



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of October 10, 2017

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager

SUBJECT: Maintenance and Reimbursement Agreement between the City, BART and WestCat for the Hercules Transit Center

RECOMMENDATION: Adopt a Resolution Approving a Maintenance and Reimbursement Agreement between the City, BART, and WestCat for the Hercules Transit Center.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION: Not Applicable

FISCAL IMPACT OF RECOMMENDATION: The subject agreement replaces the City for the former Redevelopment Agency in this contract. A reconciliation of the finances for the Hercules Transit Center has been done through June 30, 2017, as agreed to by the three parties, with \$307,812.70 being owed to BART from the operating income less expenses over that period. This amount is proposed to be added to the Successor Agency's Recognized Obligation Payment Schedule (ROPS), which if approved by the State Department of Finance, would allow BART to be repaid at some time in the future from former Redevelopment Agency tax increment. On a forward going basis, the revenues and expenses will be accounted for in the City Budget under the Facilities Maintenance Internal Service Fund through a project account to more easily facilitate an annual reconciliation. Annual parking revenues from the lot are sufficient to fund the operating expenses and some needed capital improvements.

DISCUSSION: In 2009, the Hercules Redevelopment Agency, BART, and WestCat entered into an agreement for the operation of the Hercules Transit Center located on Willow Avenue which is used as a BART Park & Ride lot. This agreement has continued to be the basis for the operation of the lot though it has expired. In addition, redevelopment agencies were dissolved by a State action in 2011, and as such, it is appropriate for the City to replace the Successor Agency in an updated agreement.

The Hercules Transit Center is owned by BART, and the existing three party agreement assigns responsibilities for the operation of the facility to the three entities. Staff from the City, BART, and WestCat have met and agreed upon an updated agreement which also includes a reconciliation of the operating expenses and revenues which had not been done. This reconciliation is through June 30,

2017, after which the revenues and expenses will be accounted for in the City's budget. The base agreement and assignment of responsibilities remains substantially the same as in the prior agreement with the City assuming the responsibilities of the now dissolved redevelopment agency. The initial term of the new agreement shall be four years, with up to six annual automatic extensions for a total of ten (10) years. In addition, quarterly meetings of the three parties have been modified to be an annual meeting at which time an annual budget shall be agreed to.

In addition, there are necessary or desirable capital improvements needed for the facility. The new agreement provides for those to be identified and funded as part of the annual budget process and that any of the three parties may, upon agreement of the others, may implement the agreed upon improvements with the costs to be reimbursed from the budget for the facility. Through experience, the parties have learned that depending upon the improvements, one party may be able to better perform in a more timely and effective basis than the others.

A budget amendment will be needed to appropriate the FY 2017/18 revenues and expenses in the City Budget. These revenues and costs will be incorporated in the Facilities Internal Service Fund as a Project (#) in order to allow for future ease of tracking and reconciliation. After the new Agreement is approved by BART and WestCAT, we will return to the City Council for the necessary appropriations per the amounts set forth below in draft form:

City of Hercules -Revenue and Expenditures for the BART Parking Lot		
Fund 470 - Facility Maintenance Fund		
		Proposed FY17-18
Revenues from Parking Lot		\$ 200,000
Personnel	Maintenance Worker II	\$ 2,885
Personnel	Superintendent	\$ 2,215
Personnel	Public Works Director	\$ 590
SUBTOTAL Personnel		\$ 5,690
Operating & Maintenance	Onsite Maintenance	\$ 7,500
Operating & Maintenance	Landscaping and stormwater	\$ 15,000
Operating & Maintenance	Street Light Maintenance	\$ 15,000
Operating & Maintenance	Water - EBMUD	\$ 3,600
Operating & Maintenance	Electricity - PG&E	\$ 18,000
Operating & Maintenance	Capital Upgrade & Infrastructure Allowance	\$ -
Operating & Maintenance	Equipment -Annual Porta Pottie Maint	\$ 3,600
Operating & Maintenance	Equipment -Annual Bike Locker Maint	\$ 2,500
Operating & Maintenance	Internal Service Fund - Admin	\$ 3,600
Operating & Maintenance	Internal Service Fund - IT	\$ 2,400
Operating & Maintenance	Internal Service Fund - Facilities	\$ 4,800
Operating & Maintenance	Internal Service Fund - Vehicle Replacement	\$ 4,800
Operating & Maintenance	Police Services	\$ -
Operating & Maintenance	WestCat for Permits	\$ 29,000
SUBTOTAL Operating & Maintenance		\$ 109,800
TOTAL OPERATING & MAINTENANCE BASE BUDGET		\$ 115,490
Net of Revenues and Expenditures		\$ 84,510
Capital Improvements		\$ 53,000
	Parking Kiosk(s) - \$20,000	
	Landscape Enhancements - \$8,000	
	LED Parking Lot Light Conversion - \$20,000	
	Contract Assistance for Capital Projects - \$5,000	
Net of Capital Improvements		\$ 31,510

The City of Hercules is the first of three agency to consider the proposed agreement. BART and WestCAT will be considering the new agreements at meetings alter this month. As such, the subject resolution approves the agreement subject to non-substantive changes as approved by the City Manager and City Attorney.

Upon the approval of the new agreement and the future formal approval of the budget amendment, the operation of the Hercules Transit Center will become a City rather than a Successor Agency obligation which is sustainable on a longer term basis and is appropriate given the dissolution of Redevelopment Agencies.

ATTACHMENTS:

1. Resolution
2. Maintenance & Reimbursement Agreement