



DATE: June 28, 2023

TO: Council Infrastructure Committee

FROM: Assistant City Manager

SUBJECT Update on Next Steps for Expenditure of Remaining Fund Balance for the South Hayward Bay Area Rapid Transit Station Access Joint Powers Authority

RECOMMENDATION

That Council Infrastructure Committee (CIC) reviews and provides feedback on the priorities for spending the remaining fund balance for the South Hayward Bay Area Rapid Transit (BART) Station Access Joint Powers Authority (JPA).

SUMMARY

Due to changes in demand and lack of need for additional joint governance, the South Hayward BART Station Access JPA authorized staff to draft 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 station.

On December 19th, 2022, the City and BART entered into the intergovernmental agreement that outlines roles and responsibilities for each government entity to retain policymaker oversight pertaining to parking and access around the station. With the transition to the new IGA structure, the City and BART will have ongoing coordination through the City's CIC meetings and will offer written and oral updates to the CIC upon request.

In the final meeting of the JPA, the Board requested that staff present plans for spending the remaining fund balance to the City's CIC and receive feedback from the Committee and BART Directors. The JPA's remaining fund balance of \$1.03 million will be divided in proportion to the number of parking spaces within the JPA, 20 percent going to the City and 80 to BART. As reflected in the JPA's agreement, surplus funds must be spent on South Hayward BART station related investments, including access improvements

BACKGROUND

The South Hayward BART Station Access Authority, also known as the South Hayward Joint Powers Authority (JPA) or 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 South Hayward BART station (Station), support equitable access to the station, further TOD, and protect the City's neighborhoods from the effects of overflow parking. Since formation, the JPA has managed the JPA's on-street spaces, overseen parking revenues, and constructed access improvements for the station with the City of Hayward acting as the JPA's fiscal agent and City staff working with BART staff to manage the JPA's fund account (Fund 295).

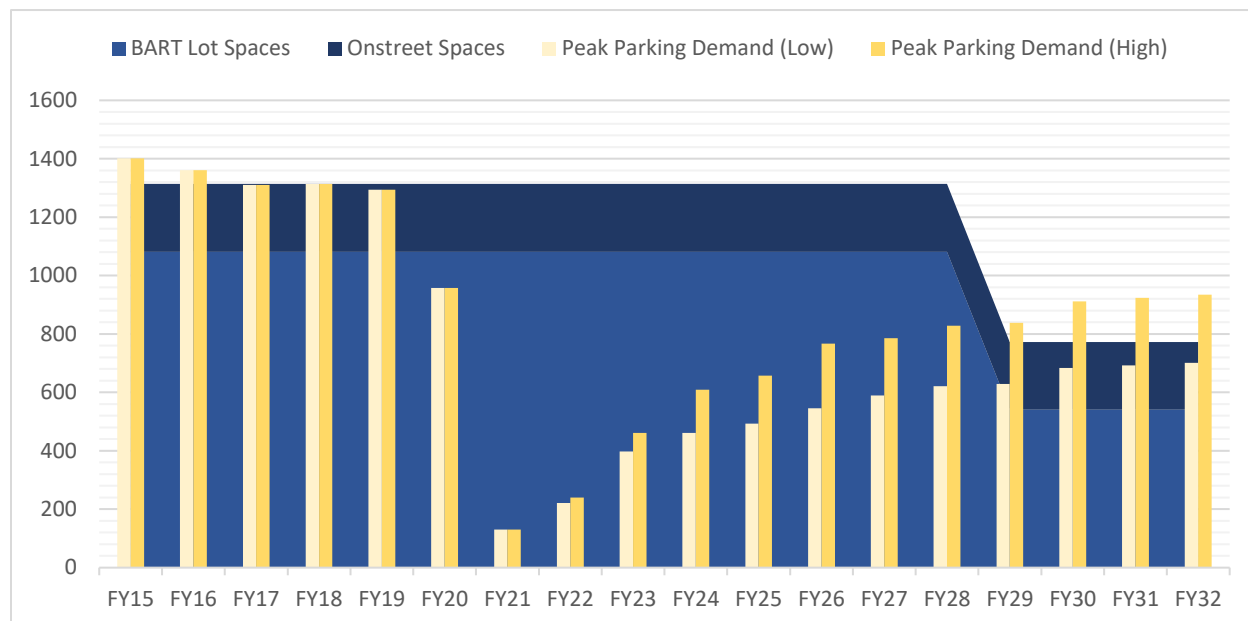
Parking demand shifts due to Covid-19 pandemic and parking study results

