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STAFF REPORT

Date: July 15, 2020

To: TRPA Governing Board

From: TRPA Staff

Subject: Status Update on Transportation Matters: Bi-State Consultation on Transportation & TTD Report on Regional Transportation Funding

Summary and Staff Recommendation:

No action requested. Information and possible direction regarding an update on transportation matters.

Background:

TRPA staff will update the TRPA Governing Board on activities related to the ongoing Bi-State consultation on Transportation. Tahoe Transportation District (TTD) staff will update the TRPA Governing Board on TTD activities related to regional transportation funding.

Bi-State consultation on Transportation

The State of Nevada and California reconvened the Bi-State Consultation on Transportation in January to create alignment among the states and partners on immediate transportation priorities and a supporting funding strategy. The priorities under consideration are a subset of projects from the 10-year Transportation Action Plan from the previous convening of the Bi-State Consultation process in 2018-19. The projects are also in the Regional Transportation Plan (RTP) and are based on additional consultation with implementation partners. In addition to narrowing an initial priority project list, the Bi-State Consultation created a Planning Workgroup to recommend an accompanying funding strategy that can establish momentum for a shared funding approach across federal, state, local, and private sectors. The Bi-State planning Workgroup has met seven times over the last seven months to develop the initial projects and a funding strategy for the immediate-term.

California and Nevada have expressed their desire to have the project priorities and funding strategy vetted and endorsed in time for use at the August Summit, with a full meeting of all participants in the Bi-State Consultation also in August. The priority projects under consideration, totaling \$272 million are included in TRPA's RTP and will benefit from the momentum and exposure of broad support when seeking to fully fund these transformative transportation priorities.

Regional Transportation Funding Update (Provided by TTD)

In order to meet regional transportation goals and achieve the transportation system necessary for the 21st century, it is necessary to ramp up transportation investment at Lake Tahoe. In addition to some local governments increasing transportation funding, the Tahoe Transportation District is tackling its bi-state funding authority and has developed a proposed regional funding source to replace the ineffective method authorized in existing Compact language. After a lengthy eighteen-month public process in which more than twenty-eight ideas were generated and evaluated the TTD Board is deliberating state

legislation for a regional funding mechanism based on a user or cordon fee. TTD believes the fee concept best meets the criteria needed to fill the funding gap for the RTP, a gap that has existed for decades. Whether it's the short-term priority list cited in the bi-state discussion above, or the larger ten-year list updated in the current bi-state process, or the entire RTP, on average the funding gap to deliver all is \$60-\$70 million or more a year based on the 2017 RTP. The gap dollar figure may be less in the 2020 RTP update in which case the range could be broader. Given Tahoe's visitation this is not an insurmountable revenue amount to sustain with the right mechanism in place similar to what other successful mountain resort communities have done. TTD is proposing a change to TTD's enabling language in Article IX of the bi state compact in 2021 when both the Nevada and California legislatures are in session. The next opportunity will not be until 2023 when Nevada's legislature meets next. The TTD Board reviewed and discussed proposed language changes at its meeting last Friday July 10th.

While there is little dispute that additional transportation funding is necessary to accelerate implementation of the RTP, the approach on how to generate that funding requires alignment among basin partners. Much of the transportation needs are driven by visitation yet disproportionately the visitor contributes little to cover the costs of those needs. The TTD proposal looks to rectify that balance and provide a source that is equitable, affordable, and available to leverage existing federal, state, local, and private sector transportation revenue. This presentation is intended to review TTD's work to date and engage and build support from the TRPA Governing Board on a regional funding approach.

With the RTP update scheduled for update and adoption this calendar year taking a critical step on addressing regional funding will be instrumental in assuring a viable transportation program that will meet regional and state goals. Alignment of the two bi-state agencies, TRPA and TTD, local governments, and the private sector on a regional source will be a powerful message. All parties should align on the efficacy of amending Article IX and the mechanism for a regional revenue strategy. TTD is seeking feedback from the TRPA Board on increasing revenue for the implementation of priority transportation projects and the RTP, and corresponding legislative language to make it possible.

Contact Information:

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