



DATE: December 7, 2022

TO: South Hayward BART Station Access Authority Board

FROM: Co-Executive Directors

SUBJECT: Adopt Resolutions: (1) Approving the FY23 Proposed Budget; and (2) Authorizing the Dissolution of the South Hayward Bay Area Rapid Transit Station Access Authority

RECOMMENDATION

That the Board adopts resolutions: (1) approving the FY 23 Proposed Budget (Attachment II); and (2) authorizing the dissolution of the South Hayward Bay Area Rapid Transit (BART) Station Access Authority (Attachment III).

SUMMARY

Due to fiscal and administrative concerns, on May 13, 2022, the Board of the South Hayward BART Station Access Authority (Authority) authorized staff to dissolve the Authority and to negotiate and execute an intergovernmental agreement (IGA) between the City and BART to continue a cooperative relationship in planning for future parking demand and transit-oriented development in and around the South Hayward BART Station (Station). Consistent with the direction of the Authority Board, on November 15th and December 1st, the City of Hayward’s City Council and the BART Board of Directors approved and authorized the dissolution of the Authority and execution of an IGA, respectively. The Authority Board must now take a final action to dissolve the Authority (Attachment III). Upon dissolution, the IGA will be executed by the City and BART.

In the transition to the IGA, all outstanding Authority invoices will be processed, and parking revenue collection will end June 30, 2022 to align with the fiscal year. As presented in the FY 2023 proposed budget (Attachment IV), closeout costs, including remaining legal fees and new signage, will be paid for from the Authority’s existing fund balance. Any remaining funds will be distributed to the City and BART after the dissolution in proportion to the number of parking spaces within the Authority with the surplus funds to be spent on Station related investments.

BACKGROUND

The Authority composed of two City of Hayward Councilmembers and two BART Board Directors, was formed on September 1, 2011 in anticipation of transit-oriented development (TOD), to address parking and access issues at the Station, support equitable access to the Station by BART patrons, maximize BART ridership, further TOD, and protect the City's neighborhoods from the effects of overflow parking. Due to the development of BART's East Lot with housing, the City allowed on-street parking spaces near the Station to be used exclusively for BART riders during parking enforcement hours and the Authority created a paid parking program, where revenues would be dedicated for Station area improvements.

Since formation, the Authority has managed these on-street spaces, overseen parking revenues, and constructed access improvements for the Station. However, the paid parking program became less financially feasible with increasing costs outpacing revenues. In 2020, due to the COVID-19 pandemic, the Authority's financial situation became unsustainable as ridership and parking at BART and related revenues declined.

DISCUSSION

On June 29, 2021, the Authority Board directed staff to hire a consultant to study the future of the Authority, including how to ensure financial stability, meet its original goals of balancing resident and BART rider parking needs, and recommend the most appropriate governance structure to support those needs. The study found that BART rider parking demand would not likely exceed the existing supply until another TOD project breaks ground, which, at the earliest, would occur in the mid-term (2025-2030). Community outreach conducted via a survey and in person meetings indicated that residents wish to park in the Authority's on-street parking spaces dedicated to BART riders due to limited availability at home. The study also found that the Authority structure was administratively burdensome and financially unsustainable. For these reasons, the study recommended replacing the current Authority with a simplified IGA that outlines roles and responsibilities for each government entity to retain policymaker oversight and public engagement pertaining to parking and access around the Station.

On May 13, 2022, the Authority Board authorized staff to dissolve the Authority and to negotiate and execute an IGA between the City and BART to continue a cooperative relationship in planning for future parking demand and TOD in and around the Station. Consistent with the direction of the Authority Board, on November 15th and December 1st, the City of Hayward's Council and BART approved and authorized the dissolution of the Authority and execution of an IGA, respectively. The Authority Board must now take a final action to dissolve the Authority (Attachment III). Upon dissolution, the IGA will be executed by City and BART.

In sum, staff recommends that the Authority Board adopts resolutions: (1) approving the FY 23 Proposed Budget (Attachment II); and (2) authorizing the dissolution of the Authority (Attachment III).

FISCAL IMPACT

In the transition to the IGA, all outstanding Authority invoices will be processed, and parking revenue collection will end June 30, 2022 to align with the fiscal year. As presented in the FY 2023 proposed budget (Attachment IV), closeout costs, including remaining legal fees and new signage, will be paid for from the Authority's existing fund balance. Any remaining funds will be distributed to the City and BART after the dissolution in proportion to the number of parking spaces within the Authority with the surplus funds to be spent on Station related investments.

NEXT STEPS

Following adoption of the FY 23 Proposed Budget, the Co-Executive directors will take all necessary actions to administer and execute the closeout affairs of the Authority in a manner consistent with the budget. If approved by the Authority Board, the Authority will be dissolved and the IGA executed by the City and BART. Any remaining fund balances will be distributed proportionally to each entity to be used for investments in and around the Station.

Prepared by: Danielle Dai, Principal Financial Analyst, BART
Emily Hwang, Management Fellow, City of Hayward
Ryan Green-Rosel, Parking Manager, BART

Recommended by: Jennifer Ott, Assistant City Manager

Approved by:



Kelly McAdoo, City Manager