rates and tax increases, so it's difficult no matter what, and she would hope they can keep the user fee process moving forward. She was disappointed and surprised to hear that the Governor was not supportive, and believes that could be the best process regionally

Mr. Yeates shares the concerns expressed by other committee members, and is trying to figure out how they can thread the needle. In reference to Ms. Gustafson's comments, he said they started out with a great deal of work that resulted in an agreed upon priority list, which we can't afford with the existing way that Tahoe is treated in getting funding for these kind of transit oriented projects. If we continue to be treated as a local government, or region, we are never going to make it because of the competition within those formulaic processes that are out there.

Mr. Yeates said it was his hope that we would set forth why we have these priorities, and what we are trying to solve, to protect Lake Tahoe, protect the unique recreational experience at Lake Tahoe, and also to enhance the economic opportunities for the communities that surround Lake Tahoe. That is why we came up with these priorities, and there is a price tag price tag that we don't meet. To him that cannot be any different to when California built the Golden Gate Bridge. It wasn't an entry fee, it was a bridge toll, a user fee – the same thing for all of the express lanes that are now all around the Bay area. If you want to pay the fee, and get to work a little bit faster, you pay the fee for the fast track. He understands there are some political issues with the term 'entry fee', and there are issues regarding the fairness between people that have to come into the basin to work, versus the tourist, and who is going to have to pay the fee on top of the park fees, and all the other stuff that. But the reality is, that if you put up what we need to build our facility, the way we think we can do that, so that the user will see there is some advantage in not using their car, then they would be paying for something that is no different to a bridge to get to San Francisco.

Mr. Yeates thinks that we need to get back to why we think we need what we want, and who/what that is going to benefit – both the lake, and the people that come up to use and experience the lake. These are the things that we need to put in place at Emerald Bay, on the South Shore, to improve the transit it at the North Shore, and that has a cost.

Then we need the two states, and maybe the federal government, to come up with the money upfront. Then we will cover the cost of operation and maintenance, and paying back those upfront funds, through a fee process. Then let the decision makers, who are providing the funding, to decide how best they would pay off either the bonds, or the revenue that they are providing us, to cover that cost, and how that would be administered.

If an entry fee would create a legal problem in Nevada, let's use a different term, such as 'user fee', to pay for what we have been given money for to operate at Lake Tahoe. Because after all, when you really get down to it, the two states and the federal government, decided this basin deserves more protection. In order to protect this

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unique geologic wonder, the surrounding communities around it, deserve help to address the issues of the impact of so many users coming into the lake, and to protect that recreational experience? And also, to provide something for the future, so that we don't kill the golden goose - reports show a \$5 billion revenue source, that benefits both states, and the feds.

Mr. Yeates said this sums up the problems he has with the presentation. He does not blame the consultants, who are rehashing issues that others have gone through. But he wants to say this is what we need, we cannot afford it, and we cannot do it within the current funding process. So here is our need - how are you going to pay for it, and then how do we pay it back. That is how he would present the issues to the two states and the federal government. If they say no, then this is a problem we are going to have - where the funding that you give us will provide for a poor transit system, where we will continue to have cars lined up at certain, key times of the year.

Mr. Lawrence responded that there is a lot of philosophical agreement to Mr. Yeates comments. There is a lot to unpack, but one of Mr. Yeates comments tied into comments from Ms. Faustinos regarding how to tease out infrastructure and transit operations costs. In terms of priority projects, how do they figure out a way to use federal or state capital improvement dollars to get the infrastructure in place, and then work on the long term funding sources for ongoing transit operation.

Mr. Lawrence added that he would like to see some investigation into the policy and legal specifics of what might need to be changed, and/or the mechanics that would be required for a corridor fee or a user fee or any of these others local taxes. He is aware that the Tahoe Transportation District (TTD) has looked into it, and has heard that if we call it a user fee, it fits in well with Nevada, so, perhaps there is not a lot of work that needs to be done, and maybe TTD has some of those answers.

