



STAFF REPORT

Date: October 16, 2024
To: TRPA Transportation Committee
From: TRPA Staff
Subject: Regional Plan Transportation Funding Milestones

Summary:

TRPA adopted two Regional Plan Transportation funding milestones to support the new Transportation and Sustainable Communities Threshold Standard in April 2021. The milestones established benchmarks for addressing the “Regional” revenue identified in the constrained revenue forecast of the 2020 Regional Transportation Plan. The most significant funding shortfall in the current and draft RTP is for transit operations, and staff recommend the development of focused milestones for transit funding.

Staff Recommendation:

Staff recommends the Transportation Committee direct staff to develop funding milestones to increase funding for transit operations and maintenance to implement the full vision of the next Regional Transportation Plan (Connections 2050).

Required Motion:

A motion to direct staff to prepare transportation funding milestones for transit operations and maintenance to implement the vision of the Regional Transportation Plan

In order for the motions to pass, an affirmative vote of a majority of the quorum is required.

Background:

The Transportation Committee (Committee) work plan contains two primary elements; 1) update of the Regional Transportation Plan/Sustainable Communities Strategy and 2) Review and update of funding policy to implement the RTP/SCS. The funding policy update includes the review and updating of Regional Plan goals and policies related to transportation funding and the Transportation and Sustainable Communities Threshold Standard (TSC1). Policy review is further divided into two steps: first, the development of funding milestones, and second, the integration of adaptive management actions with those milestones. The funding milestones of the Regional Plan are contained in the TRPA Regional Plan Goals and Policies - DP-5.4.

The policies of DP-5.4 were designed to support the 2020 RTP/SCS. The constrained list of the 2020 RTP/SCS contained \$486 million in “reasonably foreseeable” revenue that was not assigned to an existing revenue source (federal/state/local/private). In the funding chapter of the 2020 RTP/SCS this revenue was referred to as “Regional” and described as “an outcome of the ongoing Sustainable Funding Initiative, new regional funding is initially estimated at \$20 million annually to support RTP

implementation, and over the life of the plan \$486 million total. The actual revenue generated from new regional sources may vary and will be updated in subsequent RTPs. Therefore, the funds are conservatively estimated to start in 2026, outside of the first 4-year FTIP cycle and after the next RTP cycle.”

DP-5.4 SCHEDULE OF MILESTONES TO OBTAIN A REGIONAL FUNDING SOURCE FOR TRANSPORTATION PROJECTS AND PROGRAMS.

2022 Regional Revenue Milestone - By December 31, 2021, a proposal for dedicated sources of transportation funding for Tahoe, endorsed and supported by the Bi-State Transportation Consultation, shall be submitted to the Nevada and California legislatures.

2024 Regional Revenue Milestone - An ongoing regional funding source or sources dedicated to transportation for the Tahoe Region that is reasonably expected to meet the needs set forth for it in the Regional Transportation Plan, shall commence implementation no later than December 31, 2023.

After the adoption of the 2020 RTP/SCS, the Sustainable Funding Initiative led by the Bi-State Transportation Consultation endorsed the 7-7-7 shared funding strategy for filling the “Regional” revenue portion of the 2020 RTP/SCS. While the 2020 RTP/SCS didn’t incorporate any funding from “Regional” sources until the 2026 fiscal year, the partnership began 7-7-7 in the 2023 fiscal year. Over the last two years, the partnership has raised more than \$50 million in revenue beyond the forecasted “Regional” revenue in the 2020 RTP/SCS, placing it well ahead of the forecasted funding for the 2020 RTP/SCS.

Staff presented the draft financial data for Connections 2050 in August. The draft financial element incorporates the success of the 7-7-7 shared funding strategy into the “reasonably foreseeable” revenue forecast to support the constrained project list for Connections 2050. The proposed incorporation of the 7-7-7 funding levels into the individual sectors in Connections 2050 maintains the commitment to augmented funding.

While the partnership’s success in raising additional transportation funds is admirable, past Committee, Governing Board, and stakeholder comments have suggested that a more targeted approach to fundraising would be desirable. Review of transportation investment against forecasted revenue over the last five years indicates that overall investments are on track, but transit is lagging. While the Connections 2050 constrained project list is still in development, early indications are that transit operations funding will be the largest need.

Based on this, staff recommends that in the development of the next set of funding milestones, consideration be given to moving towards a more directed set of milestones rather than the board approach of “Regional” revenue in the current RTP/SCS and the Regional Plan. Based on feedback staff proposes the following guidelines for milestone development:

1. Fund transit operations and maintenance
2. Provide a holistic accounting of all funding sources that contribute to transit
3. Set minimum targets based on the constrained list and include incentives for revenue generation and service expansion beyond the constrained list

4. Consider multi-year funding milestones
5. Promote shifts to funding sources that do not require annual action

If the Committee directs staff to focus on the transit funding, staff will work with stakeholders to develop draft milestones. Consistent with the Committee work plan, staff is also developing revised adaptive management actions to accompany the revised funding policies and will bring both back to the Committee for consideration.

Contact Information:

For questions regarding this item, please contact Dan Segan, Chief Science and Policy Advisor at dsegan@trpa.gov or (775) 589-5233.

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