



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: December 6, 2016

TO: Carolyn Lehr, City Manager

FROM: Cindy Montero, Assistant City Manager

SUBJECT: Resolution Of The City Council Of The City Of Emeryville Setting Compensation To The Emeryville Transportation Management Association (TMA) To Operate The Emery Go Round Shuttle Service During The 2017 Calendar Year Under The Terms Of The Service Agreement For An Amount Not To Exceed Three Million Two Hundred Ninety Eight Thousand Six Hundred And Eighty One Dollars (\$3,298,681) And Authorizing Payment From The Emeryville Property Based Business Improvement District (PBID) Fund 805; And Approving The Emeryville TMA 2017 Operating Budget And Authorizing An Additional Thirty One Thousand Nine Hundred And Fifty Nine Dollars (\$31,959) To Be Appropriated To Fund 805 From The General Fund For The General Benefit

RECOMENDATION

Staff recommends that the City Council of the City of Emeryville adopt the attached resolution setting the compensation to the Emeryville Transportation Management Authority (TMA) for the operation of the Emery Go Round for calendar year 2017 in an amount not to exceed \$3,298,681 and authorizing payment from the Emeryville Property Based Business Improvement District (PBID) Fund 805; and appropriating \$31,959 from the General Fund to Fund 805 to cover the additional costs of the General Benefit.

ANALYSIS

On December 6, 2016, the City Council adopt Resolution No. 16-170, which authorized the City Manager to entered into a contract with the TMA to administer and operate the Emery Go Round through December 2030, with each year's compensation to be set by Council Resolution. According to PBID law the City is obligated to contract with the TMA as the agency representing the property owners that pay into the PBID for PBID related services. For calendar year 2017, the TMA submitted a shuttle operating budget of \$4,252,500. Staff is recommending that the City Council provide \$3,298,681 in PBID funds for the TMA to operate the Emery Go Round for calendar year 2017. This represents the projected total FY 2016-17 PBID levy assessment of net PBID related administrative costs and projected uncollectable levied fees. In addition, the TMA is

projected to receive approximately \$656,136 in revenue (\$522,632 from the City of Emeryville General Benefit, \$95,504 in directly billed developer fees, \$35,000 net revenue from operating the West Berkeley Shuttle and \$3,000 in interest income) for a total of \$3,954,817 in projected available revenue for service year 2017.

The TMA's proposed 2017 operating expenditure budget of \$4,252,500 will result in a short fall of \$297,683, which will be covered by the TMA's cash reserve. The increase in expenditures is the result of additional funds for anticipation of the bus yard relocation/ lease, and a contract increase for new premium wages for employees.

FISCAL IMPACT

The Emery Go Round shuttle is funded by the Citywide Property Based Business Improvement District (PBID) that was supported by a majority of residential and commercial property owners in Emeryville on August 4, 2015. PBID funds can only be used to operate the Emery Go Round shuttle and related alternative transportation services/programs and to cover the PBID's administrative expenses, both County and City administrative fees are allowed. The increase in the General Benefit comes from the increase in the TMA's 2017 budget. The General Benefit is calculated at 12.29% of the TMA's total budget. When developing the 2016/17 budget, City staff estimated the General Benefit to be \$490,673, based on a preliminary budget provided by the TMA. In order to cover the increase in the PBID General Benefit, \$31,959 will need to be appropriated from the General Fund to Fund 805. Staff projects that the combination of PBID, non-PBID and TMA Reserves will cover the shuttle operating costs for 2017.

APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:



Carolyn Lehr, City Manager

Attachments:

1. Resolution
2. TMA 2017 Budget