



Office of the City Manager

CONSENT CALENDAR
March 26, 2019

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Phillip L. Harrington, Director, Department of Public Works
Subject: Adopt a Resolution of Intent to Consider a FlixBus Franchise Agreement for Long-Distance Bus Service

RECOMMENDATION

Pursuant to Berkeley Municipal Code Chapter 9.60, adopt a Resolution declaring the Council's intention to consider at a public hearing, set for April 30, 2019, at 6:00 p.m., whether to grant a franchise to FlixBus, Inc. to provide long-distance bus service to the Berkeley public.

FISCAL IMPACTS OF RECOMMENDATION

The current proposal is for the FlixBus stop to be located on the University of California, Berkeley (UC Berkeley) campus on the West Crescent, east of Oxford Street between Center and Addison Streets. The fees associated with the Franchise Agreement are proposed to be structured as follows:

- With the FlixBus stop located on the UC Berkeley campus, as currently proposed, the franchise fee would consist of a roadway usage fee of \$0.10 per trip, for an annual total of \$169 to be deposited in the General Fund (Fund 011). This is in addition to the diesel fuel tax collected by the State, part of which is returned to the cities for roadway maintenance.
- If FlixBus instead were to locate its stop within City right-of-way, a bus-stop maintenance fee of \$400 would be added to the roadway usage fee, for an annual total of \$569. The maintenance fee would be deposited in the General Fund (Fund 011).
- If the FlixBus stop were to be located in the City right-of-way where there are currently metered parking spaces, FlixBus would also pay the parking meter rate for the total annual dwell time of the buses. This amount is estimated to be \$986 for the first year, for a total annual fee of \$1,555 (\$169+\$400+\$986). The parking meter fee would be deposited into the Parking Meter Fund (Fund 631).

In addition to the above-listed fees, FlixBus would need to separately pay a permit application fee, to reimburse staff time for reviewing the application, before being issued

a permit for any bus stop proposed to be located within City right-of-way. As mentioned above, the current proposal is for the FlixBus stop to be located on the UC Berkeley campus.

CURRENT SITUATION AND ITS EFFECTS

There is no direct access to long distance (intercity or interstate) bus service in Berkeley. Current operators (Greyhound, Megabus, Hoang Express) have their stops in Oakland, the closest of which is the Greyhound bus terminal on San Pablo Avenue at 21st Street. The only Berkeley access to long-distance public transportation is the train station on Second Street, which is served by Amtrak's Capitol Corridor line that runs between the Bay Area and Sacramento.

This lack of direct access to long-distance public transportation is surprising given that Berkeley is home to the UC Berkeley campus, which attracts a substantial number of out-of-town students. UC Berkeley in particular has a high concentration of students and individuals who originate from California's central and southern areas.

FlixBus is a long-distance bus company proposing routes that will connect Berkeley to Southern California and Salt Lake City, Utah, with points in between. The company has obtained approval from the California Public Utilities Commission (CPUC) to provide intercity bus service and is already operating at a bus stop in San Francisco. They have worked with UC Berkeley staff to locate a stop on campus adjacent to Crescent Lawn, situated between University Avenue and Center Street east of Oxford Street. They plan to start serving Berkeley in spring 2019.

The City Attorney determined upon a review of the City's Charter that FlixBus must obtain a franchise agreement before operating transportation services on public streets.

BACKGROUND

Council directed the City Manager to initiate a franchise agreement with FlixBus on October 30, 2018. FlixBus contacted staff in late 2017 regarding their desire to provide service in the City and worked with Council, as directed by the Berkeley Municipal Code Chapter 9.60, to get the initiation of a franchise agreement referred by Council to the City Manager.

The City's General Plan contains several policies and actions to support the expansion of public transportation. Entering into a franchise agreement to allow FlixBus service in Berkeley is consistent with "Policy T-2: Public Transportation Improvements: Encourage regional and local efforts to maintain and enhance public transportation services."

FlixBus originated in Europe in 2013 and is currently providing international long-distance bus service between twenty-eight (28) European countries. The company received California Public Utilities Commission (CPUC) approval on June 12, 2018 for operating intrastate long-distance bus service and has begun operations in California, Nevada, and Arizona.

FlixBus is responsible for network planning, customer service, quality management, marketing and sales, ticketing, pricing, and business development. The company employs existing regional bus operators for the day-to-day transporting of passengers. All buses are equipped with Wi-Fi and power outlets and allow bicycles on-board as luggage. Fare prices are dynamic. As an example, one-way fares from the Bay Area (San Francisco or Oakland) to Los Angeles range from \$4.99 to \$54.99, depending on date and time of travel.