Following the housing development of BART's East Lot in 2016, the City allowed on-street parking spaces near the station to be used exclusively for BART riders during parking enforcement hours and the JPA created a paid parking program, where revenues would be dedicated for station area improvements. The COVID-19 pandemic, however, resulted in a drastic decline in parking demand and associated revenues at the South Hayward BART station. During this time, the City's residents were permitted to use on-street parking as these spots were not needed by BART. With the lack of ongoing revenues to cover operating costs and shifts in parking demand due to the pandemic, staff recommended that the JPA retain a consultant to evaluate near- and long-term options for both parking needs and governance.

On June 29, 2021, the Board directed staff to hire a consultant to study the future of the JPA, including how to ensure financial stability and meet its original goals of balancing resident and BART rider parking.¹ 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) as shown below in Graph 1. In addition, the study found that the JPA structure was administratively burdensome and financially unsustainable. For these reasons, the study recommended replacing the JPA with a simplified intergovernmental agreement that outlines roles and responsibilities for each government entity to retain policymaker oversight and public engagement pertaining to parking and access around the station.

¹ <https://hayward.legistar.com/MeetingDetail.aspx?ID=965692&GUID=6946260E-6229-4E54-BCE6-E2233D1B8FB5&Options=info&Search=>

Graph 1. BART Peak Parking Demand & Supply FY 2015-2032



Dissolution of the JPA and the JPA’s directions moving forward

On November 15th and December 1st, 2022, the City of Hayward’s Council and the BART Board approved and authorized the dissolution of the JPA and execution of an IGA.² On December 7th, 2022, the South Hayward BART Station Access JPA authorized the dissolution of the JPA and directed staff to execute the close-out affairs of the JPA in a manner consistent with the budget.³ BART and City staff reconciled past revenues and operations and maintenance (O&M) costs associated with the JPA’s fund balance (Fund 295). Staff has moved forward to distribute the remaining fund balance (\$1.03 million) to both the City and BART in proportion to the number of parking spaces within the JPA, 20 and 80 percent respectively. According to governing documents, surplus funds must be spent on South Hayward BART station related investments, including access improvements.

In the JPA’s final meeting, the Board gave staff direction for how to spend the remaining fund balance which included assessing potential joint projects between the City and BART, exploring a mural at the South Hayward BART underpass, and/or investigating access routes to the Stack Center and/or La Vista Park. The Board also requested that staff present proposals for spending the remaining fund balance to the City’s CIC and receive feedback from the Committee and BART Directors, which is defined in the IGA.

² <https://hayward.legistar.com/LegislationDetail.aspx?ID=5936059&GUID=BF4C4597-8C72-4EB2-87C4-4DE64AADD9B&Options=&Search=>

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5955024&GUID=5D0F9B46-6E49-4930-BDB8-E09063C9BC29&Options=&Search=>

Terms of the Intergovernmental Agreement for ongoing agency coordination

On December 19th, 2022, the City and BART entered into the intergovernmental agreement with the following terms:⁴

- **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 I) 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.
- **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. As of June 2023, the parking occupancy in the main lot is 35%. 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. 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.

DISCUSSION

Fund balance amount and terms of use

The remaining fund balance (\$1.03 million, Fund 295) will be distributed in proportion to the number of parking spaces owned by BART and the City, 80 and 20 percent respectively. Table 1 demonstrates the most recently updated fund balance and the final estimated remaining costs associated with the dissolution of the Authority. Table 2 displays the expected fund closeout amount estimates that will be distributed to BART and the City.

⁴ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5936059&GUID=BF4C4597-8C72-4EB2-87C4-4DE64AADD9B&Options=&Search=>

In accordance with the IGA, these funds are required to be spent on station-related improvements, which may include access improvements in the South Hayward BART Area.

