

2012 JAN 12 AM 9:06

TO: Office of the City Administrator
ATTN: Deanna J. Santana
FROM: Community and Economic Development Agency
DATE: January 17, 2012

RE: Resolution Authorizing An Extension Of An Agreement With AC Transit To Operate the Broadway Shuttle Until December 31, 2013

SUMMARY

Launched in July 2010 and now carrying over 13,700 passengers each week between Jack London Square and 27th Street, the City of Oakland Broadway 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 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 the 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.

This City Resolution authorizes the City Administrator to extend the City of Oakland transit services agreement with AC Transit to operate the Broadway Shuttle until December 31, 2013. The term of the existing agreement ends on July 27, 2012. Extending this agreement helps ensure that the redevelopment funds committed to support 2012 and 2013 Shuttle operations will not be impacted by the recent state legislation and court decision regarding redevelopment agencies.

FISCAL IMPACT

In upholding Assembly Bill XI 26 and striking down Assembly Bill XI 27 in *California Redevelopment Association et al. v. Matosantos et. Al* on December 29, 2011., the California Supreme Court eliminated all redevelopment agencies in the state, effective February 1. On March 3, 2011, the City Council and Redevelopment Agency approved a Funding Agreement authorizing Agency funding for various City projects, including the Broadway Shuttle. In order to ensure that the Shuttle would be fully funded through December 31, 2013, \$270,000 in Central District Redevelopment Project funds was committed in the Funding Agreement to support Shuttle operations. This \$270,000 is expected to leverage at least \$1.29 million in grants from the Bay Area Air Quality Management District and Alameda County Transportation Commission, and private contributions from Broadway Shuttle sponsors such as Jack London

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Square Investors and the Downtown & Lake Merritt-Uptown Community Benefit Districts to fully fund the Broadway Shuttle through 2013.

The state legislation on the elimination of redevelopment also includes a provision that would allow the State Controller to order the return of any funds transferred by a redevelopment agency to a city after January 1, 2011; however, there is an exception for any fund transfer if the city is contractually committed to a third party for those funds. If the City extends its agreement with AC Transit to operate the Broadway Shuttle until December 31, 2013, the funds for these operations will not be subject to such an order because they are committed to a third party.

The Shuttle has no direct fiscal impact to the City's General Fund.

BACKGROUND

The Broadway Shuttle (a.k.a. the "B" and the "Free B") began operating daytime weekday service on July 28, 2010. Since then, the green shuttle buses have become an iconic image on Broadway and ridership has steadily grown from 1,400 daily passengers during the first month, to 2,600 daily riders today. Shortly after the weekday service was launched, many business owners, property owners and residents requested that the shuttles run on Friday and Saturday nights to further bolster downtown's nightlife, art and restaurant scenes. In July 2011, the City of Oakland secured a grant from the Alameda County Transportation Commission to expand the service to include Friday and Saturday nighttime service.

KEY ISSUES AND IMPACTS

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. By connecting BART, Amtrak and the Ferry to office buildings, the Shuttle has played an integral role in several companies' decisions to locate and expand in Oakland.

This Shuttle has also benefited restaurant and retail businesses along the route – especially on weekdays during lunch and on Friday & Saturday nights. Several restaurants along the route have credited the Shuttle with significant upticks in lunchtime patronage.

Downtown Transit Service

While the Project Area includes several major transit stations (BART, Amtrak, the Ferry and AC Transit), 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 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 Broadway Shuttle is energizing the already thriving Uptown restaurant and nightlife scenes.

Environmental Benefits

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.

PROJECT DESCRIPTION

The Broadway Shuttle is a free shuttle that operates Monday through Thursday from 7:00am to 7:00pm, Friday 7:00am to 1:00am, and Saturday 6:00pm-1:00am, with a frequency of 11 minutes during peak hours and 16 minutes during off-peak hours. Several districts – including Jack London Square, Chinatown, Old Oakland, City Center, the Lake Merritt Financial District, Uptown Entertainment District, Valdez Triangle, and Koreatown/Northgate – are linked by the route, which runs along Broadway from the waterfront to Grand Avenue (daytime service) or 27th Street (weekend night service).

The two-year Shuttle budget for 2012 and 2013 is \$1,549,500. Secured grants and private funds from the Bay Area Air Quality Management District, Alameda County Transportation Commission, Jack London Square Investors, the Downtown & Lake Merritt-Uptown Community Districts, and Forest City Residential West will cover \$1,279,500¹. The balance of \$270,000 will be covered by redevelopment funds (see Fiscal Impact section).

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.

¹ These funds include existing funding agreements with terms that end within the next two years but are expected to be renewed.

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

DISABILITY AND SENIOR CITIZEN ACCESS

All four Broadway Shuttle buses are ADA accessible. The "low-floor" design of the buses makes it convenient for senior citizens and those with limited mobility to step on and off the buses.

RECOMMENDATION(S) AND RATIONALE

Staff recommends that City Council authorize the City Administrator to extend the City of Oakland contract with AC Transit to operate the Broadway Shuttle until December 31, 2013 in order to extend this successful project for at least an additional two years.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council approve the City resolution to extend the City's contract with AC Transit to operate the Broadway Shuttle until December 31, 2013.

Respectfully submitted,



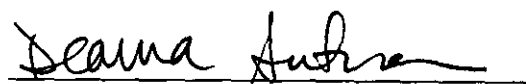
Fred Blackwell, Assistant City Administrator
Community and Economic Development Agency

Reviewed by:
Gregory Hunter, Deputy Director of Economic
Development and Redevelopment

Aliza Gallo, Coordinator
Business Development Services

Prepared by:
Zach Seal, Urban Economic Analyst

APPROVED AND FORWARDED TO THE
CITY COUNCIL



Office of the City Administrator

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January 17, 2012

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Approved as to Form and Legality


Deputy City Attorney

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

RESOLUTION AUTHORIZING AN EXTENSION OF AN AGREEMENT WITH AC TRANSIT TO OPERATE THE BROADWAY SHUTTLE UNTIL DECEMBER 31, 2013

WHEREAS, the 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, the Shuttle now carries over 13,700 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 District Redevelopment Project Area, 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 District neighborhoods; and

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

WHEREAS, the Redevelopment Agency of the City of Oakland has authorized a contribution of funds from the Central District Redevelopment Project to the City under the Funding Agreement in the amount of \$270,000 for 2012 and 2013 Shuttle expenditures; and

WHEREAS, government grants and private funding contributions will cover the balance of Broadway Shuttle costs during 2012 and 2013; and

WHEREAS, the City wishes to extend its contract with AC Transit to operate the Shuttle beyond the term of the existing operating agreement, which ends on July 27, 2012, until December 31, 2013; and

WHEREAS, the City Council finds that the services provided pursuant to the 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 permanent status in the competitive service; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator or her designee to negotiate and execute an amendment to the operating agreement with AC Transit to operate the Broadway Shuttle to extend the agreement performance period until December 31, 2013; and be it

FURTHER RESOLVED: That the City Administrator 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, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF, AND PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST:

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