



TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTOR STAFF REPORT

AGENDA TITLE: Request by Placer County and Town of Truckee for Regional Transit Fare Box Subsidy Providing for Free Transit Fares for Nevada and Placer County TART Passengers.

MEETING DATE: January 22, 2020

PREPARED BY: Kevin Smith, General Manager

RECOMMENDED ACTION: Review and consider staff recommendation to allocate \$153,200 from the Districts budgeted transit funds for the Free Fares on the Tahoe Truckee Area Regional Transit System Program operated by Placer County and to have staff work with partners to complete final Contracts/Agreements for approval on the consent agenda at the February 26, 2020 Board of Directors Meeting. This is a two-year agreement requesting \$153,200 in 2020 and \$168,600 in 2021 for a total of \$321,800.

DISCUSSION: At the November 6, 2019 Board of Directors Meeting, during the Budget Discussion the Board reviewed a funding opportunity to work with Placer County and the Town of Truckee to provide a free fare box to the transit user on TART. There was general Board consensus at that meeting to pursue this request. Placer County, the Town of Truckee, and the Truckee North Tahoe Transportation Management Association (TNT-TMA) presented information and answered questions about the request. There was general agreement that a TART free fare box program would have benefit and value to all District constituents by assisting and encouraging use of public transit, enhancing accessibility options, and increasing access and mobility to and from the Truckee Tahoe Airport.

Next steps from the November 6th meeting was to have TART and the Town of Truckee provide a Free Fare Proposal and specific funding request and return to the Board for review and approval. Staff was also directed, as part of the Budget Discussion, to include specific transit funding in the 2020 District. The Budget currently includes \$366,000 for Transit Projects. This is

independent of other funding for the North Lake Tahoe Express (\$3,500 annually) and the Highway 267 Transit funding (\$66,000 annually).

The Town of Truckee and Placer County have prepared the *Free Transit Fare Proposal - Tahoe Truckee Area Regional Transit (TART) 2020 & 2021* attached to this staff report. This Proposal provides a high level of detail regarding what is proposed, the specific request, funding sources, and background. Staff recommends the Board review this information in preparation for discussion at the meeting. TART and the Town of Truckee will have representatives at the meeting to answer questions. If the Board is in agreement on the request and approves the proposed motion for this item, staff will finalize Contracts/Agreements with partners and include the Agreements on the Consent Agenda for the February 26th Board of Directors Meeting.

Overall Staff is supportive of this request and recommends approval to the Board.

FISCAL IMPACT: The FY2020 Budget includes \$366,000 for transit projects. This request would encumber \$153,200 of that funding leaving \$212,800 for other transit projects and ideas in 2020. The District is also committing \$168,600 for the 2021 Budget year.

SAMPLE MOTION(S): I move to (approve, continue, deny) allocating \$153,200 in 2020 and \$168,600 in 2021 from the Districts Transit funds for the Free Fares on the Tahoe Truckee Area Regional Transit System Program operated by Placer County and move to have staff work with partners to complete final Contracts/Agreements for approval on the consent agenda at the February 26, 2020 Board of Directors Meeting based on the following findings:

- The proposed Free Fare program will encourage use of public transit enhancing connectivity to the Airport for all District constituents
- Decreasing the number of vehicles on local roads helps improve traffic congestion and benefits our local environment.
- Supporting this program assists the District in achieving Goals related to regional partnerships, carbon reduction, and transit strategy Goals. (see 2019 Goals attached)

ATTACHMENTS:

Free Transit Fare Proposal - Tahoe Truckee Area Regional Transit (TART) 2020 & 2021

District Goals for 2019

Free Transit Fare Proposal – Tahoe Truckee Area Regional Transit (TART) 2020 & 2021

November 25, 2019 – Prepared by Placer County and Town of Truckee

Request to Truckee Tahoe Airport District

The Town of Truckee and Placer County respectfully requests the Tahoe Truckee Airport District support the free fare program at TART with funding in the amount of \$321,800 in the first two years beginning in December of 2019. Under this proposed funding scenario, Placer County would receive \$115,500 per year for two years, and the Town of Truckee would receive \$45,400 per year for two years. The TTAD's funding commitment would support 25% of the free fare reimbursement Placer County and Truckee overall. The County, the Town and resort partners would provide the other 75% of the funding to pay for the free fares.

