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Allocation Package Narrative Explanation Submitted by the Tahoe Regional Planning Agency

Section I: An explanation of what funding and service actions are being taken within the region that utilize resources other than SB 125 funding.

Lake Tahoe's clarity and environment are threatened by vehicle impacts to the region including greenhouse gas emissions and roadway runoff degrading lake clarity. Peak periods of congestion at popular recreation sites generate clogged roadways, inhibit equitable access, create unsafe conditions for visitors, and hamper commuters during peak seasons. Tahoe serves 15 million visitors per year, but state funding formulas for transit do not provide the needed support to manage peak visitation levels. The Tahoe region has taken multiple steps recently to fund transportation and transit specifically through a shared funding approach across sectors (Federal, State, Local/Private).

The Tahoe Regional Planning Compact directs Tahoe's transportation programs to reduce dependency on the automobile. Since 2017, the Director of the Nevada Department of Conservation and Natural Resources and the Secretary of the California Natural Resources Agency have convened a Bi-State Consultation on Transportation for Lake Tahoe. The Bi-State working group brings together public and private sector partners to achieve needed transportation investment in the Tahoe Region.

Building on 25 years of success with the funding model of the Lake Tahoe Environmental Improvement Program (EIP), the Bi-State Consultation working group met throughout 2021 to identify a strategy framework to meet the RTP's unfunded \$400 million gap, directing the work then to the policy boards of the Tahoe Regional Planning Agency (TRPA) and the Tahoe Transportation District (TTD), representing local elected officials, state appointees, private sector representatives, and state departments of transportation to resolve details of the approach. These various bodies have been meeting frequently to arrive at consensus and have agreed to pursue a shared multi-sector funding framework called **the "7-7-7" strategy**. Federal, state, and local/private partners would each seek to contribute an additional \$7 million per year from each sector for high priority, regionally significant transportation projects.

Accomplishments:

- Improved shuttle services and pilot "micro-transit" projects to reduce traffic congestion.
- New agreements between roadway agencies, land managers, law enforcement, and other key partners on managing Tahoe's busy recreation corridors.
- Successful adoption of the 2020 Lake Tahoe Regional Transportation Plan (RTP) including new standards.
- Building consensus on regional priorities and funding strategies to deliver transportation investments.

Using the 7-7-7 funding strategy as a guide, TTD as the South Shore transit operator, Placer County's Tahoe Truckee Area Regional Transit (TART) as the North Shore transit operator, and other local partners have successfully leveraged additional local funding to supplement program

funding through the Federal Transit Administration (FTA) and Transportation Development Act (TDA), which make up most of the region's transit operations funding. On the North Shore, TART utilizes approximately \$4.1 million in visitor-based Transient Occupancy Tax (TOT) and approximately \$1.4 million in other local private funding to support its total transit operations budget of \$11 million. TOT and other local private funds have enabled TART to expand microtransit services to supplement fixed route services they are unable to operate due to driver shortages. TTD similarly utilizes approximately \$300,000 in TOT funds to support extended paratransit services in El Dorado County and has received \$500,000 per year in Congestion Mitigation Air Quality (CMAQ) discretionary funding to maintain fare free service across its entire transit system. Additionally, the privately operated Lake Link microtransit service, which began operations in July 2022, is funded through over 20 different funding partners including local TOT funds (\$700,000), private businesses and lodging properties, including a surcharge on ticket sales from the new South Tahoe Event Center. The SB 125 funding provides critical dollars to push off service cuts and other operational constraints. In parallel to the 7-7-7 sector funding strategy, the Tahoe Region is also pursuing other sustainable funding options to create ongoing "self-help" funding mechanisms in a complex jurisdictional region (portions of multiple counties and multi-state). Additional sources of funds intended to support SB 125 funded projects are detailed in the table in section III below and in Attachment C.

Section II: A description and justification of the RTPA strategy to use SB 125 funding to construct capital projects and fund operating expenses that lead to improved outcomes in its jurisdiction.

Public transit is a significant component of TRPA's Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) and is critical to meeting regional and state greenhouse gas reductions and vehicle miles traveled targets. Recognizing the need for funding to sustain and improve the regional transit network, TRPA, TTD, TART, and other local transit partners plan to leverage Senate Bill 125 (SB 125) funding to invest in critical fleet infrastructure, expand transit operations, and develop a Comprehensive Operations Analysis (COA) for the Tahoe Region to coordinate future investments in public transit. SB 125 funding will be instrumental in constructing vital capital projects and sustaining operational enhancements necessary to meeting regional and state climate and transportation goals.

