



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Ryan Russo
Director, DOT

SUBJECT: Broadway Shuttle Funding
Agreement with Jack London Square

DATE: November 2, 2020

City Administrator Approval

Date: Nov 19, 2020

RECOMMENDATION

Staff Recommends That The Council Adopt A Resolution Authorizing An Agreement With Jack London Square Existing (Oakland) Owner, LLC To Contribute To The City Of Oakland Broadway Shuttle, Including Operations, Signage, Vehicle Wraps, Educational Brochures, Advertising, Project Management Staff Costs, and Feasibility Analysis Between January 1, 2019 to June 30, 2022.

EXECUTIVE SUMMARY

Adoption of the proposed resolution authorizing the City of Oakland to enter into a contract with Jack London Square Existing (Oakland) Owner, LLC will enable the City to continue collecting private contributions to support shuttle operations. As per Resolution No. 80065 C.M.S, the City of Oakland has an agreement with AC Transit to operate the Broadway Shuttle, an important transportation service connecting downtown Oakland with Jack London Square, through June 30, 2022. The current agreement between the City and Jack London Square Existing (Oakland) Owner, LLC, which provides significant funding to support the Shuttle, expired on December 31, 2018. By entering into a new contract, the City will be able to finalize past invoices and collect funds for future shuttle operations.

BACKGROUND / LEGISLATIVE HISTORY

On March 5, 2020, the City Council approved Resolution No. 88065 C.M.S, which authorized the City Administrator to enter into an agreement with the Alameda-Contra Costa Transit District ("AC Transit") to continue operating the Broadway Shuttle through June 30, 2022. Launched in July 2010 as an economic development tool for the City, the Broadway Shuttle addresses shortcomings 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 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

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the neighborhoods along the route - including Jack London Square, Chinatown, Old Oakland, City Center, Uptown, Lake Merritt Financial District, Valdez Triangle and Koreatown-Northgate.

The Broadway Shuttle is funded through various public and private sources. One of the largest private sources is an outcome of the 2004 Jack London Square Redevelopment Final Environmental Impact Report ("EIR") Mitigation, Monitoring and Reporting Program Item C.2g ("Mitigation C.2g") that required "the project sponsor (to) provide shuttle service for employees of, and visitors to, the project site between the project site and the 12th Street BART station during peak traffic hours (page III-26). On November 15, 2010, the City and the Sponsor's predecessor-in-interest, Jack London Square Ventures LLC ("Original Sponsor"), entered into an agreement for the Original Sponsor to contribute \$200,000 to subsidize Shuttle operations between July 27, 2010, and July 26, 2012. On November 5, 2012, Original Sponsor and the City entered into an agreement for the Original Sponsor to contribute \$264,160 to subsidize Shuttle operations between July 27, 2012, and July 26, 2014. On March 20, 2014, Original Sponsor and the City entered into an agreement for the Original Sponsor to contribute \$321,334 to subsidize Shuttle operations between July 27, 2014, and December 31, 2016. Sponsor succeeded to the interest of Original Sponsor on March 10, 2016. On February 28, 2017, Sponsor and the City entered into an agreement for the Original Sponsor to contribute \$280,256 to subsidize Shuttle operations between January 1, 2017 to December 31, 2018. The City has also received funding commitments towards the operations of the Shuttle from the Downtown Community Business District, Lake Merritt-Uptown Community Business District, and Jack London Improvement District. Sponsor and the City now wish to continue Sponsor's funding of the Shuttle for another thirty months from January 1, 2019 to June 30, 2022.

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.

Broadway Shuttle operations are currently suspended due to the COVID-19 pandemic (the last day of service was March 30, 2020). The proposed contract allows the City of Oakland to collect funds for shuttle operations between January 1, 2019 and March 30, 2020, which are critical to pay outstanding invoices. The contract will also enable the City to collect funds for shuttle operations once they resume. Staff continue to convene key stakeholders to determine the appropriate time to resume shuttle service.

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 this sponsorship agreement, 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.

FISCAL IMPACT

If this resolution is approved by the City Council, the City of Oakland would be able to enter into an agreement to collect funding to support Broadway Shuttle operations. This revenue is critical in order to pay past invoices from AC Transit, as well as to support future shuttle operations. The contract stipulates a base amount of \$150,000. For 2019, the payment amount is \$150,000; for 2020 the amount is \$36,885.25, which reflects suspended shuttle operations due to COVID-19. Amounts for 2021 and 2022 reflect the base rate of \$150,000, plus inflation tied to the Consumer Price Index for San Francisco-Oakland-Hayward. Amounts will be adjusted if the shuttle does not resume operations due to COVID-19.

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 an 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 funding agreements. The City Attorney's Office approves all grant and sponsorship funding agreements and has reviewed the agreement currently being proposed to continue to fund the Broadway Shuttle. 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.

Race & 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

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For questions regarding this report, please contact Craig Raphael, Funding Program Manager, at 510-239-7520.

Respectfully



Ryan Russo
Director, Department of
Transportation

Reviewed by:

Wlad Wlassowsky, Assistant Director
Department of Transportation

Prepared by:

Craig Raphael, Funding Program Manager
Strategic Planning & Administration

Attachments (1):

A: Draft Agreement with Jack London Square Existing (Oakland) Owner, LLC