

AGENDA REPORT

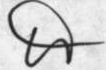
TO: HENRY L. GARDNER
INTERIM CITY ADMINISTRATOR

FROM: Rachel Flynn

SUBJECT: Broadway Shuttle Contract Extension

DATE: July 14, 2014

City Administrator
Approval



Date

7/29/14

COUNCIL DISTRICT: 3

RECOMMENDATION

Staff recommends that the Council adopt:

A Resolution Authorizing An Agreement With AC Transit To Continue Operating the City of Oakland Broadway Shuttle For Two Additional Years From July 26, 2014 To July 25, 2016, At An Initial Cost of \$1,812,196, And Authorizing The City Administrator To Increase This Contract Amount For Expanded Shuttle Hours Or Frequency Of Service Using Any Additional Public And Private Grants And Financial Support Secured Within The Two-Year Term Of The Contract Without Returning To Council

EXECUTIVE SUMMARY

Launched in July 2010 and now carrying over 14,100 passengers each week between Jack London Square and 27th Street, the City of Oakland Broadway Shuttle (Shuttle) currently operates Monday-Thursday 7am-7pm; Friday 7am-1am; and Saturday 6pm-1am. A grant application to extend Shuttle service by three hours Monday-Thursday – from 7pm to 10pm – is currently being evaluated by the Alameda County Transportation Commission and Metropolitan Transportation Commission.

In 2010, the City Council approved a resolution authorizing the City Administrator to enter into an agreement with the Alameda-Contra Costa Transit District (AC Transit) to operate the shuttle for the project's first two years. In 2012, the City Council approved a resolution extending the agreement for two additional years. With the agreement set to expire on July 25, 2014, staff is recommending that the City Council authorize the City Administrator to enter a new agreement with AC Transit to operate the Shuttle for two additional years beginning July 26, 2014 and ending July 25, 2016, at a cost of \$1,812,196. Funding to cover this cost has been committed or secured through a combination of public and private funding sources, including the Bay Area Air Quality Management District (BAAQMD), Alameda County Transportation Commission (ACTC), Community Benefit Districts and private developers. No General Fund moneys are required at this time to cover shuttle costs for the next two years. The resolution also allows the City Administrator to increase the amount of the AC Transit contract to expand shuttle hours or

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frequency of service using any additional public grants or private sponsorships the City is able to secure over the two-year term of the contract.

Staff has placed this item on the Mayor's Summer Recess Agenda because the existing Broadway Shuttle contract expired on July 25, 2014. Approval to extend this contract is needed as soon as possible to ensure no interruption in shuttle service.

OUTCOME

City Council approval of staff's recommendation will enable continued operations of the Shuttle through July 25, 2016.

BACKGROUND/LEGISLATIVE HISTORY

On January 5, 2010, City Council authorized the City Administrator to accept a pilot grant from the BAAQMD to launch the Broadway Shuttle. Also included in that resolution was authorization for the City Administrator to enter into an agreement with AC Transit to operate the service for the first two years. Launched in July 2010 as both a transit service and an economic development tool for the City, the Shuttle has successfully addressed a major shortcoming in downtown's transportation network. Prior to the Shuttle, connections between Broadway's major transit stations and office buildings were problematic. Now, downtown workers can easily reach their offices from several busy transit stations, including two Bay Area Rapid Transit (BART) stations, the Jack London Amtrak station, the Oakland/Alameda/San Francisco Ferry terminal, and the AC Transit 20th Street hub. In addition to providing "last mile" transit connections for office workers, the Shuttle also benefits restaurants and other retailers by encouraging downtown workers, residents and visitors to explore and patronize businesses in the neighborhoods along the route – including Jack London Square, Chinatown, Old Oakland, City Center, Uptown, Lake Merritt Financial District, Valdez Triangle and Koreatown-Northgate.