The overall budget to operate the TART system in Fiscal Year 2019/20 is \$8.13 million. 32% of these funds come from local partners in the region, including TTAD. Below are the tables showing the amount of funding by source for Placer County and the Town of Truckee.

Funding by Source for TART <u>Placer County</u> - Operations – FY 2019/20 Budget		
Placer County Local Transp. Fund	\$1,896,000	28.4%
Placer County T.O.T.	\$1,766,300	26.5%
Federal Transit Administration	\$1,315,000	19.7%
State of California	\$ 647,700	9.7%
Washoe RTC	\$ 215,800	3.2%
Town of Truckee	\$ 182,300	2.7%
Developer Zones of Benefit	\$ 50,000	0.7%
Squaw Valley/Alpine Meadows	\$ 25,000	0.4%
Northstar	\$ 25,000	0.4%
Resort at Squaw Creek	\$ 8,000	0.1%
Homewood	\$ 2,000	0.03%
Fare Revenue (See Detail Table Below)	\$ 475,000	7.1%
TOTAL	\$6,671,800	

Funding by Source for TART <u>Town of Truckee</u> - Operations – FY 2019/20 Budget		
Town Local Transportation Fund	\$ 573,400	39.2%
Federal Transit Administration	\$ 348,700	15.5%
State of California	\$ 226,100	23.9%
Placer County T.O.T.	\$ 120,100	8.2%
Truckee Tahoe Airport District	\$ 40,000	2.7%
Gray's Crossing Development	\$ 51,600	3.5%
Truckee Tourism B.I.D.	\$ 30,000	2.1%
Dial-A-Ride Farebox (Non-ADA)	\$ 2,000	0.1%
Farebox Paid by Town	\$ 69,500	4.8%
TOTAL	\$1,461,300	

In addition, North Lake Tahoe Express is funded by Placer County TOT in the amount of \$123,600, the Town of Truckee in the amount of \$10,300 and the TTAD in the amount of \$3,600. Regional transit marketing is funded by Placer County TOT in the amount of \$138,500 and by the Town in the amount of \$13,750. Other regional and resort partners also support these programs financially. These programs are managed by the Truckee-North Tahoe Transportation Management Association.

Existing TART Fare Revenue

A Total of \$602,100 in fare revenue is budgeted for the TART service by both Placer County and the Town. This includes the fares paid by passengers, resort partners, Alta Regional Center for ADA trips, and passenger fares paid by the Town of Truckee. Truckee's portion of the fare revenue is \$126,400. All but \$2,000 is paid by the Town. The \$2,000 is collected from non-ADA passengers on the Dial-A-Ride system. Below is a breakdown of the \$475,000 as budgeted by Placer County for Fiscal Year 2019/20 without funding for free fares.

Placer County TART Fare Revenue by Source – FY 2019/20 Budget		
Passenger Cash Payment	\$289,100	60.8%
Placer County T.O.T. for Night Svc.	\$ 50,000	10.5%
Northstar	\$ 53,200	10.7%
Squaw Valley/Alpine Meadows	\$ 50,800	11.2%
Village at Squaw Valley	\$ 11,200	2.4%
Alta Regional Center	\$ 8,800	1.8%
Homewood	\$ 7,600	1.6%
Resort at Squaw Creek	\$ 2,000	0.4%
Welks Resort	\$ 2,000	0.4%
Plump Jack	\$ 1,000	0.2%
TOTAL Budgeted Fare Revenue	\$475,700	

Background

Placer County and the Town of Truckee operate transit service co-branded as Tahoe Truckee Area Regional Transit – TART. In July of 2018, the Town of Truckee implemented free-transit on the TART routes operated by the Town, except for dial-a-ride service for general public passengers. Since then, the Town has seen a ridership increase of 32% on fixed routes and 16% on the dial-a-ride service. In the Winter of 2019-2020, the Town will implement night service to both Squaw Valley and Northstar free of charge to passengers.

