



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: July 8, 2014

SUBJECT: North Lake Tahoe Resort Association Recommendation – North Lake Tahoe Transit Vision Plan Economic Analysis

Action Requested

Approve a proposed North Lake Tahoe Resort Association infrastructure account expenditure in the amount of \$45,900 to undertake an economic impact analysis of a proposed regional transit expansion, funded by the Lake Tahoe Tourism and Promotions Fund and at no net county cost.

Background

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

NLTRA's Infrastructure Committee and Board of Directors have voted to recommend that the County Executive Office carry forward the following project for approval by your Board. In doing so, they affirm that the project is consistent with NLTRA's Tourism and Community Investment Master Plan, which was approved by your Board in July 2004. Therefore, the following NLTRA infrastructure expenditure is being recommended by the County Executive Office for approval.

The recommended project has the potential to lead to significant improvements to the tourism infrastructure at North Lake Tahoe. The project recommended for funding is consistent with goals in NLTRA's Tourism & Community Investment Master Plan.

Brief Project Description / Funding Request:

Transit Vision Plan Economic Analysis- \$45,900

NLTRA and other regional partners have been engaged for nearly two years in developing a transit expansion plan called the Transit Vision. The expansion is being considered in order to improve the region's competitiveness with other resort destinations which have transit systems that operate with more frequency, often with no fare paid by the rider. Generally, the proposed Vision would nearly double existing Tahoe Area Regional Transportation (TART) and additional peak season transit services funded with TOT dollars, but provided by other operators, improve transit facilities, fleets

and technology, and be free to the user. The Vision Plan also includes potential for transit system growth throughout the region, often called the "Resort Triangle", connecting Tahoe City, the West Shore, Kings Beach, Squaw Valley and Northstar to Truckee and Incline Village in Washoe County. Including operating, administrative, and capital costs, total annual system costs could be \$5.5 million for eastern Placer County, \$1.8 million for Truckee Donner Summit, and less than \$500,000 in Washoe County. TART's current annual budget is \$3.5 million.

The Vision Plan effort is currently undertaking more detailed analysis regarding potential annual costs, and is also reaching out to the public to ascertain interest in funding the system as currently conceived. Implementation will include provision of new funding sources, potentially including sales tax and TOT. The proposed economic analysis will provide background information regarding the Vision Plan's economic benefits or impacts to the region and its communities, and will serve as a basis for decision-making regarding funding strategies, as well as to inform both community and business leaders, as well as the general public.

Issues to be studied include net annual economic benefits and impacts, the degree to which destination stays, room occupancy and shoulder season visitation are increased, economic benefits that would accrue to employers, local residents, and also impacts to property values, tax revenues, and potential to attract new investment. The total project cost is \$49,900; \$4,000 of which will be funded by the Town of Truckee.

The firm selected through an RFQ process undertaken by NLTRA is Economic & Planning Strategies. The analysis and results should be complete by November 1, 2014 and will be presented at this fall's Transportation Summit.

Fiscal Impact

The funding described above would come from TOT 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 within this fund to cover the amount of the requested expenditure approval.

Environmental Analysis

The Board of Supervisors' approval of the NLTRA's funding contribution to this infrastructure project is categorically exempt from CEQA per 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 specific project will be evaluated under CEQA by the corresponding lead agencies.