Table 1. South Hayward JPA Remaining Fund Balance Total Amount

South Hayward JPA Fund Balance	
Fund balance as of 6/26/23	\$1,035,771.00
<i>Final estimated legal costs</i>	\$(5,000.00)
Expected remaining balance	\$1,030,771.00

Table 2. Final Closeout Amount Estimates

Closeout Amounts		
<i>Expected funds to BART</i>	\$824,616.80	80%
<i>Expected funds to City of Hayward</i>	\$206,154.20	20%

Plans for spending the remaining fund balance

Remaining Fund Balance of \$824,616 - BART

BART’s share of the remaining balance will be invested in new fare gates at the station. The new fare gates will bring a new look and improved experience, offering state-of-the-art technology that will boost safety by reducing fare evasion, enhancing access for people in wheelchairs and those who bring bikes and strollers on BART, and optimizing the reliability and maintenance needs of the fare gates. A limited amount of the funds may also be spent on improving signage in the parking lot and intermodal areas of the station.

Remaining Fund Balance of \$206,154 – City of Hayward

Staff is seeking the Committee’s feedback on spending the remaining fund balance near the South Hayward BART Station. Based on priorities of safety and placemaking, staff proposes the following options.

Option 1: curb replacement on Tennyson between Dixon and Mission



- **Description:** The current median curb infrastructure on Tennyson between Dixon and Mission is about half a foot shorter than traffic standards. This project proposes to replace the existing median curbs and landscaping efforts.
- **Safety:** The lack of appropriate medians is a safety hazard and constantly causes motorists to drive into the City's landscaping and irrigation, leading to costly repairs.
- **Cost:** Estimated project cost to replace is \$200,000. This is an estimate based on residential costs for curb replacement per linear foot. If this project was to proceed, consideration should be given to necessary landscaping and irrigation efforts possibly mirroring Mission's landscaping. Similar projects that include median landscaping and corridor beautification have budgets of \$500K-1M depending on scope.

Option 2: Mural at the South Hayward underpass and put remaining funds to option 1 for curb replacement.



- **Location:** Pillars in the underpass are owned by BART and Union Pacific, 3 by BART and 3 by Union Pacific. Staff have reached out to Union Pacific with no response. However, BART is willing to allow the City to install a mural on their property given the City maintains it.
- **Maintenance:** The City of Hayward would be responsible for maintaining the mural. Costs associated with maintaining the mural include graffiti maintenance, supplies, and staff time.
- **Cost:** Depending on the mural, installation can be estimated at \$30,000 to \$40,000 with \$2,000 annually for maintenance. Total estimated costs to install and maintain a mural for 5 years range from \$40,000 to \$50,000. Remaining funds will be spent on curb replacement and staff will identify options for closing that project's funding gap.

Option 3: Another priority proposed by the Committee

- Given the direction given by the JPA Board in their last meeting, staff proposed the above options, however, if the Committee has another priority to spend funds near the South Hayward BART Station, this can be discussed.

FISCAL IMPACT

As part of the JPA's dissolution, the JPA's remaining fund balance of \$1.03 million (Fund 295) will be divided in proportion to the number of parking spaces within the JPA, 20 percent going

to the City and 80 percent to BART. The City allocated funds will be assigned to the appropriate fund and spent as directed by the CIC.

NEXT STEPS

Staff will continue to move forward to distribute the remaining funds and work with Goldfarb & Lipman to submit the final notice of JPA's dissolution to California Secretary of State. With the Committee's and Director's input, the City and BART staff will move forward with plans for spending the remaining fund balance.

In the near-term, the on-street curb spaces⁵ designated in the IGA are available for BART riders and City residents. In the long-term, in the case where demand for BART off-street parking exceeds 80% or another transit-oriented development project breaks ground near the South Hayward station, the IGA will provide for a Modified Parking Program similar to the JPA model. The Modified Parking Program will designate the City's 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.

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Approved by:



Kelly McAdoo, City Manager

⁵ On Tennyson Rd between the railroad and Mission Blvd (127 spaces) and on Dixon St south of Tennyson Rd (68 spaces). The spaces on Mission Blvd, which were previously part of the JPA, is not included.