FEHR ♦ PEERS

FINAL MEMORANDUM

Date: 9/16/2015

To: Jennifer Ott, City of Alameda

From: Wendy Silvani, Silvani Transportation Consulting; Teresa Whinery and Meghan Mitman, Fehr & Peers

Subject: **Potential Organizational Structures for Alameda Point Transportation Management Agency – Final Memo**

SF14-0770

The purpose of this memo is to discuss the advantages and disadvantages of two types of organizational structures for managing Alameda Point's transportation programs: the Alameda Point Transportation Management Agency (TMA) as a stand-alone non-profit organization and it becoming part of a larger collaborative TMA which encompasses Western Alameda and the northern Waterfront.

Table 1 summarizes the key differences between establishing a stand-alone TMA for Alameda Point and collaborating with other Northern Waterfront and West Alameda developments to create an umbrella organization. Overall, an umbrella organization provides the benefit of consolidating administrative costs and tasks while taking advantage of economies of scale, while a stand-alone TMA provides greater flexibility for individual developers.

TABLE 1: SUMMARY OF TMA ORGANIZATIONAL STRUCTURES

	Umbrella Organization	**Stand-Alone TMA**
Ability for Individual Projects to Provide Customized Services	Flexibility for some services to be 'shared' by all; others to be designed, paid for and governed by individual projects or just some participant sites	All services are site-specific; designed, paid for and governed by each individual project

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	Umbrella Organization	**Stand-Alone TMA**
Cost to Establish	Shared legal costs to establish organization, create by-laws and policies and procedures.	Each organization pays its own legal costs.
Ease of Implementation	The process to establish a TMA is the same.	
Level of Coordination	TMA staff reports to Board and Committees.	TMA staff reports to Board and Committees.
Efficiency and Cost of Providing Service	More efficient, less costly because costs are shared/proportional; realizes benefits of volume; shared vehicles, etc.	Each organization pays for services separately. Usually the most expensive because of limited services yet need for dedicated vehicles and drivers.
Efficiency and Cost of Admin/Marketing	More efficient, less costly because costs are shared; benefit of 'full-time' access while pay for 'part time' staff.	Either only have access to limited hours per week (i.e., 5-8), or pay for time not needed.
Overhead Expenses	Less costly because rent, office supplies, phone, etc. are shared costs between several members.	Each organization responsible for paying rent, office supplies, phone, etc.

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	Umbrella Organization	Stand-Alone TMA
Customer Experience and Service	Most helpful and responsive; can offer detailed information for entire area.	Limited to project; refers to others as needed.
Compliance with Project Trip Reduction Requirements	All sites have similar requirements and metrics. Aggregating results can show overall impacts (i.e., Tube traffic) and may benefit all. Site-specific data also available. If overall goals are met, each site/property also satisfies requirements. If not, each site 'drills' down to those not achieving results.	Each project responsible for specific reductions. If site meets goals, individual properties have also satisfied requirements. If not, each site 'drills' down to those not achieving results.

Source: Silvani Transportation Consulting, 2015

BACKGROUND

There are three major developments in Western Alameda. In addition, there are at least six smaller potential projects slated along the waterfront between Park Street and the Posey Tube.

The three largest developments in the area are Alameda Point, Alameda Landing, and Del Monte. All are mixed-use projects combining multi-family residential with commercial and/or retail uses. All three must meet the same transportation requirements and are required to manage transportation programs through a Transportation Management Association (TMA). Each is subject to annual monitoring and reporting and will rely on strategies designed to manage Single-Occupancy Vehicle (SOV) travel, to, from and between their respective communities. Each has a clear mandate to reduce SOV trips through the Posey Tube and via the bridges that connect Alameda to Oakland as well as to provide improvements to the local transportation infrastructure and enhance the overall transportation network.

The mixed-use nature of these large developments and their respective proximity to one another makes it probable that there will be travel demand between these developments as people choose

to live in one, and work and shop at the others. Already, Alameda Point employers have told us that their employees are beginning to consider living in Alameda; this trend will likely continue, especially as new housing becomes available nearby.

DISCUSSION

There are many benefits to forming a shared TMA. These benefits include creating economies of scale in service provision and staffing; having a seamless customer interface and experience; consistent marketing and branding; and volume purchasing power. Overall, these benefits far outweigh the potential disadvantages.

