



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: June 20, 2017

TO: Carolyn Lehr, City Manager

FROM: Cindy Montero, Assistant City Manager

SUBJECT: Resolution Of The City Council Of The City Of Emeryville Establishing The Fiscal Year 2017-18 Property and Business Improvement District (PBID) Annual Assessment Levy For The Respective Parcels Within The Improvement District With An Increase Of 3% On All Parcels And Approving The Preliminary Budget Submitted By The Emeryville Transportation Management Association (TMA) For Service Year 2018

RECCOMENDATION

Staff recommends that the City Council of the City of Emeryville adopt the attached resolution approving the PBID Annual Assessment for Fiscal Year (FY) 2017-18 with a 3% increase on all parcels and approve the TMA preliminary budget for Service Year 2018.

BACKGROUND

The current Citywide Property and Business Improvement District (PBID) assessment levy funds the Emery Go Round (EGR) shuttle services. The PBID was first established in 2001, renewed in 2006 for an additional 10 years (Resolution No. 06-141), and on August 4, 2015 both the Management Plan and assessment formulas were ratified pursuant to an assessment ballot proceeding conducted in accordance with state law (Proposition 218), and based upon this ratification, approved by the City Council for 15 additional years (FY 2029-30, service year 2030) (Resolution No. 15-103).

The PBID includes residential properties that are within a quarter mile of an Emery Go Round bus stop. In order to have representation from residential property owners, the TMA had to ratify their current by-laws to include two residents, who shall be appointed by the City of Emeryville to serve as both Members and Directors representing the interests of residential property owners. At the June 21, 2016 City Council meeting, the Council appointed Betsy Cooley and Bobby Lee to serve as Residential Members and TMA Board Directors.

The City of Emeryville contracts with the TMA to administer and operate the Emery Go Round. 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. Each year the TMA develops a preliminary operating budget to determine the funding needs for the following year and then recommends a corresponding assessment levy to the City Council for adoption. TMA presented their annual budget and proposed 3% assessment levy to the Board of Directors on May 18, 2017 and it was approved unanimously. Levy assessments are required to be submitted to the County by August 9, 2017. The TMA's final 2018 budget will be brought to City Council for approval in the fall.

The 3% increase will be needed to:

- Fund the anticipated increase in shuttle operations & maintenance services
- Provide an allowance of funds to initiate the acquisition and/or site planning process for a long term bus yard
- Fund the planned fleet expansion (3 vehicle acquisitions).
- Fund the anticipated purchase of new Automated Passenger Counting System to track passenger boarding and alighting by stop.
- Maintain financial stability throughout the life of the PBID
- Maintain the minimum 15% cash reserve, as required in the TMA's administrative policies.

The TMA's costs to meet the demands for service over the past 10 years have increased over 5% yearly on average. It is possible, even with a 3% annual increase in the PBID levy, the TMA will face a budget deficit. Without an annual increase in the levy, it is likely TMA will reach a funding deficit before the end of the current PBID, unless other funding sources are secured.

An example of a 3% increase using a Watergate residential property:

Current yearly assessment 2016-17	\$114.83
3% increase yearly assessment 2017-18	\$118.28

FISCAL IMPACT

PBID funds may only be used for the services outlined in the PBID management plan and are held in a special City Fund (Fund 805). The PBID management plan provides that PBID annual assessments be established by the City Council based upon the budget submitted by the TMA acting as the owner's association as defined in Section 36614.5 of the Street and Highway Code. The TMA will need to draw approximately \$337,842 from the cash reserve balance to fund the anticipated cost overrun. The recommended 3% PBID FY 2017-18 assessment levies, along with non-PBID revenue and cash reserve funds will cover the TMA's 2018 service year budget and PBID related administrative fees. Under the City/TMA contract, if general revenues are less than projected and/or if there is a need to cover unforeseen expenses, such as rising fuel

costs, the TMA Board is mandated to adjust the EGR's operating budget accordingly to retain a balanced budget.

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



Carolyn Lehr, City Manager

ATTACHMENTS

1. Resolution
2. TMA 2018 Budget
3. TMA Audit
4. TMA Ridership Report
5. Preliminary Assessment Levy 3% Increase