



**Mail**  
PO Box 5310  
Stateline, NV 89449-5310

**Location**  
128 Market Street  
Stateline, NV 89449

**Contact**  
Phone: 775-588-4547  
Fax: 775-588-4527  
www.trpa.org

---

## STAFF REPORT

Date: October 2, 2020  
To: Transportation Technical Advisory Committee (TTAC)  
From: TRPA Staff  
Subject: Project Level Assessment and Fee Approach

---

### Summary and Requested Action:

Staff will present a framework of proposed changes to the existing system of project level impact assessment and mitigation fees. TTAC input is sought on the proposed framework and fee approach. This input will be used to prepare draft updates to TRPA code and procedures and related implementation tools for TTAC consideration at its next meeting.

### Background:

TRPA is updating the current transportation system measures to reflect today's concerns for impacts of and to transportation. TRPA is working cooperatively with partners to 1) update the VMT threshold standard and 2) develop project level tools to assess and mitigate impacts of development. The issue of how best to update each program has been referred to TTAC for recommendations to the Regional Plan Implementation Committee (RPIC). The VMT threshold standard update is addressed in a separate staff report to the TTAC.

TRPA proposes changes to key facets of the current project impact assessment and mitigation fee processes that include:

1. Replacing Daily Vehicle Trip Ends with Vehicle Miles Travelled in each process
2. Simplifying project evaluation using specific targets for land use equivalents
3. Requiring all projects to mitigate their VMT through implementation of VMT mitigations and/or paying a fee
4. Imposing a higher rate mitigation fee on significant projects that produce unmitigated VMT
5. Establishing geographic boundaries for project impact assessment
6. Defining unique projects to be assessed on a case-by-case basis
7. Resetting the mitigation fee amounts
8. Determining if any project types should be exempt from fees.

During the October meeting, staff will review and solicit TTAC input on each of these key facets and the approach proposed by staff.

Section 65.2 of the TRPA Code of Ordinances details the fees and other procedures to offset impacts from indirect sources of air pollution. Today, concerns for climate change and mobility, specifically greenhouse gas emissions and the importance of a diversification of land uses and multimodal transportation networks to reducing reliance on the personal automobile, have replaced the original concern for nitrate deposition into the Lake, with Vehicle Miles Travelled (VMT) being advanced as the best means of assessing the impact of a project on the transportation network.

Development and redevelopment is estimated to account for approximately 2 – 3 % of future VMT because roughly 96% of all possible development in the Tahoe basin is in place and redevelopment will only be responsible for its net increase in VMT (i.e., the change after deducting VMT attributed to the replaced use). Nevertheless, it is still important to ensure the project impact assessment and mitigation fee programs utilize best practices, address concerns for climate change and mobility, and support the region's goals as expressed in the Regional Plan.

Figure 1 on the following page outlines the current project impact assessment and mitigation fee approach for development. The subsequent sections provide more detail.

#### Project Impact Assessment:

TRPA assesses projects using the TRPA Initial Environmental Checklist for Determination of Environmental Impact. The checklist classifies a project's level of impact by the number of new daily vehicle trip ends (DVTE) the project produces. Projects that produce fewer than 100 DVTE are considered to result in an insignificant increase (with payment of the mitigation fee, described below). Projects that produce between 100 and 200 DVTE are considered to have a minor impact. Projects that produce more than 200 DVTE are considered to result in a significant increase.

Projects that are determined to result in an insignificant increase have no additional analysis or mitigation requirements.

Projects with minor impacts complete a traffic analysis only if the project is being built in an urbanized portion of the Tahoe basin that is designated as a maintenance area for carbon monoxide under the federal Clean Air Act. Currently, there are no designated maintenance areas in Tahoe.

Projects that result in a significant increase must complete a traffic analysis, which includes VMT and Level of Service (LOS) analysis, among other factors. The recently developed VMT Interim Guidance provides clarification for how to conduct VMT analysis consistently in the traffic analysis. If the Region's VMT Threshold is in attainment, the project is not required to further mitigate VMT but must mitigate identified impacts to LOS. If the Region's VMT Threshold is out of attainment, the project is required to mitigate VMT and identified impacts to LOS.

In addition to the TRPA project impact assessment, projects may be required to undergo a separate project impact assessment at the jurisdictional level, i.e., El Dorado County, Placer County, Douglas County, Washoe County, City of South Lake Tahoe.