Proposed Capital Projects:

- **Transit Vehicle Purchases for Microtransit Services:** The Allocation Package includes \$6,145,000 for the purchase of a fleet of vehicles for two microtransit services: TART Connect in North Lake Tahoe operated by TART, and Lake Link operated in South Lake Tahoe by the South Shore Transportation Management Association (SS-TMA). Vehicle purchases will allow local public transit agencies to bring microtransit operations in house and expand service zones to provide flexible and on-demand transportation options to more neighborhoods. The purchases and expansion will also allow agencies to comingle paratransit with existing microtransit services, creating efficiencies for riders and drivers. The purchase of microtransit vehicles will enhance accessibility, reduce congestion, and encourage a modal shift towards sustainable transportation. This procurement will continue to support the transition to an electric transit fleet, as some of the vehicles will be EV vehicles.

- **Electric Charging Infrastructure:** As part of the commitment to environmental sustainability, approximately \$3,278,598 of the SB 125 funding will be allocated to increasing electric charging infrastructure at key transfer stations around the Lake and at TART and TTD’s bus maintenance yards. This infrastructure will support the transition to an electric transit fleet, reducing the carbon footprint of transit operations and contributing to the region's broader environmental conservation goals.
- **Maintenance Facility Upgrades:** To ensure the longevity and reliability of the new fleet, the RTPA will allocate \$1,550,000 in SB 125 funds to upgrade the TTD maintenance facility to accommodate additional fleet capacity and electric charging infrastructure. Infrastructure at the existing facility is failing and repairs are necessary to maintain the TTD fleet in a state of good repair and continue operations until TTD can construct a new facility. Modernization will not only extend the lifespan of vehicles but also improve overall operational efficiency, reducing downtime, allow for maintenance of electric vehicles, and ensuring that transit services remain consistent and dependable.
- **Operations Support:** Approximately \$1,000,000 will be allocated to support the emerging microtransit services in South Lake Tahoe. The funding of Lake Link microtransit services will allow for the consolidation of local paratransit services within South Lake Tahoe and will provide critical first and last mile services to and from the fixed route services along the Hwy 50 corridor, increasing the overall efficiency of the transit network on the South Shore.
- **Transit Planning for Ridership Recovery and Retention:** TRPA, TTD, and TART support the use of approximately \$800,000 to conduct a Comprehensive Operational Analysis (COA) for the entire Lake Tahoe Region. Coming off the heels of the pandemic, and with new microtransit services and new private operators, a COA is needed to identify coordination opportunities between operators and to develop service strategies to increase and retain riders over the long term.
- **Technology and Data Upgrades:** Approximately \$217,000 will support the purchase of automatic vehicle location technology to improve real-time tracking for passengers and to equip the current TART fleet with automatic passenger counters to improve data collection. These technology upgrades will enhance the overall reliability and responsiveness of transit services and will support planners with the data necessary to develop more efficient routes.
- **Administration:** TRPA will use \$131,218 (1% of total SB 125 funding) to administer the SB 125 funding and conduct the required annual reporting.

The chosen projects and operational investments have been carefully selected to address the unique challenges and opportunities present in the Lake Tahoe Region. By prioritizing sustainability, technological innovation, and efficient service offerings, the RTPA anticipates not only meeting current transit needs but also laying the foundation for a resilient and adaptive transit system that can expand to meet the needs of the community.

Section III: A detailed breakdown and justification for how the funding is proposed to be distributed between transit operators and among projects, consistent with the legislative intent described in SB 125.

Per the Transportation Development Act (TDA), TTD and TART are currently the only eligible recipients of TDA funding in the Lake Tahoe Region. The allocation of funding between TTD and TART is guided by the legislative intent of SB 125, which aims to prevent service cuts, fare

increases, and layoffs, while concurrently enhancing and sustaining ridership. The following table shows how SB 125 funding is proposed to be allocated between TTD and TART. Additional project details can be found in Attachment C and additional funding details can be found in Attachment D.

