



AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Ryan Russo
Director, DOT

SUBJECT: Broadway Shuttle Agreement
Extension

DATE: January 21, 2020

City Administrator Approval

Date:

2/10/2020

RECOMMENDATION

Staff Recommends That The Council Adopt A Resolution Authorizing An Agreement With The Alameda-Contra Cost Transit District ("AC Transit") To Continue Operating the City of Oakland Broadway Shuttle between January 1, 2020 And June 30, 2022, At An Initial Cost Not to Exceed \$2,367,885, And Authorizing The City Administrator To Increase This Agreement Amount For Expanded Shuttle Hours Or Frequency Of Service Using Any Additional Public And Private Grants And Financial Support Secured For The Shuttle Within The Term Of The Agreement.

EXECUTIVE SUMMARY

The current Broadway Shuttle AC Transit agreement expired on December 31, 2019. Staff recommends that the City Council authorize the City Administrator to enter a new agreement (the "Agreement") with AC Transit to operate the Shuttle between January 1, 2020 and June 30, 2022, at a cost of approximately \$2,367,885. An amount of \$925,000 has been secured or committed through a combination of public and private funding sources, including the Alameda County Transportation Commission (ACTC), Community Benefit Districts, and private developers. The remaining amount of \$1,442,885 is anticipated from renewals and extensions of existing grants and continuing and new sponsorships during the term of the Agreement. Adoption of the proposed resolution will allow the City to enter into a contract with AC Transit to continue operation of the Broadway Shuttle through June 30, 2022.

BACKGROUND / LEGISLATIVE HISTORY

On January 5, 2010, City Council approved Resolution No. 82471 C.M.S., which authorized the City Administrator to accept a pilot grant from the Bay Area Air Quality Management District. BAAQMD to launch the Broadway Shuttle. 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 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

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station, the SF Ferry terminal located at the Port of Oakland, 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.

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 and 2014, respectively, the City Council approved resolutions to extend the Broadway Shuttle AC Transit agreement for two additional years per approval. On April 24, 2019, the City and District executed an executed a 6-month extension of the 2016 agreement to December 31, 2019.

ANALYSIS AND POLICY ALTERNATIVES

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 and Pandora 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.

Environmental Benefits

By providing extensively improved transit service for downtown workers and residents, the Shuttle facilitates the replacement of automobile trips with transit trips. The Free B reduces vehicle miles driven by 2,146,749 each year, eliminating over 750 tons of CO2 emissions annually, according to the Bay Area Air Quality Management District and City of Oakland.

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 external funding source(s) to cover the shortfall, the City could either reduce service hours, end the service by exercising the termination clause in the Agreement, or adopt a separate resolution to use other city funds to cover any future shortfalls.

The proposed resolution will allow the City Administrator to increase the amount of the Agreement to expand Shuttle hours or frequency of service using any additional public grants or private sponsorships the City is able to secure for the Shuttle over the term of the Agreement.

FISCAL IMPACT

If this resolution is approved by the City Council, the City of Oakland would pay AC Transit approximately \$2,367,885, beginning on January 1, 2020, to cover AC Transit's costs associated with operating the Shuttle. This amount is more than as the previous agreement, per hour of service operation, due to the annual increase in operating costs of about 3 percent. After six months, the rate will increase 3.15 percent on July 1, 2020, and will again increase by 3 percent on July 1, 2021 to cover AC Transit's increasing costs.

Revenue sources secured or anticipated during the term of this Agreement include a combination of public grants and private contributions, as listed below:

**COMMITTED & ANTICIPATED BROADWAY SHUTTLE SOURCES OF FUNDS
 JANUARY 1, 2020 – June 30, 2022 (TERM OF AGREEMENT)**

Fund Source	Name of Program(s)	Secured/Committed Grants and Sponsorships	Anticipated Grant and Sponsorship Renewals	Total
Alameda County Transportation Commission	Transportation Fund For Clean Air, Measure BB	\$925,000 Total \$660,000 Measure BB; \$265,000 Transportation Fund for Clean Air	\$463,000 Total \$330,000 Measure BB; \$133,000 TFCA	\$1,388,000
Broadway Shuttle Sponsors: Jack London Square, Downtown Community Benefit District, Uptown-Lake Merritt Community Benefit District, Jack London Improvement District, SF Bay Ferry	Sponsorships/ Marketing	\$	\$915,000 Total Jack London Square: \$750K; CBD's and Ferry: \$165K	\$915,000
Total		\$925,000 Total Secured/Committed	\$1,378,000 Total Currently Anticipated	\$2,303,000

If the City is unable to renew any of the public grant or sponsorship agreements listed above, and if the City is unable to secure an alternate external funding source(s) to cover the shortfall, the City could either reduce service hours or end the service by exercising the termination clause in the Agreement. Thus, no direct fiscal impact to the City's General Fund would occur as a result of approving this resolution because it does not appropriate or approve any General Fund money for the Broadway Shuttle.

The proposed resolution will allow the City Administrator to increase the amount of the Agreement to expand shuttle hours or frequency of service if additional public grants or private sponsorships, in excess of what is shown in the above table, 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.

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, Jack London Improvement District, Old Oakland Neighbors, Waterfront Action Committee, City of Oakland Port Liaison Committee, SF Bay Ferry and the Alameda County Transportation Committee Public Transportation Forum.

COORDINATION

The Shuttle is currently managed by the Department of Transportation (DOT). Since August 2019, DOT has been facilitating monthly meetings with Economic and Workforce Development (EWD), AC Transit, and relevant business and development partners in the area (e.g. chambers of commerce, community benefits districts, and developers with shuttle-related obligations) to coordinate an effective long- and short-term strategy to support a thriving Broadway corridor. The collaborative's discussions to-date have resulted in this agreement, and the ongoing development of a private-sector-led marketing and fundraising effort to sustain the Broadway Shuttle in the short-term, and ongoing progress toward developing a long-term plan to fund the Shuttle or a similar transit strategy in the long-term.

Staff within the Department of Transportation review grant applications. The City Attorney's Office approves all grant and sponsorship funding agreements and will review the Broadway Shuttle AC Transit Agreement that would be authorized if this resolution is approved. The City Attorney's Office and Budget Bureau were consulted in the preparation of this agenda report.

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.

If operational issues arise, City staff works with the AC Transit scheduling department and driver supervisors to correct any problems. AC Transit also shares quarterly 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.

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

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a resolution authorizing an agreement with the Alameda-Contra Costa Transit District ("AC Transit") to continue operating the City of Oakland Broadway Shuttle between January 1, 2020 and June 30, 2022, at an initial cost not to exceed \$2,367,885 and authorizing the City Administrator to increase this agreement amount for expanded Shuttle hours or frequency of service using any additional public and private grants and financial support secured within the term of the agreement.

For questions regarding this report, please contact Ariel Espiritu Santo, Administration Manager, at (510) 238-2098.

Respectfully submitted,



Ryan Russo
Director, Department of Transportation

Reviewed by:

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Attachment (1):

A: Draft Agreement with AC Transit