On October 22, the Placer County Board of Supervisors provided direction to staff to move forward to implement free fares on the regional TART routes for a two-year pilot program starting this winter. On November 19, The Board of Supervisors approved an allocation of up to \$500,000 in Transient Occupancy Tax funds for a two-year pilot program for TART to implement the free fare program on the regional TART service operated by the County.

Free transit is a key component of a quality, complete transportation system and would have multiple benefits to the North Lake Tahoe region's economy and environment. In addition to being included in the TART Systems Plan, approved by the Board in April 2016, free transit is part of the Vehicle Miles Traveled (VMT) reduction strategies in the Tahoe Regional Planning Agency Regional Transportation Plan and Tahoe Basin Area Plan. Pilot program success would be measured by increased ridership, which translates to VMT reduction and air quality improvement,

and also improves regional transit system connectivity (of which the airport is a component) and access to jobs.

The Placer County Board of Supervisors has committed to implementing the TART Systems Plan, the Tahoe Basin Area Plan and the Tourism Master Plan, which highlight free transit as a goal. These and other studies demonstrate that the North Lake Tahoe region falls far behind competitor mountain resort areas in transit level of service provided to transport its employees and visitors. This and related regional traffic challenges are perceived as a competitive disadvantage by local businesses. Transit is so key to the success of the region's major ski resorts that they have taken steps to fund free shuttles for employees and visitors and assist in offsetting a portion of TART fares.

Other benefits of free transit include the simplification and speeding of the passenger boarding process. This results in less dwell time at bus stops and better schedule adherence for TART. With the increase in service levels planned for the upcoming winter, local jurisdiction staff expects there is enough capacity to cover the added ridership.

The attached table provides detail on the funding for free fares, including the amounts requested from TTAD for both Placer County and the Town of Truckee over the next two years.

Proposal for Funding of Free Fares for Tahoe Truckee Area Regional Transit (TART)

11/25/2019 - Prepared by Placer County and Town of Truckee

Overall Free Fare Funding Strategy - By Entity - 2020

Placer County	\$	207,500	36%
Town of Truckee	\$	71,500	13%
Resort Partners/Alta Regional Ctr.	\$	137,000	24%
Truckee Tahoe Airport District	\$	153,200	27%
Total	\$	569,200	

Overall Free Fare Funding Strategy - By Entity - 2021

Placer County	\$	228,250	36%
Town of Truckee	\$	78,700	13%
Resort Partners/Alta Regional Ctr.	\$	150,700	24%
Truckee Tahoe Airport District	\$	168,600	27%
Total	\$	626,250	

Two Year Total = \$321,800

Detail of Funding Breakout by Placer County and Town of Truckee - Based on FY 2019/20 Budgets

Placer County - Regional TART Funding in Year 1 - 2020

Resort Partners/Alta Regional	\$	137,000
Placer County T.O.T. for free Night Service	\$	50,300
Town of Truckee Funding	\$	21,000
Placer County T.O.T. for Free Day Service	\$	157,200
Truckee Tahoe Airport District	\$	110,000
TOTAL Fare Revenue	\$	475,500

Town of Truckee - Local TART Funding in Year 1 - 2020

Town Funding for Local Service	\$	61,000
TTAD Portion of Local Service	\$	32,700
Town Funding for Regional Service	\$	10,500
TTAD Portion of Regional Service	\$	10,500
TOTAL Fare Revenue	\$	114,700
Subtotal TTAD	\$	43,200

Placer County - Regional TART Funding in Year 2 - 2021**

Resort Partners/Alta Regional	\$	150,700
Placer County T.O.T. for free Night Service	\$	55,300
Town of Truckee Funding	\$	23,100
Placer County T.O.T. for Free Day Service	\$	172,900
Truckee Tahoe Airport District	\$	121,000
TOTAL Fare Revenue	\$	523,000

Town of Truckee - Local TART Funding in Year 2 - 2021**

Town Funding for Local Service **	\$	67,100
TTAD Portion of Local Service	\$	36,000
Town Funding for Regional Service	\$	11,600
TTAD Portion of Regional Service	\$	11,600
TOTAL Fare Revenue	\$	126,300
Subtotal TTAD	\$	47,600

**Assumes 10% growth in Ridership