

MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors

FROM: David Boesch, County Executive Officer
Submitted by: Jennifer Merchant, Principal Management Analyst

DATE: December 10, 2013

SUBJECT: North Lake Tahoe Resort Association Capital Project, Program and Study Recommendations

Action Requested

- I. Approve North Lake Tahoe Transient Occupancy Tax infrastructure account expenditure toward construction of five projects, North Tahoe Public Art, in the amount of \$25,000; Regional Transit System Branding, in the amount of \$100,000; North Lake Tahoe Water Shuttle, in an amount up to \$140,000; Performing Arts Center Feasibility Studies, in an amount up to \$153,900; and the Dollar Creek Shared Use Trail/SR 89 Community Revitalization/Fanny Bridge Project in an amount up to \$1,775,000, for a total of \$2,193,900, at no cost to the County general fund.

Background

Placer County has entered into an annual agreement with the North Lake Tahoe Resort Association to provide transportation and infrastructure project development and tourism marketing and visitor information services. The agreement is funded with Placer County Transient Occupancy Tax dollars and requires Board of Supervisors approval prior to expenditure from the infrastructure portion of the agreement budget.

The Resort Association's Infrastructure Committee and Board of Directors have voted to recommend that the County Executive Office carry forward the following projects for approval by your Board. In doing so, they affirm that the projects are consistent with the North Lake Tahoe Tourism and Community Investment Master Plan, which was approved by your Board in July 2004. The recommended projects have the potential to lead to significant improvements to the tourism infrastructure at North Lake Tahoe. Therefore, the following NLTRA infrastructure expenditures are being recommended by the County Executive Office for approval.

Brief Project Description / Funding Request:

North Tahoe Public Art Program— \$25,000

The funding requested will be allocated to initial construction costs for public art infrastructure associated with Placer County's Kings Beach Commercial Core Improvement Project, as well as a direct allocation into a Tahoe Truckee Community Foundation Advisory Account to handle financial and auditing transactions to seed match funds for additional future installations. \$7,500 will provide footings and utilities in

the two KBCCIP roundabouts, \$7,500 will be used with private donations for the first public art installation, and the remaining \$10,000 will be allocated to the TTCF account for the second installation. The first art installation is expected next calendar year, concurrent with project implementation. This project is being initiated by the North Tahoe Business Association through its Main Street Program.

Regional Transit System Branding— \$100,000

The project will devise a single, coordinated brand for the North Lake Tahoe-Truckee region transit systems. Identified through the year-long Transit Vision effort, this project will reduce brand “clutter” existing within various transit services provided in the region, creating a clear and identifiable brand that ties all systems together. The project will include work with stakeholders, including the Town of Truckee and others, to develop a logo which will then be utilized on all transit vehicles, bus stop signs, websites, schedules and other printed materials. A large share of the allocation will be dedicated to a new paint scheme on Placer County’s TART buses. The Town of Truckee will fund all costs associated with updating its equipment and marketing materials.

North Lake Tahoe Water Shuttle— Up to \$140,000

The funding requested would operate the third season in a three-year pilot program. The North Lake Tahoe Water Shuttle links four points on the north shore of Lake Tahoe, including Homewood, Tahoe City, Carnelian Bay and Tahoe Vista. It is envisioned that this short-trip water shuttle system will ultimately link into the larger north shore-south shore ferry system, which is currently being planned, but is not expected to be implemented for several years.

Your Board allocated \$380,000 in April, 2012 for the three-year pilot program, but due to a late summer start the first year, higher than expected capital costs and lower than expected ridership, additional funds are needed to operate the planned third season. Ridership last summer was 48 percent higher than the first year, with a high of 68 passengers carried on a Saturday in August, but still lower than initially estimated. If it is determined the system will continue beyond the summer 2014 season, there will be an opportunity to renegotiate the contract, which will likely result in a lower public subsidy. Much of the current system cost is related to amortization of vessel construction that met system needs, including ADA compliance and bike racks.

Changes planned for next summer that are expected to yield lower subsidy per passenger include scaling back evening service hours, improved signage at pier locations, and improvements to the web-based reservations system. The service will be analyzed after next summer’s operating season to determine whether the shuttle will be continued for future years.

North Tahoe Regional Arts Theatre Feasibility Studies— up to \$153,900

The proposed feasibility studies will initiate next steps to implement one of the recommendations of the 2009 TOT-funded feasibility study and business plan for various cultural arts facilities in the North Lake Tahoe Truckee region. One of the facilities the study analyzed was a regional performing arts hall and amphitheater that, at the time, was being proposed by Northstar. Shortly thereafter, the property was sold and the effort lapsed. Since that time, Vail Resorts has re-entered discussions with the Tahoe Regional Arts Foundation in order to analyze feasibility of the facility. The effort would first complete a business/operational plan so that financial feasibility could be assessed. The Resort Association Board recommended that up to \$83,900 is allocated to the first

portion of the analysis. Once that component is complete, the Resort Association and the County will work with the applicant to review viability, and determine whether or not to move forward with the balance of the requested analysis. The total funding request, if completed, would be as follows:

Business/Operation Plan-	\$ 38,900
Financial Feasibility Study-	45,000
Project Management-	25,000
Concept Drawings-	30,000
Public Outreach-	<u>15,000</u>
TOTAL:	\$153,900

The project is currently proposed to be located near the entrance to Northstar Drive, adjacent to existing parking lots. Vail Resorts has signed a letter of intent to work with the Foundation for a project at this site. If this first phase proves initial project viability, the second phase will be initiated, which includes a capital campaign and more detailed architectural work. The total project cost is estimated at between \$18 and \$20 million, including construction, most of which will be raised through private donations.

Dollar Creek Shared Use Trail/SR 89 Community Revitalization/Fanny Bridge Project— Up to \$1,775,000

The proposed funding will provide a portion of the local match required for more than \$25 million in Federal Lands Access Program grant dollars to construct two critical projects in the Tahoe City area. Specifically, the funds would be allocated to project design and construction of the Dollar Creek Shared Use Trail and the Fanny Bridge Replacement Project. The Dollar Creek Trail is a 2.2 mile extension of the current North Lake Tahoe bike trail system toward an ultimate connection in Tahoe Vista at the Regional Park. The Fanny Bridge project will make significant improvements to traffic circulation and bicycle and pedestrian access south of Tahoe City. Fanny Bridge project alternatives, which your Board recently reviewed, are currently being analyzed, including a realigned Highway 89, west of its current location. No matter the alternative selected, the project will not only have significant positive impacts on circulation, but also economic development in the area.

The Resort Association Board of Directors has recommended the following payment schedule for these projects from the TOT Infrastructure Account held in the County Treasury:

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2015-16
Dollar Creek	\$185,000	\$100,000	-	-	-
Fanny Bridge	-	-	\$496,667	\$496,667	\$496,666

Fiscal Impact: The funding described above would come from Transient Occupancy Tax funds generated in the North Lake Tahoe area and currently held in the County Treasury for the purpose of capital project implementation in eastern Placer County. There are sufficient funds available to fund the amount of the requested expenditure approval, as recommended.

Environmental Analysis: The Board of Supervisors' approval of the NLTRA's funding contribution to this project is categorically exempt for CEQA per Guidelines Section 15061, which provides a general rule that if an activity does not have the potential to cause a significant environmental effect, it is exempt from CEQA. The project applicants are responsible for undertaking environmental review of this project per CEQA, if applicable. Allocation of the recommended funding toward project construction would occur only once associated environmental analysis is certified as complete by the applicant.