

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 7/10/2024

Staff Report No. 17-232d

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: Line U Transit Service Agreement First Option Year

ACTION ITEM

AGENDA PLANNING REQUEST: ☐

RECOMMENDED ACTION(S):

Consider authorizing the General Manager to exercise the first of five one-year options under agreements with Stanford University (the “University”) and Stanford Health Care (ther “Hospital”) to continue operating Line U service at no cost to the District through August 31, 2025.

Staff Contact:
Ramakrishna Pochiraju, Executive Director of Planning & Engineering

STRATEGIC IMPORTANCE:

Goal - Convenient and Reliable Service
Initiative - Financial Efficiency and Revenue Maximization

Line U provides a critical mode of travel along the regionally significant Dumbarton Bridge corridor at no expense to the District.

BUDGETARY/FISCAL IMPACT:

The cost to operate Line U service from September 1, 2024 through August 31, 2025 is \$1,130,360 based on an hourly rate of \$266.16. Regional Measure 2 (RM2) bridge toll revenues will fund a fixed amount of \$311,238, with the remaining costs split between the University and the Hospital. Exercising the first one-year options and operating Line U service for through August 31, 2025 will have a net-zero budget impact on the District.

BACKGROUND/RATIONALE:

On August 9, 2017, the AC Transit Board of Directors authorized the General Manager to enter into two Transit Service Agreements - one each with Stanford University (the University) and Stanford Health Care (the Hospital) - for operation of Line U service. The Transit Service Agreements state that Line U service would be equally funded by the University and the Hospital, less the fixed RM2 contribution, with no funding obligation from the District.

The original agreements were set to expire on August 31, 2023, but both the University and the Hospital

expressed their desires to extend the existing Transit Service Agreements. Given the District's commitment to the Realign plan and the flexibility needed to implement its recommendations, District staff proposed, and the University and the Hospital accepted, an amendment to extend the contract for a single year ending August 31, 2024, and provide for a total of five one-year options should all parties agree to continue Line U service for subsequent years. The last option year would extend the agreement's term through August 31, 2029. The structure of the agreement terms permits the District to be nimble in implementing Realign-associated changes for Line U, if any, and also grants the University and the Hospital time to assess options for alternative service should they decide Line U service as operated by the District no longer meets their needs.

ADVANTAGES/DISADVANTAGES:

The primary advantage of exercising the one-year option to continue to operate Line U with funds from the University and the Hospital is enabling the District to provide commuter express bus service across the Dumbarton Bridge for residents and commuters in the service area to a major employment center, at no cost to the District. The disadvantage of exercising the options is the resources required to operate the service for two private organizations that have mitigation requirements to cap the number of auto trips generated by its staff, students, and employees.

ALTERNATIVES ANALYSIS:

Given that the costs to operate the service will come from outside sources, there are no viable alternatives to the staff recommendation other than to not operate the service and use the labor and vehicle resources elsewhere in the District. However, given the structure of the agreements with the University and Hospital, and the partnerships utilized to operate Line U, staff considers it be a worthwhile service to continue operating.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report 17-232c Line U Transit Service Agreements

ATTACHMENTS:

None

Prepared by:

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Approved/Reviewed by:

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Ramakrishna Pochiraju, Executive Director of Planning & Engineering

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Shayna van Hoften, Interim General Counsel/Chief Legal Officer