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OFFICE OF THE CITY CLERK  
OAKLAND

2016 AUG 12 AM 9:27

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Mark Sawicki  
Director, EWD

**SUBJECT:** Broadway Shuttle Agreement  
Extension

**DATE:** July 26, 2016

City Administrator Approval

Date:

8/11/16

## 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 July 26, 2016 And December 31, 2018, At An Initial Cost Not to Exceed \$2,412,630, 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 July 25, 2016. Staff is recommending that the City Council authorize the City Administrator to enter a new agreement (the "Agreement") with AC Transit to operate the Shuttle between July 26, 2016 and December 31, 2018, at a cost of approximately \$2,412,630. \$764,974 in funding to cover this cost is secured or committed 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. The remaining amount of \$1,647,656 is anticipated from renewals and extensions of these existing grants and sponsorships during the term of the 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 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 General Fund money to cover any future shortfalls.

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.

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The resolution also allows 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.

Staff has placed this item on the Mayor's Summer Recess Agenda because the existing AC Transit Broadway Shuttle agreement expired on July 25, 2016. Approval to extend this new Agreement is needed as soon as possible to ensure no interruption in Shuttle service. This item could not be taken to the City Council prior to the Mayor's Summer Recess because the AC Transit Board of Directors had not yet approved the amount of the Agreement. There is no impact to the City's General Fund as a result of adopting this resolution.

## **BACKGROUND / LEGISLATIVE HISTORY**

On January 5, 2010, City Council approved Resolution No. 82471, which authorized the City Administrator to accept a pilot grant from the 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 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.

## **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.

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. Shuttle passengers spend a total of \$8.86 million annually at restaurants, other retailers and professional service offices as part of their Shuttle trips, according to the survey.

**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 2,939,051 each year, eliminating over 800 tons of CO<sup>2</sup> emissions annually, according to the Bay Area Air Quality Management District and City of Oakland.

**FISCAL IMPACT**

If this resolution is approved by the City Council, the City of Oakland would pay AC Transit approximately \$2,412,630, beginning on July 26, 2016, to cover AC Transit's costs associated with operating the Shuttle. This amount equals the same rate as the previous agreement, per hour of service operation, during the first 15 months of the new Agreement. During the last 15 months of the Agreement, the rate will increase by 3.6 percent 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:

**BROADWAY SHUTTLE SOURCES OF FUNDS  
 JULY 26, 2016 – DECEMBER 31, 2018 (TERM OF AGREEMENT)**

<b>Fund Source</b>	<b>Name of Program(s)</b>	<b>Secured/Committed Grants and Sponsorships</b>	<b>Anticipated Grant and Sponsorship Renewals</b>	<b>Total</b>
Metropolitan Transportation Commission	Lifeline Transportation	\$202,684	\$300,000 anticipated from grant renewals 7/1/2017-12/31/18	\$502,684
Bay Area Air Quality Management District	Transportation Fund For Clean Air, Spare the Air	\$463,250	--	\$463,250
Alameda County Transportation Commission	Vehicle Registration Fee, Transportation Fund For Clean Air, Measure BB	\$0	\$935,400 anticipated from grant renewals/ extensions 7/1/2016-12/31/18	\$935,400
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	\$99,040	\$412,256 anticipated from sponsorship renewals in 2017 and 2018	\$511,296
		<b>\$764,974</b>	<b>\$1,647,656</b>	<b>\$2,412,630</b>

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 resolution also allows 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.

Over 150,000 Shuttle Brochures and Destination Guides have been distributed aboard the Shuttle buses, and dropped off at downtown offices, businesses, transit stations, and social service organizations. Marketing outreach has been conducted with the Community Benefit Districts, Oakland Chamber of Commerce, Oakland Art Murmur, Visit Oakland and the Oakland Marriot. Over 2,000 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**

Since the launch of the Shuttle, Economic and Workforce Development (EWD) staff have coordinated with several departments within the City to make the Shuttle a success. Marketing staff has been instrumental in assisting with the design of Broadway Shuttle marketing and public information materials, including the Brochure, Destination Guide, Info Cards, and the bus "wraps," which cover the shuttle vehicles to make them look green. Transportation Services 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 Controller's 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. In December 2015, the last month of available data, the Shuttle was on time 82.1 percent of the time.