1. The residential uses in projects (e.g., houses, hotel/motel rooms, campgrounds, etc.) produce vehicle trips. Commercial business and recreation areas attract vehicle trips. Since 1987, TRPA has weighted the production of DVTE at 90%, and the attraction of DVTE at 10%.

Figure 1: Current Project Impact and Air Quality Mitigation Fee Process

#### Mitigation Fees:

TRPA's Air Quality Mitigation Fee is paid by all projects, regardless of their level of impact. The mitigation fee program charges a fee to a project based on daily vehicle trip ends (DVTE). The fee is proportionally allocated based on whether the project produces or attracts DVTE. The residential uses in projects (e.g., houses, hotel/motel rooms, campgrounds, etc.) produce vehicle trips. Commercial, business, and recreation uses in projects attract vehicle trips. Since 1987, TRPA has weighted the production of DVTE at 90%, and the attraction of DVTE at 10%. Fees are collected and distributed through TRPA's Environmental Improvement Program (EIP) according to the Air and Water Quality Mitigation Fund Release Policy Guidelines (June 23, 2010). Fees are distributed to the local jurisdiction, or to TTD with local jurisdiction authorization, where the development occurred. A portion of the AQM fees may be distributed across jurisdictional boundaries to support regional projects. However, fees may only be used for projects and programs recognized in the most recently adopted Regional Transportation Plan, Air Quality Plan, and EIP program.

#### Proposed Framework:

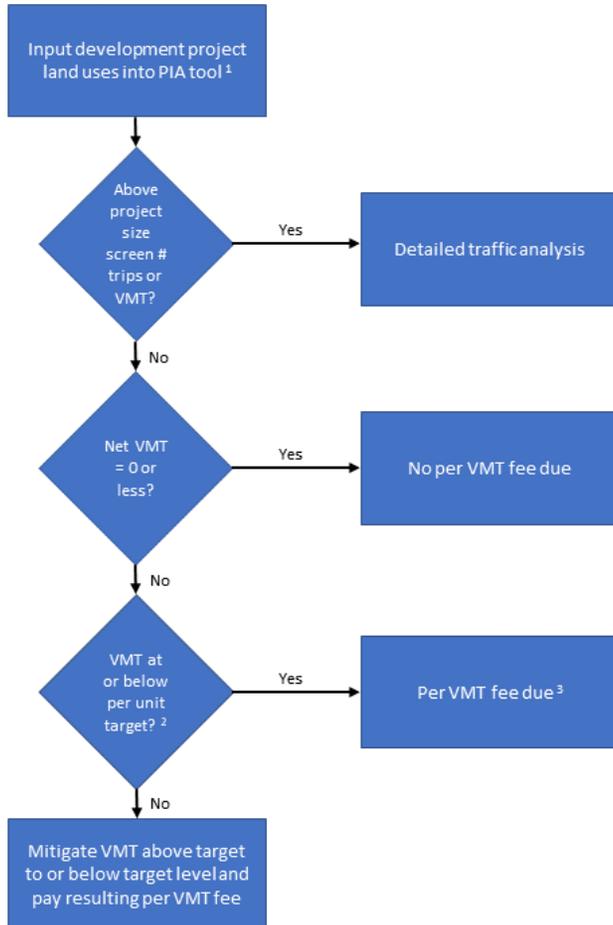
In California, State Bill 743 (SB 743) went into effect July 1, 2020. The California Governor's Office of Planning and Research (OPR) developed guidance for replacing LOS with VMT as the metric for determining the significance of development's impacts to transportation. The guidance allows local jurisdictions to continue to assess projects for LOS outside of a CEQA analysis.

TRPA is developing, in collaboration with Placer County, California, a project level analytical tool that will incorporate updates to the current TRPA project impact assessment and will align with state requirements under SB743 to ensure a coordinated and seamless project level impact assessment process basin-wide.

#### Project Impact Assessment:

Figure 2 shows the proposed framework for region-wide project impact assessment. The proposed framework makes the following changes to the existing project impact assessment and replaces the VMT Interim Guidance:

- Transportation impacts of projects will be evaluated based on VMT instead of trips
- The project impact assessment tool replaces the traffic analysis requirement for all projects below a to-be-defined size
- The traffic analysis will not require LOS analysis; instead, LOS will be addressed through funding and development of a multimodal network
- The project impact assessment will reduce a project's evaluation from three categories (insignificant, minor, and significant) to two (not significant and significant)
- Projects will be evaluated using a land use equivalent VMT metric, e.g., Residential unit, commercial floor area of Local-Serving Retail, square feet of Office, etc.
- A project will be determined to have a significant impact if it produces VMT at a rate greater than a specific target (or standard of significance) per land use equivalent
  - Residential, Tourist Accommodation Unit, and Office: greater than 85% of the current average VMT for its land use type
  - Commercial, Recreation: No new VMT