The key concerns individual projects have regarding formation of an 'umbrella' TMA are: assuring against the dilution of service funded by any individual TMA member, decision-making, budget controls, and the possibility of adversely affecting compliance with project-specific trip reduction goals. Careful structuring of the umbrella organization addresses all of these concerns.

THE NATURE OF TMA'S

It is helpful to understand the nature of how TMA's operate. The services that TMA's generally provide fall into one or more of four major categories:

1. Providing information to employers, employees, visitors and residents;

2. Facilitating access to alternative modes, programs and support services;

3. Providing administration and/or management and coordination of specific programs and services or reporting requirements; and

4. Acting as a community advocate and liaison.

As the chart below illustrates, most activities overlap – for example, conducting promotional events not only involves providing essential information about alternatives available, it also facilitates the use of TDM programs and needs some administration/management.

Table 2 summarizes these key roles by service type.

TABLE 2: TMA ACTIVITIES AND ROLES

Activity or Service	Information	Access to Services	Admin/ Management	Advocacy/ Community Liaison
Emergency Ride Home Programs	x	x	x	
Promotional Events	x	x	x	
Preparing Marketing Materials	x	x	x	
Email, Social Media, Mail, other Communications	x	x	x	
Maintaining transportation website	x	x	x	
Consultation with employers, HOA's, etc.	x	X	X	
Providing information to employees, visitors, residents, community members and others	x	x	x	
Brokering and/or direct provision of services such as: shuttles, ride matching, vanpooling, bike-share, car-share.		x	x	x
Brokering and/or direct provision of transit passes and other incentives		x	x	x
ETC Training at employer sites	x	x		
Annual travel surveys and compliance monitoring		x	x	x
Annual reports to Council and/or the community	x	x	x	x
Personalized trip planning for employees, residents, visitors	x	x	x	
Real-time travel alerts and advisories	x	x	x	x
Service planning and liaison with vendors (shuttles, public transit, bike-share, etc.)		x	x	x

TABLE 2: TMA ACTIVITIES AND ROLES

Activity or Service	Information	Access to Services	Admin/ Management	Advocacy/ Community Liaison
Advocacy for alternate modes, levels of service, infrastructure, funding		x		x
ED to the TMA Board of Directors; member liaison	x	x	x	x
Accounting and bookkeeping, tax filing, etc.	x		x	

Source: Silvani Transportation Consulting, 2015

STAFFING

All of these activities are staff-intensive. However, the amount of staff time required only justifies full-time staff in very large organizations. In fact, only two TMA's in the Bay Area have dedicated, full-time "TMA-only" staff – the TMASF which covers 25,000 employers with over 80,000 employees, and Commute.org, a consortium offering TMA services to all employers in San Mateo County. The others either contract out for services (ranging from 8 to 30 hours per week), or TMA staff also have other responsibilities (such as at Bishop Ranch and Moffett Park). The Alameda Landing TMA is managed by an independent contractor who works approximately 10 hours per week.

Staffing is by far the largest overhead item in any TMA budget. This includes both TMA staff and professional administrative services such as accounting. It represents over half of most TMA budgets.

Staffing is one of the key areas where sharing a staff person among several projects allows for economies of scale and cost-sharing. One staff person is 'information central' – answering calls and emails, updating websites, sending newsletters on behalf of all projects (or individual ones). Because only one non-profit organization is needed, the savings of needing just one bank account, one tax return, one audit, and one annual report also accrue.

THE CUSTOMER EXPERIENCE

Providing a central resource for customers and potential customers gives employees, residents and visitors the information they're looking for quickly and efficiently in 'one stop.' Customized, personalized interaction and assistance are key to changing transportation behavior.

Customers often don't know which of several development projects they are visiting; nor should they have to sift through nearly a dozen 'choices' to figure it out. Small employers and Homeowner Associations particularly appreciate having a central resource to call and refer their employees to when they have questions. Hiring and training an Employee Transportation Coordinator position is difficult for most companies because of the tension between its 'sporadic yet continuous' nature. While some events (promotions, surveys, etc.) are sporadic, an effective TDM program needs ongoing attention and marketing to maintain visibility and continuity.

