



DATE: November 15, 2022

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT: Adopt a Resolution: (1) Approving the Dissolution of the South Hayward Bay Area Rapid Transit Station Access Authority; and (2) Authorizing the City Manager to Negotiate and Execute an Intergovernmental Agreement Pertaining to Parking and Access near the South Hayward BART Station

RECOMMENDATION

That the Council adopts a resolution (Attachment II): (1) approving the dissolution of the South Hayward Bay Area Rapid Transit (BART) Station Access Authority; and (2) authorizing the City Manager to negotiate and execute an Intergovernmental Agreement pertaining to parking and access near the South Hayward BART Station.

SUMMARY

Formed on September 1, 2011, the Joint Exercise of Powers Agreement for the South Hayward BART Station Access Authority (Authority) was created to address parking and access issues at the South Hayward BART Station (Station) in anticipation of the development around the South Hayward BART Station and the Mission Boulevard corridor and development of the BART East Lot. Since formation, the Authority implemented a paid parking program, constructed access improvements for the Station, and allowed on-street parking spaces in the City’s right-of-way to be used for BART patrons. However, the paid parking program over time became less financially feasible with increasing costs outpacing revenues, and the Authority’s financial issues were further exacerbated when parking demand and associated revenue drastically declined during the COVID-19 pandemic. Due to these issues, along with a high administrative burden for both the City and BART staff, staff recommended that the Authority retain a consultant to evaluate near- and long-term options for both parking needs and governance.

On June 29, 2021, the Authority directed staff to hire a consultant to perform a study and conduct community outreach about the parking needs and alternative governance structures for the Authority that would still achieve the shared goals of the Authority around parking and access. Based on the results of the study and outreach conducted by the consultant, City and BART staff jointly recommend that the Authority be dissolved, and the City and BART enter

into an intergovernmental agreement (IGA). The IGA would allow the City and BART to minimize administrative burden, while continuing a cooperative relationship in planning for future parking demand and transit-oriented development in and around the Station. On May 13, 2022, staff presented the study and governance proposals to the Authority Board and the Board members directed staff to dissolve the Authority and develop the IGA. Key terms of the IGA between the City and BART include:

- Continuing a cooperative relationship on parking and access in and around the Station, including written and verbal reports by City and BART staff regarding the IGA to the City of Hayward's Council Infrastructure Committee (CIC), upon request, and with invitations to the BART Board of Directors representing Hayward;
- Allowing City and BART spaces in the near-term to be managed and maintained separately by each entity, respectively, with the City's on-street spaces being open and free to both residents and BART riders with a 24-hour time limit;
- Providing for a modified parking program in the future, if demand for BART parking increases or a transit-oriented development is imminent, therefore, resulting in the need for the City's designated on-street parking spaces to be available for BART rider use, which would include levying fees in accordance with BART's parking policy, distributing revenues between the City and BART to cover operating costs, and coordinating parking and access administration; and
- Distributing any remaining fund balance to each entity based on the proportion of City and BART parking spaces currently covered by the Authority and requiring that the funds be used at or around the Station.

BACKGROUND

In 2006, the City and BART adopted and completed planning and design plans for the South Hayward BART Station area, which sought to encourage and provide a framework for redevelopment of the South Hayward BART parking lots and an enhanced Mission Boulevard corridor, resulting in transit-oriented development around the Station. Through these efforts, the City and BART facilitated the development of the BART East Lot at the Station and adjacent property as the first phase of a transit village (Phase 1). Phase 1 resulted in the residential developments of Alta Mira and the Cadence, which have been in operation since 2016. The remainder of the transit-oriented development (Phase 2) on the remaining surface BART parking lot at the Station is contemplated for additional residential, retail and structured parking.

