



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: April 6, 2021

TO: Christine Daniel, City Manager

FROM: Brad Farmer, Finance Director

SUBJECT: **Resolution Of The City Council Of The City Of Emeryville Approving The Emeryville Transportation Management Association (TMA) 2021 Budget And Setting Compensation To The TMA To Operate The Emery Go Round Shuttle Service During The 2021 Calendar Year Under The Terms Of The Service Agreement For An Amount Not To Exceed Four Million, Six Hundred Thirty Nine Thousand And Three Hundred Eighty Dollars (\$4,639,380); And Authorize An Additional Five Hundred Thousand, Fifty-Six Thousand, Three Hundred Sixty Eight Dollars (\$556,368) From The Emeryville Property Based Business Improvement District (PBID) Fund 805 To Cover Additional General Benefit Contribution**

RECOMMENDATION

Staff recommends that the City Council of the City of Emeryville adopt the above-entitled resolution setting the compensation amount and authorizing payment to the Emeryville Transportation Management Association (TMA) for the operation of the Emery Go Round shuttle service for service year 2021, for an amount not to exceed \$4,639,380 approving the TMA 2021 budget.

BACKGROUND

On December 6, 2016, the City Council adopted Resolution No. 16-170, which authorizes the City Manager to enter into a Shuttle Bus Funding Agreement 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.

DISCUSSION

For calendar year 2021, the TMA submitted a budget for \$5,727,000 including \$1,200,000 for the bus yard site development. Staff is recommending that the City Council provide \$4,083,012 in PBID funds for the TMA to operate the Emery Go Round for calendar year 2021. This represents the projected total FY 2020-21 PBID levy assessment, net of PBID related administrative costs. In addition, the TMA is projected to receive approximately \$689,446 in non-PBID revenue for a total of \$4,772,458 in projected available revenue for service year 2021. Non-PBID revenues include the following:

- \$556,368 from the City of Emeryville General Benefit Contribution.
- \$109,578 of developer fees directly billed by the TMA.
- \$20,000 net revenue from operating the West Berkeley Shuttle
- \$3,500 in interest income

The TMA's proposed 2021 expenditure budget of \$5,727,000 will result in a short fall of \$954,542, which will be covered by the TMA's cash reserve. The increase in expenditures is mainly due to the expected increase in occupancy cost including new office acquisition and the anticipated bus yard construction activities, which are expected to be complete in 2021.

FISCAL IMPACT

The Emery Go Round shuttle is funded primarily by the city-wide 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, including both County and City administrative fees. Staff projects that the combination of PBID, non-PBID and TMA Reserves will cover the TMA's proposed budget for calendar year 2021.

The City's fiscal year 2020-21 budget includes \$533,900 for General Benefit contribution, \$22,468 lower than the \$556,368 proposed by the TMA. Approval of the Budget will increase the General Fund's current appropriation by \$22,468, for a total of \$556,327 in FY 2020-21.

STAFF COMMUNICATION WITH THE PUBLIC

Staff presented the TMA budget to both the Budget and Governance Committee at their March 11, 2021 meeting. The Budget and Governance Committee recommended forwarding the TMA budget to the Council as presented.

CONFLICT OF INTEREST

None.

PREPARED BY: Brad Farmer, Finance Director

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



Christine Daniel, City Manager

ATTACHMENTS

- Draft Resolution
- TMA 2021 Budget