



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Robert M. P...</i> 20 FEB 2019		GENERAL MANAGER ACTION REQ'D:		
DATE: 2/5/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Steve Beroldo Dept: Systems Development <i>St Beroldo</i> Signature/Date: 2-19-2019	General Counsel <i>[Signature]</i> 2/20/19 []	Controller/Treasurer <i>[Signature]</i> 2/19/19 []	District Secretary []	BARC <i>[Signature]</i> 2/20/2019 []
Status: Approved		Date Created: 2/5/2019		

To Extend the 19th Street Bike Station Lease

PURPOSE

To authorize the General Manager or her designee to execute a three-year lease extension with 19th and Broadway LLC for approximately 2,440 square feet of commercial space at 1773/1775 Broadway for the 19th Street Bike Station.

DISCUSSION

Project History

The 19th Street Bike Station has been in operation since February 2015. The project is a partnership between BART and the City of Oakland. It is housed in 2,440 square feet of leased retail space at the corner of 19th and Broadway (immediately across the street from a BART entrance). Tenant improvements were funded by a \$531,000 Safe Routes to Transit Grant, Regional Measure 2. The lease was for a five-year term which expires on June 30, 2019; however, the lease includes an option to extend the term.

Project Operation

The Bike Station has capacity to park 130 bikes with a valet style parking program. BART manages the operation of the Bike Station under Agreement 6M6063 with BikeHub who provides bicycle retail and repair services which are designed to support and encourage bicycle access to BART. In addition, a portion of the profits from the retail sales and repairs offset a portion of the operational costs. BikeHub subleases the retail space from BART at

market rate for sales and repair operations.

Project Evaluation

By a number of measures the project is successful. The bike parking fills daily and some cyclists are even turned away in the late morning. Fortunately, there is also bike parking on the concourse level of the 19th Street BART station that serves as overflow. A December 2018 survey of users revealed several positive findings:

- 95% of respondents indicated that the bike station made it more likely they would use their bike for this trip
- 95% were very satisfied with the services provided
- 87% of users were taking BART in conjunction with their use of the bike station
- 51% of the users are female (*most studies show women to be approximately 25% of commute cyclists*)

Long-term Operational Plan

Currently, the District is designing a new bike station facility to serve the 19th Street BART Station. The site for this facility is a BART-owned parcel adjacent to the Paramount Theater on Broadway in Oakland (currently a surface parking lot). It is anticipated that this new facility, designed to park approximately 400 bikes and have space for a bicycle retail and repair component will be completed within three years. A BART-owned facility will reduce operating costs.

Proposed Lease Extension

Staff proposes a three-year extension of the existing lease to continue operations until the new facility is completed. For the option period, commencing July 1, 2019 the market rental value for the space will apply. For purposes of determining the fiscal impact of this lease extension, staff estimates that a base rental rate of \$3.25 per square foot is typical for similar retail spaces.

BikeHub pays a portion of the rent for the space occupied by the retail/repair operations under a sublease, and the City of Oakland contributes financially toward operational expenses under a Cooperative Operating Agreement.

The Office of the General Counsel will review and approve the lease, any sublease amendment and all related documents as to form.

FISCAL IMPACT

A three-year lease extension will cost the District \$294,130 for the period of July 1, 2019 to June 30, 2022 (plus a common area maintenance assessment of approximately \$2,400 per year). Funds will be budgeted in the Customer Development 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 table.

	Total	City of Oakland	Sublease	BART Share
FY 20	\$95,160	\$55,000	\$36,161	\$3,999
FY 21	\$98,015	\$55,000	\$37,246	\$5,769
FY 22	\$100,955	\$55,000	\$38,363	\$7,592
	\$294,130	\$165,000	\$111,769	\$17,361

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 an extension of the lease and close the 19th Street Bike Station in June of 2019. Bike racks and other furnishings will need to be stored for three years. BART riders who still wish to access the station by bicycle and park have the option to park in racks on the concourse level of the station.

RECOMMENDATION

Adopt the following motion.

MOTION

The General Manager or her designee is authorized to enter into a lease extension with 19th and Broadway LLC for commercial space at 1773/1775 Broadway for a three-year term for the 19th Street Bike Station.