ANALYSIS

Economic Development

The Broadway Shuttle has become a vital component of the City's strategy to attract, retain and support the expansion of key office tenants. Employees today want to work in transit-rich places where they can leave their cars at home and commute using public transit. Consequently, employers are choosing to locate and expand in buildings that are accessible to transit. Companies such as Sungevity, Pandora and Build It Green credit the Shuttle with providing enormous benefits to their workers by linking BART, Amtrak and the Ferry to their offices, and by providing service to hundreds of restaurants and meeting places during the day.

In addition to benefiting office tenants, the Shuttle also provides a boost for restaurant and retail businesses along the route – especially on weekdays during lunch and on Friday and Saturday nights. Data suggests that 50.5 percent of Shuttle passengers use the service with the intent of purchasing goods or services from a business along the route according to staff's on-board survey of 309 passengers in August 2011, these passengers spent a total of \$8.86 million annually at restaurants, other retailers and professional service offices as part of their Shuttle trip.

Downtown Transit Service

While downtown Oakland includes several major transit stations (BART, Amtrak and the Ferry), connections from these stations to final destinations was problematic prior to the Broadway Shuttle. AC Transit Line 72 operates along the downtown Broadway corridor, but this service operates at 15-20 minute intervals and turns west on 20th Street. AC Transit also runs a Rapid 72 bus, but this line skips many critical stops between Jack London Square and 20th Street. AC Transit Line 51 runs at higher intervals than Line 72, but bypasses Jack London Square via the Webster and Posey Tubes. No single AC Transit line serves both Jack London Square and Broadway north of 20th Street.

By connecting all of the neighborhoods along Broadway between the waterfront and Grand Avenue and providing more frequent transit service along this corridor, the Shuttle makes downtown a more appealing place to work and visit.

Environmental Benefits

The Shuttle reduces automobile use by providing extensively improved transit service for downtown workers and residents. Replacing automobile trips with transit trips reduces pollution and helps reverse climate change.

PUBLIC OUTREACH/INTEREST

Since the project's launch in July 2010, extensive outreach has been conducted to community groups, merchant organizations and government agencies, including presentations to the Oakland Bicycle and Pedestrian Advisory Group, Downtown and Uptown/Lake Merritt Community Benefit Districts (CBDs), Old Oakland Neighbors, Waterfront Action Committee, City of Oakland Port Liaison Committee, Alameda/Oakland/San Francisco Ferry and Alameda County Transportation Committee Public Transportation Forum.

Over 100,000 Shuttle Brochures and Destination Guides have been distributed to downtown offices, businesses, transit stations and social service organizations. Marketing outreach has been conducted with the CBDs, Oakland Chamber of Commerce, Oakland Art Murmur, Visit Oakland and the Oakland Marriot. Over 1,000 Chinese Shuttle Information Cards were distributed to Chinatown residents and businesses through a collaborative effort with the Chinatown Chamber of Commerce. Information Cards were also translated into Spanish and are available on the Shuttle vehicles.

COORDINATION

Over the years since the launch of the Shuttle, Office and Economic and Workforce Development staff has coordinated with several departments within the City to make the Shuttle a success. Marketing staff has been instrumental in designing most Broadway Shuttle marketing and public information materials, including the Brochure, Destination Guide and Info Cards, as well as the bus "wraps," which cover the shuttle vehicles to make them look green. Transportation Services staff within the Public Works Agency complete work orders for new bus stops, and review all grant applications. The City Attorney's Office approves all grant and sponsorship funding agreements as well as the Transit Services Agreement contract with AC Transit. The City Attorney's Office and Budget Office were consulted in the preparation of this agenda report.

COST SUMMARY/IMPLICATIONS

If this resolution is approved by the City Council, the City of Oakland would pay AC Transit approximately \$1,812,196, beginning on July 26, 2014, to cover AC Transit's costs associated with operating the Shuttle Monday-Thursday 7am-7pm; Friday 7am-1am; and Saturday 6pm-1am. This amount equals the same rate as the previous agreements, per hour of service operation, during the first year of the contract. During the second year of this contract, the rate will increase by 3.75 percent, representing the first rate increase since the shuttle launched on July 26, 2010.