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.

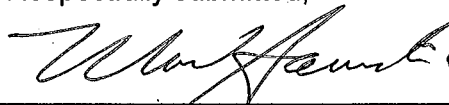
**Social Equity:** The Broadway Shuttle is fare free so that all Oakland workers and residents can easily circulate throughout Oakland's downtown neighborhoods.

### **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 July 26, 2016 and December 31, 2018, at an initial cost not to exceed \$2,412,630 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 Zach Seal, Economic Development Specialist, at (510) 238-2937.

Respectfully submitted,



Mark Sawicki, Director  
Economic and Workforce Development  
Department

Reviewed by:  
Aliza Gallo, Economic Development Manager  
Economic Development


Prepared by:  
Zach Seal, Economic Development Specialist  
Economic Development

Item: \_\_\_\_\_  
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August 23, 2016

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Approved as to Form and Legality

  
Deputy City Attorney

## OAKLAND CITY COUNCIL

Resolution No. \_\_\_\_\_ C.M.S.

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**RESOLUTION AUTHORIZING AN AGREEMENT WITH THE ALAMEDA-CONTRA COSTA TRANSIT DISTRICT (“AC TRANSIT”) TO CONTINUE OPERATING THE CITY OF OAKLAND BROADWAY SHUTTLE BETWEEN JULY 26, 2016 AND DECEMBER 31, 2018, AT AN INITIAL COST NOT TO EXCEED \$2,412,630 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.**

**WHEREAS**, the City of Oakland Broadway Shuttle (“Shuttle”) began operating on July 28, 2010 and now operates Monday-Thursday 7am-10pm, Friday 7am until Saturday 1am, and Saturday 6pm until Sunday 1am; and

**WHEREAS**, the Shuttle now carries over 15,000 downtown workers, residents and visitors each week; and

**WHEREAS**, the Shuttle promotes economic development activity by connecting major transit stations including BART, Amtrak, the SF Bay 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 during the term of this transit service agreement (“Agreement”); and

**WHEREAS**, on January 5, 2010, the City Council authorized the City Administrator to enter into a agreement with the Alameda-Contra Costa Transit District (“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 an agreement with AC Transit to operate the Shuttle for an additional two years, from July 26, 2012 until July 25, 2014; and

**WHEREAS**, on August 12, 2014, during the Mayor’s Summer Recess, the City Council authorized the City Administrator to enter into an agreement with AC Transit to operate the Shuttle for an additional two years, from July 26, 2014 until July 25, 2016, and wishes to continue such operations; 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 designee to negotiate and execute the Agreement with AC Transit to continue operating the Shuttle beginning on July 26, 2016 and ending December 31, 2018, at a cost not to exceed \$2,412,630 for current levels of service; and be it

**FURTHER RESOLVED:** That this action does not approve City General Fund moneys for the Broadway Shuttle; and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator to apply for, accept and appropriate any additional public and private grants and financial support if said funds are specifically dedicated to the Shuttle, including operations, signage, vehicle wraps, educational brochures, advertising, and project management staff costs, during the term of this Agreement, and these funds will be deposited into Fund 2214 (ACTIA Reimbursable Grants) for all Alameda County Transportation Commission grants; Fund 2166 (Bay Area Air Quality Management District) for all Bay Area Air Quality Management District grants; and Fund 2999 (Miscellaneous Grants) for all other Shuttle public and private grants and financial support. These funds will be deposited into Org 85411 (Economic Development) and Program SC11 (Business Creation, Attraction, Retention, and Expansion); and be it

**FURTHER RESOLVED:** That the City Council hereby authorizes the City Administrator or designee to increase the amount of the Agreement without returning to Council to expand shuttle hours or frequency of service using any additional public and private grants and financial support for the Shuttle that the City is able to secure during the term of the Agreement; and be it

**FURTHER RESOLVED:** That the Agreement shall allow the City Administrator or designee to reduce or discontinue the Shuttle service should (1) anticipated grant and sponsorship revenue for the Shuttle be insufficient to fund the current level of service or (2) the Shuttle service is not achieving the City’s intended goals (as such goals are described in the Agreement); 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 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, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, AND  
PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST:

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