Project #	Recipient and Projects	Total Project Cost	TIRCP	ZETCP	Other Funds
Regional RTPA					
1	Transit Comprehensive Operational Analysis	\$800,000	\$800,000	\$0	\$0
2	TRPA Administration	\$131,218	\$115,203	\$16,015	\$0
Regional Subtotal		\$931,218	\$915,203	\$16,015	\$0
Placer County (TART)					
3	TART Connect Vehicle Procurement	\$2,980,000	\$2,980,000	\$0	\$0
4	TART Technology and Data Upgrades	\$367,000	\$217,000	\$0	\$150,000 ¹
5	TART Charging Infrastructure	\$4,711,424	\$1,044,784	\$724,858	\$2,941,782 ²
Placer County (TART) Subtotal		\$8,058,424	\$4,241,784	\$724,858	\$3,091,782
Tahoe Transportation District (TTD)					
6	TTD Existing Maintenance Facility Upgrades	\$1,550,000	\$1,550,000	\$0	\$0
7	TTD Microtransit Vehicle Procurement	\$3,350,000	\$3,165,000	\$0	\$185,000 ³
8	TTD Charging Infrastructure	\$1,508,956	\$648,348	\$860,608	\$0
9	TTD South Shore Transit Operations Support	\$2,800,000	\$1,000,000	\$0	\$1,800,000 ⁴
TTD Subtotal		\$9,208,956	\$6,363,348	\$860,608	\$1,985,000
TOTAL TRPA SB 125 Request			\$11,520,335	\$1,601,481	

Placer County’s (TART) proposed projects include vehicle procurement for microtransit services, technology and data upgrades for transit vehicles, and the establishment of electric vehicle charging infrastructure for buses. Microtransit services play a pivotal role in meeting the dynamic transportation needs of the community, offering flexible and responsive transit

¹ Source: Transportation Development Act

² Sources: Transportation Development Act, Low Carbon Transit Operations Program, Meadowview Workforce Housing Project

³ Federal Transit Administration 5339 Formula Funds

⁴ Existing Lake Link funding, that includes funds from local governments and private businesses

options. Vehicle procurement will enable TART to save money by bringing operations in house, while technology and data upgrades will improve service reliability and passenger experience. Additionally, investing in electric vehicle charging infrastructure aligns with environmental sustainability goals and reduces the carbon footprint of the transit system. On the TTD side, SB 125 funding is earmarked for essential maintenance facility upgrades, microtransit vehicle procurement (including some electric vans), electric vehicle charging infrastructure for buses, and transit operations support for expanded microtransit services.

Partners will ensure funds used for operations will address the following items identified in the legislative intent language in SB 125:

1. ***Address operational costs until long-term transit sustainability solutions are identified:***
TTD and other local transit partners will continue to leverage additional local funds for microtransit operations through partnerships with local businesses, a surcharge on ticket sales at the new South Lake Tahoe Event Center and encouraging local jurisdictions to contribute additional TOT and general funds towards transit.
2. ***Assist transit operators in preventing service cuts and increasing ridership:***
Transit operations support is vital for the successful implementation of microtransit services, contributing directly to the overarching goal of increased and sustained ridership.
3. ***Prioritize the availability of transit for riders who are transit dependent:***
Additional funds for microtransit services will enable TTD to comingling their existing paratransit services with the existing microtransit services. Comingling will create efficiencies for both systems and provide a superior service for paratransit riders who will be able to request rides on demand as opposed to 24 hours in advance. The additional microtransit service areas are providing enhanced coverage to identified Community Priority Zones that have a higher percentage of transit dependent individuals.
4. ***Prioritize transit agencies representing a significant percentage of the region's ridership:***
Together, TTD and the SS-TMA (Lake Link operator), served 391,884 riders in FY 23, which accounted for approximately 40% of the total transit ridership in the Lake Tahoe region. By investing in enhanced microtransit services, TTD and Lake Link will be able to better serve South Lake Tahoe riders through expanded coverage and frequency along the main Hwy 50 fixed route.

The distribution of SB 125 funding reflects a balanced approach, addressing both immediate operational needs and long-term infrastructure enhancements. By allocating resources to TART's technology and vehicle initiatives and TTD's maintenance and operations support, the funding ensures a comprehensive and integrated strategy to achieve the legislative intent of SB 125. This strategic investment not only prevents negative impacts to service quality and accessibility but also lays the groundwork for a resilient and forward-looking transit system for the Tahoe region.