MEMORANDUM

TO: Oversight Board

FROM: Tiffany Bohee
Executive Director

SUBJECT: Authorizing a permit to enter with the City and County of San Francisco, a municipal corporation, acting by and through its Municipal Transportation Agency and Alta Bicycle Share, Inc., an Oregon corporation (collectively, "Permittees"), for a bike share station at Yerba Buena Gardens for a period of two years, from August 1, 2014 to July 31, 2016, extending Permittees’ pre-existing right to enter which terminated on July 31, 2014; former Yerba Buena Center Redevelopment Project Area

EXECUTIVE SUMMARY

In August 2013, the Successor Agency, the City and County of San Francisco, acting by and through its Municipal Transportation Agency ("SFMTA") and Alta Bicycle Share, Inc. ("Alta"), entered into a one-year permit-to-enter to place a bike share station near the corner of Third and Howard Streets in Yerba Buena Gardens ("YBG") (see Exhibit A for photos of the YBG bike station), pursuant to the Successor Agency’s Permit-to-Enter Policy. 1 The permit expires on July 31, 2014. The YBG bike station has been successfully operating over the past year and SFMTA and Alta would like to continue operations at YBG for an additional two-year period. The Successor Agency’s Permit-to-Enter Policy requires the approval of the Commission on Community Investment and Infrastructure ("Commission") for a permit (or series of permits) which would cause the aggregate permit duration to exceed twelve months. In this case, the aggregate permit duration is three years. Accordingly, on July 15, 2014 the Commission conditionally authorized a two-year permit-to-enter (the “Bike Station Permit”) with SFMTA and Alta, pending approval of the Oversight Board and the State of California’s Department of Finance ("DOF").

DOF has stated that permits to enter on property subject to transfer under the Successor Agency’s Long-Range Property Management Plan ("PMP") require review and approval by the Oversight Board and DOF. The DOF has indicated it would not object to the Bike Station Permit, provided the Oversight board approved the Bike Station Permit.

The proposed Bike Station Permit, which is attached as Exhibit B to this memorandum, will have no financial implication for the taxing entities, and will in fact protect them from liability, since Alta will indemnify the Successor Agency and provide full insurance coverage for the term of the permit.

Staff recommends authorizing the Bike Station Permit with SFMTA and Alta.

1 The Successor Agency’s Permit-to-Enter Policy was adopted on April 1, 2008 by Resolution No. 13-2008.
DISCUSSION

In August 2013, the Bay Area Air Quality Management District (the “Air District”) launched a regional bicycle share system along the San Francisco peninsula in several cities including San Francisco. The Air District is the project lead and has partnered with SFMTA and other city agencies to administer and implement this regional bike share project. The bike share program is a membership-based system of short-term bicycle rentals where members can check a bicycle out from a network of automated bicycle stations, ride to their destination, and return the bicycle to a different station. See Exhibit C for SFMTA’s fact sheet about the bike share system in San Francisco, which also includes a map of city-wide locations.

The Air District, as the overall project lead agency, contracts with Alta to procure the bike share equipment and SFMTA, as a member of the regional partnership working with the Air District, is implementing the bike sharing program as the lead agency in San Francisco. In early 2013, SFMTA and Alta identified YBG as one of the initial 35 bike share locations in San Francisco. The variety of land uses, convention visitors, and residents in the area makes YBG an excellent station location. This location also provides connections to existing bikeways and maintains adequate distances from other stations around San Francisco.

The YBG Bike Share Station

The bike share station is located on about 300 square feet of land near the Successor Agency’s Yerba Buena Center for the Arts complex and the Moscone Convention Center. The station consists of a 19-dock bike share station, a pay station, a map panel, and is about 50 feet in length and six feet wide (with docked bikes). Alta is responsible for the installation, maintenance, operation, and eventual removal of the bike share station. The bike share station is in operation 24 hours a day, 365 days per year. Alta re-distributes bicycles among various sites in San Francisco throughout the day to ensure no station — including YBG’s — is over or under occupied. Alta’s operations staff also perform site and bicycle maintenance (repair of damaged and/or malfunctioning bicycles or docking stations and removal of offensive graffiti) once every two weeks and on an as-needed basis.

SFMTA reports that between August 2013 and April 2014 about 3,400 bike trips originated from the YBG bike share station — the majority of those trips (990) were to the Caltrain Station at Fourth and Howard Streets. About 3,500 bike trips concluded at the YBG bike share station — the majority of those trips (897) originated at the Caltrain Station.

Proposed Bike Station Permit

The YBG bike station has been successfully operating over the past year and SFMTA and Alta would like to continue operations at YBG for an additional two-year period. OCII’s Permit-to-Enter Policy requires Commission approval for a permit (or series of permits) which would cause the aggregate permit duration to exceed twelve months. In this case, the aggregate permit duration is three years. Accordingly, on July 15, 2014 the Commission conditionally authorized the Bike Station Permit with SFMTA and Alta, pending the approval of the Oversight Board and DOF.
DOF has stated that permits to enter on property are subject to transfer under the Successor Agency’s PMP require review and approval by the Oversight Board and DOF. DOF has also stated it would not object to the Bike Station Permit, provided the Oversight Board approved the Bike Station Permit. Some of the key terms of the proposed Bike Station Permit include:

- **Term.** The term will run for two years, from August 1, 2014 to July 31, 2016.

- **Insurance and Indemnification.** Alta will indemnify the Successor Agency and provide full insurance coverage for the term of the Bike Station Permit.

- **Termination and Assignment.** In November 2013, the Successor Agency submitted to DOF its PMP for the disposition of YBG. The PMP is still under review by DOF. Once DOF approves the YBG PMP, the Successor Agency will effectuate a transfer of its YBG real estate assets, including the area with the YBG bike share station, to the City and County of San Francisco (the “City”). According to the terms of the Bike Station Permit, if the transfer occurs during the term of the Bike Station Permit, then the Successor Agency’s Executive Director may (1) terminate the Bike Station Permit, or (2) assign the Successor Agency’s interest in the Bike Station Permit to the City upon the transfer of YBG.

The proposed Bike Station Permit will have no financial implication for the taxing entities. In fact, it will protect the taxing entities from liability, since, as noted above, Alta will indemnify the Successor Agency and provide full insurance coverage for the term of the permit.

**Bike Share Station Use Consistent with a Governmental Purpose Transfer**

The Successor Agency’s YBG properties were constructed and used for a governmental purpose (i.e., parks, recreational facilities, children’s facilities, cultural facilities). In November 2013, the Oversight Board proposed, through its approval of the PMP, a transfer of the YBG properties to the City for a governmental purpose. The bike share station use at YBG is consistent with the governmental purposes described in the PMP.

**California Environmental Quality Act (“CEQA”)**

The bike share station has been in use at YBG for the past year. Pursuant to CEQA Guidelines Section 15301, Class 1 – Existing Facilities, authorizing the Executive Director to execute the Bike Station Permit provides for the continuation of an existing use that involves “negligible or no expansion of an existing use...[related to] existing bicycle and pedestrian trails, and similar facilities.” Therefore, the Bike Station Permit for an existing bike share station at YBG is categorically exempt from CEQA review.
STAFF RECOMMENDATION

Given the success of the YBG bike share station over the past year, staff recommends authorizing the two-year Bike Station Permit with SFMTA and Alta.

(Originated by Denise Zermani, Senior Development Specialist, Real Estate and Development Services)

Exhibit A: Photos of YBG Bike Station
Exhibit B: Bike Station Permit (without attachments)
Exhibit C: SFMTA Fact Sheet and Map