Ms. Williamson thanked the presenters and committee members for their comments and insight. She referred to her recent evacuation to Mammoth, and said they have a phenomenal, free transit system there. She explored their funding sources and found that they have various contracts with their ski resorts. She is aware that Tahoe has the additional complexity of two states and multiple jurisdictions, but asked if this is something we have looked into with Heavenly, North Star, Homewood, etc.

Ms. Gustafson responded that Mammoth is the model that Placer County uses for the Tourism Business Improvement District (TBID) for that very reason - because sales tax is not collected on recreation activities - whether it's a boat rental, bike rental, jet-ski rental, or ski pass, sales tax is not collected on any of those items. The TBID assessed those businesses, with their agreement. Mammoth was the first to do that, and Placer County were the second. Most of the ski resorts are very resistant to being charged sales tax, and they fight it nationwide.

Mr. Lawrence agrees that the Mammoth system works well, and also recognizes that local governments struggle with issues around their tax base, fees, and how they fund things differently.

Ms. Regan said she appreciated all the discussion. She added some clarification to the

'off the table, on the table' conversation, and said that the committee/board members are the policy makers. As such, this is your decision. What staff are trying to do, is to bring you a package that we can move on, because we have a window that is shrinking in terms of a couple of years of time to start new money flowing. After a series of interviews, and speaking with different members of the resource agencies in both States, we are just not hearing support today, for a basin entry fee. And that is a difficult hurdle to overcome if legislation is going to be required. Having the two Governors support, for whatever package they develop, is crucial. So that is why they included more of a portfolio, multi sector approach.

And there are two pieces she wanted to cover on that. Firstly, they are talking about revenue needs, but they are also talking about visitor and car behavior change. They are looking to build a better transit system, but they also have to make sure that people change their behavior. So, the interesting idea around zonal pricing, congestion management, and corridor pricing as presented, is that if we can build that as a pilot in both states, between the 28 Corridor on the East Side near Sand Harbor, and the 89 Corridor near Emerald Bay, we have around three million cars going through those areas annually. If we can start to change behavior, to where our visitors say, "if I'm travelling in my car to those places, I'll have more restricted parking, I might have to pay to park, and I might have to pay an additional fee", we might start to shift behaviors which reduce VMT, which is also our charge. In the process we might collect additional revenue that could support a multi-sector approach towards meeting that \$20 million overall need.

Fleshing this out will also require legislation, but we haven't heard objections to the idea, so we wanted to see if we can get your head nod to investigate that as a way forward. That also builds more time. If a basin entry is the ultimate solution, it will take time to work through our two states on that. She appreciated all the committee member comments, but added that they are trying to look down the barrel of this couple of years to see what they can do to get some funds flowing into the base.

Maybe corridor/zonal pricing is a way that we could come to some agreement and move forward in a pilot of some sort. That visitor behavior change might be something to agree on, while we investigate other options.

The other piece, is how we move this forward with committee comments, with Tahoe Transportation District, and with technical implementors. With that said, we are committed to continue working on this with your concurrence, while we thread the needle. Otherwise, we just keep churning, and we are running out of time.

Mr. Metz picked up the presentation with an explanation of what zonal approach pilot project might achieve for behavior modification.

The first question is would people stop driving through Emerald Bay or Highway 28 on the East Shore if they had to pay a small fee. He thinks it would be an interesting study to see what kind of pattern of use change there might be. It would give us a chance to look into some of the questions around the equity topic, because those would also be revealed by use patterns. Finally, it would give an opportunity to explore and develop state and federal partnerships that will be needed, because both of those zones have significant state and federal assets.

Mr. Metz continued that all of this would contribute to developing some muscle in terms of collaboration across jurisdictions and entities, to fund transit. While this may not be satisfying, given all of the prior work and challenges at the local level, it may be the pragmatic way forward.

Mr. Spencer presented slides on the expenditure plan to address some of the committee's comments.