On September 1, 2011, the City of Hayward and BART entered into a Joint Exercise of Powers Agreement for the South Hayward BART Station Access Authority to address parking, management of on-street spaces, and access issues at the Station in anticipation of the various phases of development and the loss of BART parking that resulted from the development of the BART East Lot. Since formation, the Authority implemented a paid parking program, constructed access improvements for the Station, and allowed on-street

parking spaces in the City's right-of-way to be used for BART patrons consistent with BART's parking policies and off-street parking lot at the Station. However, the paid parking program over time became less financially feasible with increasing costs outpacing revenues, and the Authority's financial issues were further exacerbated when parking demand and associated revenue drastically declined during the COVID-19 pandemic. The lack of ongoing revenue to cover operating costs would result in the capital fund balance being quickly exhausted and the Authority not being able to fulfill its original purpose of funding and advancing station access improvements.

The parking utilization at the Station parking lot is at 23% and 24% as of March and July of 2022, respectively, and is not projected to return to pre-pandemic levels for many years. Due to these issues, along with a high administrative burden for both the City and BART staff, staff recommended that the Authority retain a consultant to evaluate near- and long-term options for both parking needs and governance.

On June 29, 2021, the Authority Board directed staff to hire a consultant to perform a study about the parking needs and alternative governance structures for the Authority that would still achieve the shared goals of the Authority around parking and access, while reducing the administrative burden associated with the Authority's structure. The study found that BART rider parking demand would not exceed the existing supply until another transit-oriented development 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 desire 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 current Authority structure was administratively burdensome and financially unsustainable.

Because on-street parking supply is not currently needed by BART, and because the Authority is financially unsustainable and administratively burdensome, the study recommended replacing the current Authority with a simplified intergovernmental agreement (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, staff presented the study and governance proposals to the Authority and the Authority directed staff to dissolve the Authority and develop the IGA.

DISCUSSION

The following section summarizes the key terms of the IGA pertaining to parking and access near the Station:

- **Parties** - BART and the City of Hayward.
- **Ongoing Agency Coordination** - Upon request, BART staff in coordination with City staff will provide a written and oral update to the CIC, and BART Directors representing Hayward will be invited to attend and participate in the meetings.

- **Near-Term Parking Approach and Non-Exclusive License** – In the near-term and until BART parking demand increases, the City will grant BART a non-exclusive license of on-street parking that will be free and open for residents and BART riders in the License Area (Attachment III) with a 24-hour time limit to allow BART riders to park all day, if desired. The License Area includes the City’s same on-street parking spaces as the current Authority spaces less the spaces on Mission Boulevard. Signage and installation costs will be covered by the Authority’s fund balance.
- **Future Parking Approach and Exclusive License** – In the event that BART ridership increases to 80% occupancy for 3 consecutive months or a Phase 2 transit-oriented development is imminent, the City and BART will develop and implement a modified parking and access program (Modified Parking Program) for the License Area. The Modified Parking Program will include: prioritizing spaces in the License Area exclusively for BART patrons during the hours of BART parking enforcement; levying fees on these spaces in accordance with BART’s parking policy; distributing revenues between the City and BART to cover operating costs; and coordinating parking and access administration.
- **Term** – This term of the agreement is 15 years after the Effective Date with two potential five-year extensions at the discretion of the City Manager and BART’s Director of Real Estate Property Development for a total of 25 years.
- **Fund Balance** – Surplus funds on hand will be distributed to the City and BART after the dissolution in proportion to the number of parking spaces within the Authority. The surplus funds must be spent on station related investments, including access improvements.

FISCAL IMPACT

There are no fiscal impacts to the General Fund related to this item. Any signage or other improvements required to facilitate the dissolution and transition to the IGA will be charged to the Authority and paid for from the existing fund balance. If surplus funds remain, they will be distributed to the City and BART after the dissolution in proportion to the number of parking spaces within the Authority. The surplus funds must be spent on station related investments, including access improvements.

NEXT STEPS

If approved and authorized by Council on November 15 and the BART Board on December 1, the Authority Board will consider approval of the dissolution of the Authority at a meeting to be held on December 7, 2022. If approved by the Authority, the Authority will be dissolved, the IGA will go into effect, and any remaining fund balances will be distributed proportionally to each entity to be used for investments in and around the Station.

Prepared by: Emily Hwang, Management Fellow

Recommended by: Jennifer Ott, Assistant City Manager

Approved by:

A handwritten signature in black ink, appearing to read 'McAdoo', with a long horizontal stroke extending to the right.

Kelly McAdoo, City Manager