Revenue sources covered or anticipated for the two-years of shuttle service under this contract include a combination of public grants and private contributions, as listed below:

BROADWAY SHUTTLE SOURCES OF FUNDS

Fund Source	Name of Program	Amount
Metropolitan Transportation Commission (allocated by Alameda County Transportation Commission)	Lifeline Transportation	\$723,000
Bay Area Air Quality Management District	Transportation Fund For Clean Air	\$439,036
Alameda County Transportation Commission	Vehicle Registration Fee	\$176,000
Alameda County Transportation Commission	Transportation Fund For Clean Air	\$83,000
Broadway Shuttle Sponsors: Jack London Square, Downtown Community Benefit District, Uptown/Lake Merritt Community Benefit District, Forest City, SF Bay Ferry	Sponsorships/ Marketing	\$391,160
		\$1,812,196

FISCAL IMPACT:

Funding to cover the full amount of \$1,812,196 for the two-year agreement has been committed, secured or is anticipated through a combination of the following public and private funding sources:

- The Metropolitan Transportation Commission (via the Alameda County Transportation Commission Board of Directors) approved a \$723,000 Lifeline Transportation grant for the Broadway Shuttle.
- The Bay Area Air Quality Management District Board of Directors approved a one-year \$219,518 Transportation Fund for Clean Air grant to cover Broadway Shuttle costs in 2014; grants for the same amount are anticipated in 2015 and 2016.
- The Alameda County Transportation Commission Board of Directors approved a \$352,000 Vehicle Registration Fee grant for the Broadway Shuttle. Half (\$176,000) of this amount has been used to cover the costs of the Broadway Shuttle agreement that expires on July 25, 2014 and half (\$176,000) will be used to cover the costs of the new shuttle agreement.

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- Alameda County Transportation Commission staff is recommending that its Board of Directors approve a \$41,500 Transportation Fund for Clean Air grant to cover Broadway Shuttle costs in 2014; grants for the same amount are anticipated in 2015 and 2016.
- All Broadway Shuttle private funders are under current Broadway Shuttle sponsorship agreements. These sponsorships include existing funding agreements with terms that end within the next two years but are expected to be renewed. In total, the current sponsorship agreements and anticipated renewals will total \$391,160 over the term of the Broadway Shuttle AC Transit agreement.

If the City is unable to renew any of these public grant or sponsorship agreements, and if the City is unable to secure an alternate funding source(s) to cover the shortfall, the City could exercise the termination clause in its agreement with AC Transit. Thus, no direct fiscal impact to the City's General Fund would occur. The resolution also allows the City Administrator to increase the amount of the AC Transit contract to expand shuttle hours or frequency of service, but only if additional public grants or private sponsorships are secured by the City to cover all of the additional cost. It is anticipated that the project will generate indirect fiscal benefits by attracting more employers to downtown and promoting restaurant and bar patronage.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

Each quarter AC Transit provides ridership and on-time performance statistics that are reviewed and analyzed by City staff. These reports show ridership trends and how often buses arrive more than five minutes late or depart more than one minute early from specific stops along the route. In April 2012, the last month of available data, the Shuttle was on time 89.2 percent of the time.

If operational issues arise, City staff works with the AC Transit scheduling department and driver supervisors to correct any problems. Also, each quarter AC Transit shares call logs from the AC Transit Call Center to help identify and address any common complaints about the Shuttle service.

SUSTAINABLE OPPORTUNITIES

Economic: The Broadway Shuttle supports local businesses, property owners and office tenants by improving downtown mobility so that residents, workers and visitors can more conveniently reach office buildings and patronize downtown businesses.

Environmental: The Broadway Shuttle reduces automobile use by providing extensively improved transit service for downtown workers and residents. Replacing automobile trips with transit trips reduces pollution and helps reverse climate change.

Social Equity: The Broadway Shuttle is fare free so that all Oakland workers and residents can easily circulate throughout Oakland's downtown neighborhoods.

Henry L. Gardner, Interim City Administrator

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For questions regarding this report, please contact Zach Seal, Economic Development Specialist and Broadway Shuttle Project Manager, at (510) 238-2937.

