



MEMORANDUM

To: City of Alameda
From: Nelson\Nygaard
Date: April 29, 2015
Subject: Alameda Point Site A TDM Compliance Strategy - Financial Program

OVERVIEW

This memorandum provides a summary of the estimated financial program for the Site A TDM Compliance Strategy. It includes *conceptual, planning-level cost estimates* for the proposed trip reduction and transportation strategies. Also included are planning-level revenue estimates for the program, primarily derived from the residential and non-residential property transportation fee assessments and public parking revenue.

It is important to emphasize that this a "best estimate" of costs and revenues based on available information and comparables from similar programs. **As the programs and services move towards implementation, more refined financial planning should be performed by the developer, City, and TMA.** For example, the transit service to BART will require detailed service planning, schedule development, and route timing to finalize service costs. Transit passes and subsidies are also based on assumptions about future per pass costs and the number of people who will participate in the programs. All financial estimates should be updated as Site A is approved and moves towards construction, and then updated on an ongoing basis. Costs will also need to be refined as the tenant and resident mix develops over time.

SUMMARY OF COSTS AND REVENUES

Based on the programs and service described in the Site A Compliance Strategy, it is assumed that the TDM program will be self-sustaining by project build out. As appropriate, any surplus revenue would be reinvested back into enhancing or augmenting TDM programs.

In the initial phases, however, it is likely that the property assessments and other revenue streams will not fully cover the costs of the TDM program. Being "first in," the developer and its successors will bear an additional financial burden. As further development occurs in Alameda Point, the transportation assessment and parking revenue should increase.

Figure 1 provides a summary of the financial program. One-time capital costs¹ are separated from on-going costs. In general, cost estimates are based on an assumption of two residents per unit,

¹ Major infrastructure costs, such as the ferry terminal, BRT and transit infrastructure, bicycle network, bicycle parking, or parking facilities are not included in this financial program.

for a total of 1,600 residents and a total of 803 employees². Other assumptions made for purposes of these calculations are noted in Figure 1.

On the revenue side, the TMA will be primarily funded by an annual assessment rate per unit and per square foot for other uses. Assessment rates are based on similar projects recently approved within the City of Alameda, but may be adjusted prior to approval of the Site A development plan. The second primary revenue stream is public parking revenue. Future parking revenue is difficult to predict, especially in an area without existing pricing, as so many factors ultimately determine the amount of revenue generated. The public parking revenue should be seen as a best estimate, and include the following assumptions:

- All on-street spaces are priced on “day one”
- A more limited amount of public off-street parking is available and priced in the initial phase, but will grow as the site is developed
- 6 days of pricing per week for 9 enforcement hours per day
- Initial pricing is as low as possible and will likely increase over time to respond to growing demand
- Net zero revenue is generated from enforcement, as all citation revenue is used to finance enforcement costs
- Creation of a Parking Benefit District (PBD) for Alameda Point, in which 80% of public parking revenue is used to directly finance TDM programs specifically within Site A. The remaining 20% of revenue can be used to finance enforcement and/or other TMA operational costs.

The assessments and parking revenue will provide a portion of the TMA funding, but it is envisioned that the TMA will need to seek out additional funding sources, as articulated by the 2014 TDM Plan: "In addition to special taxes paid annually by property owners to fund the Plan, it is the responsibility of the TMA staff to regularly seek additional sources of funds, which may be available from federal, state, and regional sources."³ The financial program assumes an annual funding stream of \$100,000 from "local and regional" sources in the first phase, such as TMA-secured grants, fee-for-service, or shuttle fare revenue, or other local (non-General Fund) contributions. In the first phase it is assumed \$50,000 would come from contributions from other areas of Alameda Point. The "local and regional" revenue would likely decline as the project is built out and more revenue is available from the assessments and public parking.

² Assumption of 0.75 employees per 1,000 sq. ft. of retail space and 2 employees per 1,000 sq. ft. for commercial uses.

³ Page 47 of Alameda Point TDM Plan.