There are some key priority projects, as highlighted in the presentation, and Mr. Spencer walked through a couple of quick examples. Regarding the Resort Triangle, the bus priority lane project puts a lane in the middle to allow buses to pass by traffic in dedicated transit lanes, and makes improvements at intersections. That would be funded as a solely capital project, with a large share coming from state and federal governments, with a local share.

The project also has key benefits for the RTP. It includes environmental benefits, congestion management benefits, connectivity benefits, and helps to preserve the system. That is an example of where these funds would go.

Another example, SR 28, the state line to state line bike trail, That would be completing the East Shore Trail from Incline Village to Spooner summit, along with other parking, pedestrian, and safety enhancements. That is largely a capital project, with a significant state and federal share. This project hits all the performance measures in the RTP - environment, congestion management, connectivity, economic vitality, safety, and system preservation.

Finally, transit around Tahoe. This is a big one, and will be implemented over time. We need to enhance workforce connections to help workers get in and out of the basin to work. That has become a critical pain point in the last 12 months for many Tahoe businesses.

We need micro transit for recreation services, to get visitors and locals to recreation hotspots, and around town - and a new South Shore Transit facility, which is a major capital investment that would also require annual operation cost. This project also hits most of the metrics in the RTP, around environment, congestion management, productivity, and economic vitality.

In wrapping up, Mr. Spencer briefly introduced the governance and administration issue, with questions about revenue adoption and collection. Is it going to be uniform or basin wide? Is it a single fee or is it a single tax basin wide? Is it maybe a bi-state solution? Maybe the California side moves in a different way than the Nevada side, but together they add up to regional revenue contribution? Or, do we stay with more of a status quo approach with each jurisdiction having to come up with a contribution to the Regional revenue needs.

On the administration side they also have questions. Is this a TTD responsibility? Would the revenues go to the Tahoe Transportation District, and would they be responsible for programming? They did not get consensus in the interviews, so are looking for guidance

from the committee. If not the TTD, does it stay as the status quo approach with local jurisdictions, where they come up with the additional revenue, and decide how to program it. Or is it some combination?

Mr. Lawrence questioned whether TRPA, as the MPO, was included as an administration option. Mr. Spencer replied that they had not looked into how TRPA would be positioned legally. It is an option to keep on the table and the consultants are happy to keep that on the table. Ms. Regan added that is an option to be investigated and reconciled.

Public Comments & Questions

Mr. Teshara, Regional Transportation Activist, said he was commenting on his own behalf, and not on behalf of his clients. He supported committee members who strongly encouraged that the option of a basin user fee, was not taken off the table. While he appreciates the hard work from the consultants, and understands there are not a lot of consensus points, we have a huge need, and is critical to keep that option in the mix. When you look at the \$20 million, and at cobbling together multiple sources which are already known, it just doesn't get it done, particularly on the transit side, on the capital projects side, and on matches for grants.

As presented today, the consultants' recommendations don't really deal with the resort triangle issue. Yes, you might have sales tax, for an example in Placer County, Washoe County, etc., but what about the Town of Truckee? The Town of Truckee has had representatives in this group, on the technical side, because they would like to be a participant in it. And so, it doesn't really deal with that.

It also does not address the issue that came through the One Tahoe Report, which is, how do you implement the zonal fee. It seems very confusing for visitors, and seems a lot easier for people to understand, if I go across the bridge, as an example, I pay this fee. While he thinks, the zonal fee may be more politically viable at the state level, he still sees a problem with it as far as people getting around the region.

Mr. Teshara was most disappointed to hear that the Governor of California, has apparently put the kibosh on the entry, or user fee. Meanwhile, we also have the California Attorney General's saying that we must reduce VMT, and Greenhouse Gas (GHG) emissions, and yet they cannot see their way clear to help us. We started out in this process thinking that states would recognize what we are trying to do, and would understand we need their help.