Respectfully submitted,



Rachel Flynn, Acting Director
Economic and Workforce Development Department

Reviewed by:

Aliza Gallo, Economic Development Coordinator

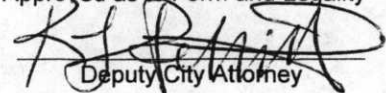
Prepared by:

Zach Seal, Economic Development Specialist and Broadway Shuttle Project Manager

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Approved as to Form and Legality


Deputy City Attorney

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

RESOLUTION AUTHORIZING AN AGREEMENT WITH AC TRANSIT TO CONTINUE OPERATING THE CITY OF OAKLAND BROADWAY SHUTTLE FOR TWO ADDITIONAL YEARS, AT AN INITIAL COST OF \$1,812,196, AND AUTHORIZING THE CITY ADMINSTRATOR TO INCREASE THIS CONTRACT AMOUNT FOR EXPANDED SHUTTLE HOURS OR FREQUENCY OF SERVICE USING ANY ADDITIONAL PUBLIC AND PRIVATE GRANTS AND FINANCIAL SUPPORT SECURED WITHIN THE TWO-YEAR TERM OF THE CONTRACT WITHOUT RETURNING TO COUNCIL.

WHEREAS, the City of Oakland Broadway Shuttle ("Shuttle") began operating on July 28, 2010 Monday-Friday 7am-7pm, and expanded in July, 2011 to include Friday and Saturday nighttime service; and

WHEREAS, it is anticipated that the Shuttle hours will be extended until 10pm on weekdays within the two-year term of the contract; and

WHEREAS, the Shuttle now carries over 14,100 downtown workers, residents and visitors each week; and

WHEREAS, the Shuttle promotes economic development activity by connecting major transit stations including BART, Amtrak, the Ferry and AC Transit to office buildings, local businesses and other final destinations; and

WHEREAS, the Shuttle improves accessibility and mobility in all of the commercial districts within the Central Business District, including Jack London Square, Chinatown, Old Oakland, City Center, Uptown, Lake Merritt Office District, Valdez Triangle and Koreatown-Northgate; and

WHEREAS, the Shuttle supports local businesses, property owners and office tenants in the Central District by encouraging residents, workers and visitors to circulate and explore the businesses in the Central Business District neighborhoods; and

WHEREAS, the Shuttle reduces automobile emissions and improves the environment by replacing downtown automobile trips with transit trips; and

WHEREAS, government grants and private funding contributions will cover Shuttle costs over the next two years; and

WHEREAS, on January 5, 2010, the City Council authorized the City Administrator to enter into a transit service agreement with AC Transit to operate the Shuttle from July 26, 2010 until July 25, 2012,; and

WHEREAS, on July 17, 2012, the City Council authorized the City Administrator to enter into a transit service agreement with AC Transit to operate the Shuttle for an additional two years, from July 26, 2012 until July 25, 2014, and wishes to continue such operations; and

WHEREAS, the City Council finds that the services provided pursuant to the transit service agreement are of a professional, scientific or technical nature, are temporary in nature, and shall not result in the loss of employment or salary by any person having full-time status in the competitive service; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator or his ~~or~~ her designee to negotiate and execute the transit service agreement with AC Transit to operate the Shuttle for two years beginning on July 26, 2014 and ending July 25, 2016, at a cost not to exceed \$1,812,196 for current levels of service and the anticipated extension of service hours until 10 pm on weekdays within the two-year term of the contract; and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator or his designee to increase the amount of the AC Transit contract without returning to Council to expand shuttle hours or frequency of service using any additional public grants or private sponsorships the City is able to secure over the two-year term of the contract; and be it

FURTHER RESOLVED: That the Office of the City Attorney shall approve the agreements and all such other documents, applications, agreements, and amendments, as to form and legality; and be it

FURTHER RESOLVED: That the City Administrator or his or her designee is authorized to take any actions with respect to the Shuttle consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF AND
PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California