



EXECUTIVE DECISION DOCUMENT

| | | | | | |
|---|--|--|--|--|--|
| GENERAL MANAGER APPROVAL: | | DocuSigned by: <i>Michael Jones</i> 47000790F2D7463... | | GENERAL MANAGER ACTION REQ'D: Yes | |
| DATE: 4/19/2022 | | 5/5/2022 | | BOARD INITIATED ITEM: No | |
| Originator/Prepared by: Heath Maddox Dept: Customer Dev & Station Access | | General Counsel | | Controller/Treasurer | |
| DocuSigned by: <i>Heath Maddox</i> CDB89E76E6CD4E7... | | DocuSigned by: <i>Jana Belan</i> F8FD7B3A73E74E8... | | DocuSigned by: <i>Chris Gan</i> EE11C8CEEEA04FD... | |
| Signature/Date: 5/2/2022 | | 5/2/2022 [] | | 5/3/2022 [] | |
| | | | | District Secretary | |
| | | | | BARC | |
| | | | | DocuSigned by: <i>Carl Holmes</i> 2243E3B49EA349E... | |
| | | | | 5/3/2022 [] | |

Extension of 19th Street Oakland Bike Station Cooperative Agreement and Lease

PURPOSE:

To authorize the General Manager or his designee to execute three-year extensions to (1) the cooperative agreement with the City of Oakland for the 19th Street Oakland Bike Station and (2) the commercial lease with 19th & Broadway LLC for the space housing the 19th Street Oakland Bike Station at 1775 Broadway.

DISCUSSION:

Project History

In 2012, the City of Oakland and BART together applied for and were granted \$531,000 through the Safe Routes to Transit program to construct a secure bicycle parking facility in the vicinity of the 19th Street/Oakland BART station. Since completion in 2015, the 19th Street Bike Station has operated inside 2,440 square feet of leased retail space at the corner of 19th and Broadway, immediately across the street from a BART entrance in Uptown Oakland. The initial lease term was five years and was extended once, through June 30, 2022. A 2018 survey found that 87% of 19th Street Bike Station customers connect to BART for a longer trip. Assuming the distribution of Bike Station customers' BART trips mirrors that of all trips originating at 19th Street station, annual pre-COVID BART fare revenue from 19th Street Bike Station users was approximately \$144,000 annually.

Project Operation

The 19th Street Bike Station has capacity to park 130 bikes with a valet style parking program. BART manages the operation of the Bike Station under Agreement 6M6150 with BikeHub, who subleases the retail space from BART to provide bicycle retail and repair services. BikeHub's sales and repair operation is designed to complement the secure bicycle parking and support and encourage bicycle access to BART. BikeHub offers BART a lower price for their services due their ability to profit from the retail sales at 19th Street and

BART's other two valet Bike Stations.

Long-term Operational Plan

The District is currently designing a new facility to house the 19th Street BART Bike Station. The site for the new facility is a BART-owned parcel at 21st Street and Broadway in Uptown Oakland, presently occupied by the surface parking lot adjacent to the Paramount Theater. It is anticipated that the new facility, designed with space to park approximately 400 bikes in addition to bicycle retail and repair, will be completed within three years if grants are secured. A BART-owned facility will significantly reduce bike station operating costs. Annual rent costs for the existing 130-bike location, at around \$110,000 per year, comprise approximately 44% of the ongoing 19th Street Bike Station operational expenses.

Proposed Cooperative Agreement Extension

In 2014, BART and the City of Oakland entered into a Cooperative Agreement to fund and operate the 19th Street Bike Station. This BART-Oakland Cooperative Agreement was amended once, in 2019 when the current lease was extended. Customer Access and Accessibility staff have negotiated the terms of a second three-year extension to the Cooperative Agreement commencing July 1, 2022. Under the proposed extension, the City would continue supporting the 19th Street Bike Station at the current level of \$65,000 per year through the end of the next three-year lease extension (see below section). Oakland Department of Transportation staff are pursuing City Council approval of the BART-City Cooperative Agreement in parallel with BART Board approval. BART's Office of the General Counsel will review and approve the amendment as to form.

Proposed Lease Extension

Customer Access and Real Estate staff have negotiated an extension to the Bike Station lease to continue operations at the existing location for three years for an additional \$330,936 until the new facility can be constructed. Under the draft lease agreement, rent would increase by three percent annually starting with the beginning of the new lease term July 1, 2022. BikeHub pays a portion of the rent for the space occupied by the retail/repair operations under a sublease, which would also be extended. BART's Office of the General Counsel will review and approve the lease amendment, any sublease amendment, and all related documents as to form

FISCAL IMPACT:

A three-year lease extension will cost the District \$330,936 for the period of July 1, 2022 to June 30, 2025. Funds will be budgeted in the Customer Access and Accessibility operating budget (Dept 1102491), Account 680330 Building Space Rental. BART is reimbursed for a portion of the rent by other parties as indicated in the following table, but BART bears all other costs of ongoing Bike Station operations and management.

| | Annual Rent | City of Oakland Share | Sublease | BART Share |
|-------------------------|------------------------|----------------------------------|-----------------|-----------------------|
| FY 23 | \$107,064 | \$65,000 | \$40,677 | \$1,387 |
| FY 24 | \$110,280 | \$65,000 | \$41,897 | \$3,383 |
| FY 25 | \$113,592 | \$65,000 | \$46,926 | \$1,666 |
| Three-year total | \$330,936 | \$195,000 | \$129,500 | \$6,436 |

Funding will be included in the proposed annual operating budgets, which are subject to Board approval. This action is not anticipated to have any fiscal impact on unprogrammed District reserves.

ALTERNATIVES:

The alternative is to not enter into the cooperative agreement with the City of Oakland or the lease with 19th & Broadway LLC. If the agreement is not extended, BART would forego \$195,000 in financial contributions from the City. If the lease is not extended, the bike station would need to close until BART secures sufficient grant funding and the design and construction of the new facility is completed. Bike racks and other furnishings would need to be stored for three years. In the interim, BART customers accessing the station by bicycle would have the option of parking in less-secure racks at the concourse level of the station.

RECOMMENDATION:

It is recommended that the Board adopt the following motion.

MOTION:

The General Manager or his designee is authorized to execute three-year extensions to (1) the cooperative agreement with the City of Oakland for the 19th Street Oakland Bike Station and (2) the commercial lease extension in the amount of \$330,936 with 19th & Broadway LLC for the space housing the 19th Street Oakland Bike Station at 1775 Broadway.