ALAMEDA POINT SITE A TDM PLAN | FINANCIAL PROGRAM
Alameda Point Partners

Figure 1 Site A Compliance Strategy - Financial Program Estimates⁴

Program Expenditures									
Program	Description	Assumptions	Phase 1		Phase 2		Phase 3 / Build Out		
			One-time	Annual Ongoing	One-time	Annual Ongoing	One-time	Annual Ongoing	
BART Shuttle	Public shuttle service to BART.	Weekday, peak-period service to BART. 15-minute frequency. Six hours of daily service (6-9 AM and 4-7 PM). \$80 per hour operating cost (all-inclusive).	N/A	\$367,560	N/A	\$367,560	N/A	\$367,560	
AC Transit EasyPass	AC Transit pass to all employees and residents.	AC Transit pass to all employees and residents. Approximately \$82 per pass per year.	N/A	\$117,990	N/A	\$142,106	N/A	\$198,981	
Clipper Cash Subsidy	Additional monthly transit subsidy to employees.	Assumes \$50 monthly subsidy to employees only. Based on existing and future mode splits.	N/A	\$8,352	N/A	\$11,160	N/A	\$77,103	
TDM Coordinator	On-site staff member to implement and administer TDM programs.	Assumes 50% FTE at \$80,000 per year (including benefits). 3% compensation increase per phase.	N/A	\$40,000	N/A	\$41,200	N/A	\$42,436	
Transportation Representatives	Representatives for HOAs and commercial tenants.	Unpaid positions required as part of HOA and lease agreements.	N/A	\$0	N/A	\$0	N/A	\$0	
Website	TMA and transportation website.	To be funded and maintained by City in Phase 1. \$3,000 annual ongoing costs in Phases 2 and 3.	N/A	\$0	N/A	\$3,000	N/A	\$3,000	
Transportation Handbooks	Handbooks to be distributed to each residential unit/employee.	Assumes all handbooks are electronically distributed.	N/A	\$5,000	N/A	\$5,000	N/A	\$5,000	
Information Kiosks	Kiosk for transportation information.	One kiosk per residential/commercial parcel. Average \$1,500 unit cost. \$150 per unit ongoing costs.	\$7,500	\$750	\$7,500	\$1,500	\$4,500	\$1,950	
Bike Sharing	45-bike "loaner" program for residents and employees.	\$500 per bike purchase plus \$75 annual operating per bike. 15 bikes added per phase.	\$7,500	\$1,125	\$7,500	\$2,250	\$7,500	\$3,375	
On-site Bike Repair Stations	DIY bicycle fix-it stations.	\$500 per station. One station per parcel. \$50 per station in ongoing costs.	\$2,500	\$250	\$2,500	\$500	\$1,500	\$650	
Car sharing	Publicly accessible car sharing vehicles.	Funded by car share operator, who will not require an operating subsidy.	\$0	\$0	\$0	\$0	\$0	\$0	
Monitoring	Annual monitoring program and report.	Proportional share based on Site A's estimated share of trips (\$35,000 per year).	N/A	\$14,000	N/A	\$14,000	N/A	\$14,000	
Pre-tax employee benefits	Pay for transit passes with pre-tax earnings.	Costs covered by employer/tenant.	N/A	\$0	N/A	\$0	N/A	\$0	
Parking cash out	Financial subsidy equal to the value of employer-paid parking.	Costs covered by employer/tenant.	N/A	\$0	N/A	\$0	N/A	\$0	
Rideshare subsidies	Financial subsidy to employees for vanpooling or carpooling.	Only active with Phase 3 commercial. Costs per 2014 Alameda Point TDM Plan.	N/A	\$0	N/A	\$0	N/A	\$14,400	
Rideshare matching	Facilitate carpool and vanpool partners.	Managed by TMA and utilize existing 511.org	N/A	\$0	N/A	\$0	N/A	\$0	
Guaranteed Ride Home	Provide unscheduled ride home for non-SOV commuters.	Managed by TMA and utilize existing Alameda County program.	N/A	\$0	N/A	\$0	N/A	\$0	
Bike Buddy / Education Program	Provide educational classes and facilitate biking partners.	Costs included in TDM Coordinator position.	N/A	\$0	N/A	\$0	N/A	\$0	
Telecommute / Flexible Work	Provide telecommute options and flexible work schedules.	Costs included in TDM Coordinator position.	N/A	\$0	N/A	\$0	N/A	\$0	
TOTAL EXPENDITURES			\$17,500	\$555,027	\$17,500	\$588,276	\$13,500	\$728,455	
Program Revenues									
Source	Description	Assumptions	Phase 1 (Annual)		Phase 2 (Annual)		Phase 3 / Build Out (Annual)		
Transportation Assessments	Annual assessments to fund transportation programs.	\$350 per apartment/condo, \$550 per townhome, and \$.55 per non-residential square foot.	\$325,750		\$398,450		\$587,349		
Parking Revenue	Estimated revenue generated from public on-and off-street parking.	Assumes on- and off-street public parking is priced on day-one. Would require creation of a Parking Benefit District (PBD) for Alameda Point, with 80/20 split to TDM/non-TDM expenditures.	\$111,102		\$133,764		\$214,531		
Local and Regional Revenue	Other local and regional funding sources.	Potential revenue sources include: regional grants, fee-for-service, shuttle fares, or other local (non-General Fund) sources, as feasible. Assumes \$50k in Phase 1 from other areas of Alameda Point.	\$100,000		\$75,000		\$25,000		
<i>Sub-total</i>			\$536,852		\$607,214		\$826,880		
Revenue Gap	Additional revenue required to fund TDM programs.	As "first in" the Site A developer and its successors would provide gap funding in initial phases. By Phase 3/Build Out it is assumed that Site A's TDM program is self-sustaining. Any surplus revenue would be reinvested back into TDM programs, as appropriate.	(\$35,675)		\$1,439		\$84,925		
TOTAL REVENUES			\$501,178		\$608,653		\$911,805		

⁴ Major infrastructure costs, such as the ferry terminal, BRT and transit infrastructure, bicycle network, bicycle parking, or parking facilities, are not included in this financial program.