Each interaction is an opportunity to educate customers about all the options available; offer specific incentives; and provide information about levels of services and the reassurance of having a Guaranteed Ride Home – as well as to provide a personal trip plan so that it will be as easy as possible for them to try an alternative. This can really only be done by a true transportation specialist who understands the 'big picture' beyond any one particular development project.

MARKETING

Like the customer experience, the most effective marketing programs have consistent and high-level messaging and branding, as well as various levels of detail about distinctive services. Producing and maintaining high quality maps and web pages showing bus routes and stops, shuttles, car-share locations, bike-shares, etc., can be costly. Because the projects along the waterfront and near the Point have a high level of interconnectivity, producing marketing materials applicable to the area as a whole will benefit each individual project. (For example: people living at Del Monte will want to see where the Ferry Terminal is at Site A, or how to get to Spirits Alley.)

In summary, marketing is another key service of any TMA and one where an umbrella organizational structure offers important advantages.

CONTRACTING WITH VENDORS

All TMA's will be contracting and/or otherwise affiliating with a variety of vendors. A shuttle vendor (or AC Transit), is likely to be the largest vendor and one of the biggest budget items. Bike-share, ride-sharing apps, and car-share vendors are examples of other vendors each TMA will be involved with.

Contracting and getting 'volume pricing' where it is applicable (such as for the purchase of AC Transit's bulk passes) may result in significant savings for each individual project. So may negotiating with a service provider for shuttle service where costs can be spread among more hours (commute, mid-day, weekend) and participants, resulting in better pricing and needing fewer vehicles to provide maximum frequency and coverage for all participants.

Programs such as bike-share and car-share would also benefit by having overlapping coverage – making these modes more convenient and accessible for customers, as well as providing potential cost savings.

SURVEYS AND ANNUAL REPORTS

All three projects of the projects mentioned above that are currently under development are required to conduct baseline and annual surveys. Again, one TMA conducting the same surveys at the same time, monitoring the same data, and producing updated reports, is much more efficient and accurate than multiple vendors duplicating each other's efforts at various times of the year.

The Community Development Department has noted that compliance reporting may also be much easier with shared services. For example, ridership on a shuttle which is open to residents surrounding a project, as well as other projects, will help each achieve its targets. Trips made between projects using car-share, rideshare and bike-sharing through reciprocal programs will be mutually beneficial to all projects.

OVERHEAD

Maintaining one office, one accounting system, one phone, one computer, and other common overhead expenses will be much less expensive for each project than maintaining separate businesses and offices, and having duplicative overhead costs.

GOVERNANCE, BUDGETS AND CONTROL

There are many examples of multiple organizations operating successfully under a single fiscal and management 'sponsor' or umbrella agency.

Non-profits such as the TIDES Foundation, San Francisco Foundation and others have entire operations that support the 'back office' functions (insurance, grant administration, accounting, and payroll and legal services) for multiple small non-profits. Many Chambers of Commerce and other business groups have separate divisions with separate governance and funding structures which manage specific programs.

In the TMA world, 22 of 58 TMAs recently surveyed by the Association for Commuter Transportation (ACT) report they are a subsidiary or internal department of another organization. Over 40% of the TMAs surveyed share staff with another organization. These umbrella organizations may be public agencies, self-taxing districts, Chambers, or other private, non-profits.

Individual Member Roles and Controls

Each member of the umbrella TMA organization would be represented on the Board of Directors and have an equal vote and voice on matters of shared costs (such as staffing, insurance, rent, overall policies and procedures, membership dues and fees, etc.).

Individual programs would be governed by separate divisions or sub-committees with representation only by the participants in that particular program. Where resources (such as a shuttle vehicle) may be shared by multiple programs, costs, levels of service, and routes would be allocated and agreed upon by all the program partners; but the umbrella TMA would contract and oversee the service. This process safeguards any individual project from having their resources 'diluted' and assures them of control. For instance, if Alameda Point TMA were paying for a specific service to run between 12th Street BART and the Point, they might agree to other participants joining that route provided it does not negatively affect travel times, frequency, and there is capacity. Adding stops and partners may also allow them to increase frequency (or service hours); or allow others to use the same vehicle(s) at different times. This decreases hourly costs for all participants because fixed costs are then spread over more hours and more payers.