Notes:

1. The land uses used for each project must be consistent with the land uses used to prepare the Regional Transportation Plan and the program of transportation improvements (see note 3, below). Similarly, the VMT per land use must also be consistent with the VMT per land use used to prepare the Regional Transportation Plan. These data may be updated with more specific Tahoe specific land uses and VMT data.
2. An example target is the California OPR Guidance that all new residential development projects must generate 15% VMT/resident below that of existing development.
3. The per VMT fee must be based on the total cost of the program of transportation improvements needed to serve the existing and new land uses that will generate that VMT. If a specific land use is desirable for policy purposes (e.g., affordable housing), the fee should not be waived. Instead, it should be funded from other sources.

Figure 2: Proposed Project Impact Assessment and Mitigation Fee Approach

- Projects will be required to mitigate their VMT to at or below the corresponding standard of significance
  - Through implementing VMT mitigations
    - Mitigations will be based on the most recent TRPA Regional Transportation Plan, the Placer County Resort Triangle Transportation Plan, CAPCOA Quantifying Greenhouse Gas Mitigation Measures report, and updated research. Links to these documents can be found in the list of attachments.
  - By paying mitigation fees
    - VMT from projects at or below the standard of significance are insignificant upon payment of the fee

**Mitigation Fees:**

The proposed framework makes changes to the existing Air Quality Mitigation fee program:

- The fee will be assessed based on VMT, instead of trips
- All projects that generate new VMT will be required to pay the fee
- Projects that cannot reduce VMT to at or below the corresponding standard of significance will be required to pay a higher rate fee for all unmitigated VMT
  - The higher rate fee will be set to reflect the cost of mitigating the additional VMT
- Fees can only be used towards projects that mitigate VMT and are identified in the most recent Regional Transportation Plan constrained project list.

Discussion:

TTAC's input is requested on the proposed changes to the existing system for the project impact assessment and mitigation fees described above, as well as the additional considerations listed below.

**Geography-Based Standard of Significance:**

TRPA is proposing a standard of significance for residential, tourist accommodation units, and office projects greater than 85% of the current average VMT for the respective land use type, and for commercial and recreation projects to be no new VMT. At what geographic level should the standard of significance be set: regionally, jurisdiction boundary, a to-be-defined sub-regional level, in town center versus not-in town center, etc.?

**Unique Projects:**

Often, development occurs in Tahoe as unique projects. Currently, these types of projects are assessed on a case-by-case basis. TRPA is proposing to continue to review these projects on case-by-case basis instead of using the project impact assessment tool. TRPA proposes that that unique projects be defined as any use or combination of uses for which there is no standard land use category or categories and associated VMT generation data. Over time, as Tahoe specific data are developed for these unique uses, these types of projects can be moved from the "unique projects" category and analyzed in the project impact assessment tool.

**Mitigation Fee Amount:**

TRPA proposes to use the rough proportionality and nexus concepts to determine the maximum possible fee amount. This would determine the fee based on the cost of all projects that are needed to accommodate the new VMT (i.e., the RTP constrained project list) and the projected future VMT contributed by new development. The fee will be calculated on a per VMT basis and assessed to

projects based on the amount of new VMT they produce. TTAC input is sought to inform the resetting of the fee amount.

**Fee Exemptions:**

As proposed, no project would be exempted from paying the fee (e.g., affordable housing). Instead, TRPA proposes that the fee amount for such projects would come from another funding source (see Figure 2). In other words, the rough proportionality and nexus concepts used in determining the mitigation fee amount would apply to all projects and any incentive would need to be funded separately. As with unique projects, Tahoe specific data will be developed over time for affordable housing projects. If this data indicates that these types of projects produce lower VMT, the program could assess fees to them differently.

**Contact Information:**

For questions regarding the project impact assessment and mitigation fee update, please contact Melanie Sloan at (775) 589-5208 or [msloan@trpa.org](mailto:msloan@trpa.org).

**Attachments:**

[TRPA Regional Transportation Plan](#)

[Placer County Resort Triangle Transportation Plan](#)

[CAPCOA Quantifying Greenhouse Gas Mitigation Measures](#)

[Updated Research](#)