The other part of the consultant recommendation, is that it does not really get to the visitor issue. The visitors are the ones causing the impacts, and yet these recommendations are focused on what can be done at the local level, with the local people, and the local tax base. So, it really misses the goal we started out with on this journey, which was to get a bigger, more visionary, mechanism in place. Mr. Teshara agrees with the robust, fervor in which members of this committee urged that the entry fee stays on the table for further analysis. He added that they also need to deal with the resort triangle issue, and with the tremendous requirements, that are appropriate for an environmental agency, on reduction of VMT and GHG. Mr. Teshara said he appreciated

the comments of the committee members today, and thought Mr. Yeates framed the arguments to the states quite well.

Mr. Gavin Feiger, on behalf of the League to Save Lake Tahoe, said that based on the discussion, it seemed that there was a lot more work to be done. They had been hopeful that the consultants would have some innovative ideas, and combine those into a multi-faceted solution, and they did not see that.

We have such high usership in Tahoe, that it seems we could find a way to capitalize on that in an equitable way.

They look forward to exploring innovative and realistic options with the consultants and committee going forward, and hope that can be done quickly over the next couple of months.

Committee Comments & Questions

Ms. Young said that she hoped she did not come across as aggressive towards the consultants. She thinks that they are doing a really difficult job in trying to build consensus, and was just surprised by the slide that they were not going to consider the basin entry fee. But it sounds like that is a possibility, and it sounds like the committee is open to that. She urged the consultants and staff, to please use the committee and board members in these engagement processes, so they can support and help with the political discussions.

Referring to his earlier comments, Mr. Yeates said he did not mean to suggest that they could simply change some words to get around the legal or political problems with the basin entry fee. But he does believe there is a disconnect, and he appreciated the last slides from the consultants, showing the value added of the projects.

Mr. Yeates thinks that one way to proceed would be to take that kind of approach to our priority projects, and show the value added, and the costs. Then look at how, with existing funds, these projects would, or would not happen. And then they would rank where they think there are funding opportunities. They begin to see that even with local help and creativity, we are not going to quite get there. So, when we talk about a regional source, it's either going to require that the users pay for the system, that the two states or federal government might help us build, or some other means. But it is definitely going to have to come from somewhere other than the formulaic transportation funding process, in a way that treats the Tahoe Basin in the way in which the compact is set up, in order to deal with the popularity of a hot day in California, where visitors want to come to Lake Tahoe. He suggests that in a future meeting, they make the connection between the value added of these projects, how short they are with existing funds to reach it, and then a priority of how to get there.

Ms. Gustafson said it is great to think that there are innovative ways to deal with transportation, but when they are talking about real dollars on operating systems and capital projects, there are many places that have already tried those innovative solutions, and this is what they are coming up with. Unfortunately, so often in government, their hands are tied. She concluded that there should be a nexus between

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the fee collected, and who is benefitting. Also, while TOT and overnight, visitors are certainly part of the traffic, there are also a lot of day visitors. Our locals often do not feel that those visitors are paying adequately, so we must figure that out because that is part of the rub we have in local elections regarding sales tax.

The political reality is that they are going to require legislative changes anyway, and questioned whether the states and Governor's Office would allow them to do that. As the discussions move forward, she wants to ensure the legislative support for other avenues, if the basin entry fee isn't one.

IV. COMMITTEE MEMBER COMMENTS

None.

V. PUBLIC INTEREST COMMENTS

None.

VI. ADJOURNMENT

Ms. Novasel moved to adjourn.

Chair Mr. Lawrence adjourned the meeting at 11:10 a.m.

Respectfully Submitted,



Tracy Campbell
Clerk to the Advisory Planning Commission

The above meeting was recorded in its entirety. Anyone wishing to listen to the recording of the above mentioned meeting may find it at <https://www.trpa.gov/meeting-materials/>. In addition, written documents submitted at the meeting are available for review. If you require assistance locating this information, please contact the TRPA at (775) 588-4547 or virtualmeetinghelp@trpa.gov.