This type of shared organizational structure largely involves creating the bylaws and other governing documents to accommodate a range of anticipated member categories and

classifications; specifying voting rights and composition of the Board and various sub/program committees; and funding agreements.

The accounting system can easily be set up on a 'fund basis' similar to systems which track individual grant programs, allowing projects to fund program-specific costs only if they participate in the program, while sharing administrative costs.

Forming a New Organization of Work through an Existing One

If the "Big Three" projects agree to a shared organizational structure, there are two options:

1. Work through an already-existing non-profit. The two most likely possibilities are the Western Alameda Business Association and the West Alameda Transportation Demand Management Association. In this case, the current Board of Directors would need to approve a new structure and bylaws, and set up the necessary accounting and governance systems. Using an existing non-profit avoids the need to submit a new application (and filing fees) to the IRS, although there would still be legal and other one-time expenses involved.

2. Form a new organization. Because the new organization would absorb governance, planning, fees, and program management for Alameda Landing's current programs, the existing West Alameda TDMA could be dissolved.

Should the decision to reorganize the existing West Alameda TDMA to encompass other waterfront projects be reached, the next steps include:

- Confirming support for the reconfiguration by the West Alameda TDMA Board of Directors.
- Modification of the existing WATDMA By Laws to provide for additional members, governance, fees and other matters. These modifications would need to be adopted by the current WATDMA Board of Directors.
- Election (or appointment) of new Board members to reflect the new, multiple site membership organization (and a City representative)
- Appointment of subcommittees to reflect the need for design, funding and management of existing programs at individual sites

The newly configured organization would then be ready to assume management of current programs (such as Alameda Landing Shuttle) and provide services to others (such as existing tenants at Alameda Point) as well as initiate area-wide planning for the future.

The chart below summarizes the proposed new organizational and governance structure:
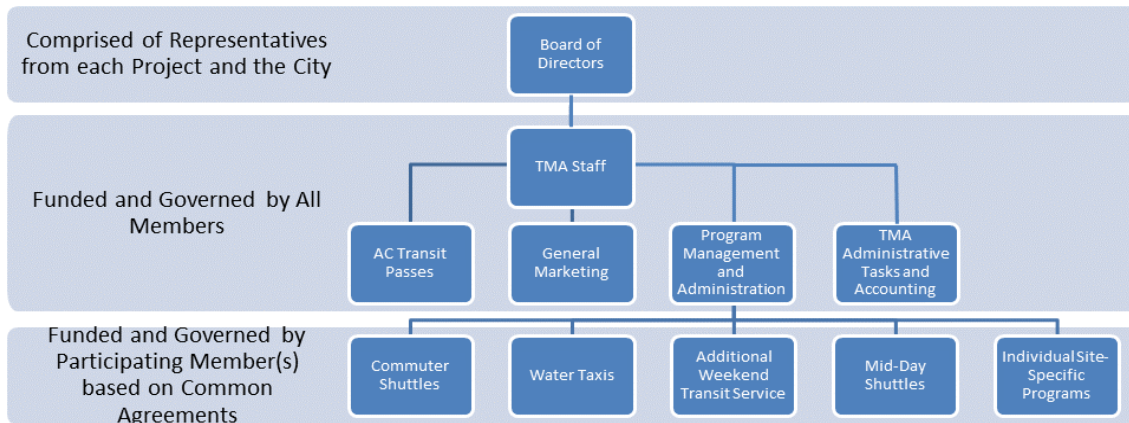
CONCLUSION

In summary, the many areas where TMA services naturally overlap creates an opportunity to add value to each individual project and mutually reinforce each other either through operational efficiencies (and cost savings); higher visibility and consistency in messaging; and better customer service. Speaking with one voice on behalf of a much larger common community also gives the TMA more leverage in its role as an advocate for transportation services and improvements.

Concerns about individual funding and services becoming 'diluted' and losing focus can be addressed through a carefully crafted organizational structure (the bylaws spell out how decisions are made and which decisions are made by who), and agreements between each project, participants, and service providers.

Perhaps most importantly, operating a TMA that covers a good part of the City of Alameda under one umbrella provides a more holistic, efficient and positive experience for residents, employers, employees and visitors.