ENVIRONMENTAL SUSTAINABILITY

FlixBus will provide long-distance bus service to visitors and residents of Berkeley and will integrate into the existing transportation network. Buses are one of the most efficient methods of transportation. At a conservative estimate of 5 mpg, a bus carrying half of its capacity, 27 passengers, has an effective fuel economy of 135 passenger miles per gallon, dwarfing that of even the most efficient hybrid personal vehicles which average 45 miles per gallon. Furthermore, buses reduce the number of vehicles on the road, and thus reduce congestion. FlixBus is proposing and promoting carbon-dioxide offsets as an option with ticket purchase to every customer. The FlixBus service will help the City achieve the Berkeley Climate Action Plan greenhouse gas emission reduction targets of 33% below year 2000 levels by the year 2020, and 80% below year 2000 levels by 2050.

RATIONALE FOR RECOMMENDATION

FlixBus will address public demand for direct access to long-distance public transportation. The current proposal to locate the Berkeley bus stop on the western edge of the UC Berkeley campus places it in close proximity to the City's downtown, a transit-rich environment that provides direct and convenient access for Berkeley residents, visitors and the campus community.

ALTERNATIVE ACTIONS CONSIDERED

Council could opt to have language edited, added, or removed from the franchise agreement. Council could also reject the franchise agreement in totality, which would result in no direct access in Berkeley to this long-distance bus service.

CONTACT PERSON

Farid Javandel, Transportation Division Manager, Public Works, (510) 981-7061
Beth Thomas, Principal Planner, Public Works, (510) 981-7068

Attachments:

- 1: Resolution
- 2: Flix Bus Route Maps

RESOLUTION NO. –N.S.

SETTING A PUBLIC HEARING DATE TO CONSIDER GRANTING A FRANCHISE TO FLIXBUS, INC.

WHEREAS, the City of Berkeley currently has no direct access to long-distance (interregional or interstate) bus service; and

WHEREAS, FlixBus, Inc. (FlixBus) originated in Europe in 2013 and is currently providing international long-distance bus service between twenty-eight (28) European countries; and

WHEREAS, FlixBus received California Public Utilities Commission (CPUC) approval on June 12, 2018, for operating intrastate long-distance bus service and has begun operations in California, Nevada, and Arizona; and

WHEREAS, FlixBus has proposed to provide long-distance bus service to Berkeley residents by way of locating a bus stop within the City; and

WHEREAS, the City entering into a franchise agreement to allow FlixBus service in Berkeley is consistent with City General Plan Policy T-2: “Public Transportation Improvements: Encourage regional and local efforts to maintain and enhance public transportation services”; and

WHEREAS, FlixBus, in coordination with staff of the University of California, Berkeley (UC Berkeley), has identified a location for a bus stop on the UC Berkeley campus and has developed a fee schedule and a list of deliverables for FlixBus to operate at the stop; and

WHEREAS, the Council of the City of Berkeley approved on October 30, 2018, a referral to staff to initiate a franchise agreement with FlixBus for the provision of long-distance bus service to the City; and

WHEREAS, City staff has worked with FlixBus to develop a draft Franchise Agreement and fee structure to authorize FlixBus to provide long-distance bus service to the public in the City, subject to the issuance by the City of permits for any bus stop locations in City right-of-way prior to installation; and

WHEREAS, with the FlixBus stop located on the UC Berkeley campus, the franchise fee would consist of a roadway usage fee of \$0.10 per trip, for an annual total of \$169 to be deposited in the General Fund (Fund 011); and

WHEREAS, if the FlixBus stop were to be located within City right-of-way, a bus-stop maintenance fee of \$400 would be added to the roadway usage fee, for an annual total of \$569 to be deposited in the General Fund (Fund 011); and

WHEREAS, if the FlixBus stop were to be located in the City right-of-way where there are currently metered parking spaces, FlixBus would also pay the parking meter rate for the total annual dwell time of the buses, estimated to be \$986 for the first year, for a total annual fee of \$1,555 (\$169+\$400+\$986) to be deposited into the Parking Meter Fund (Fund 631).

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that, pursuant to Article XII, Section 76 of the Charter and Berkeley Municipal Code Chapter 9.60, it is the Council's intention to consider the application from FlixBus, Inc. for a franchise to operate long-distance bus service in Berkeley;

BE IT FURTHER RESOLVED that a public hearing shall be held before the City Council at 6:00 p.m. on the 30th day of April 2019 in the Berkeley Unified School District Board Room, 1231 Addison Street, Berkeley California. Following the hearing, the Council will consider the award of a franchise to FlixBus, Inc.;

BE IT FURTHER RESOLVED by the Council of the City of Berkeley that the City Clerk is directed to publish said notice in the official newspaper at least once within ten days after the passage of this resolution and make available copies of the proposed franchise in the office of the City Clerk.

Route 2001



Berkeley is part of our main 2001 line. It connects Sacramento, the Bay Area, and Los Angeles.

FlixBus has implemented a multi-stop strategy in the Bay Area and Los Angeles, allowing customers to enjoy more convenient pick-up and drop-off locations for their intercity journeys.

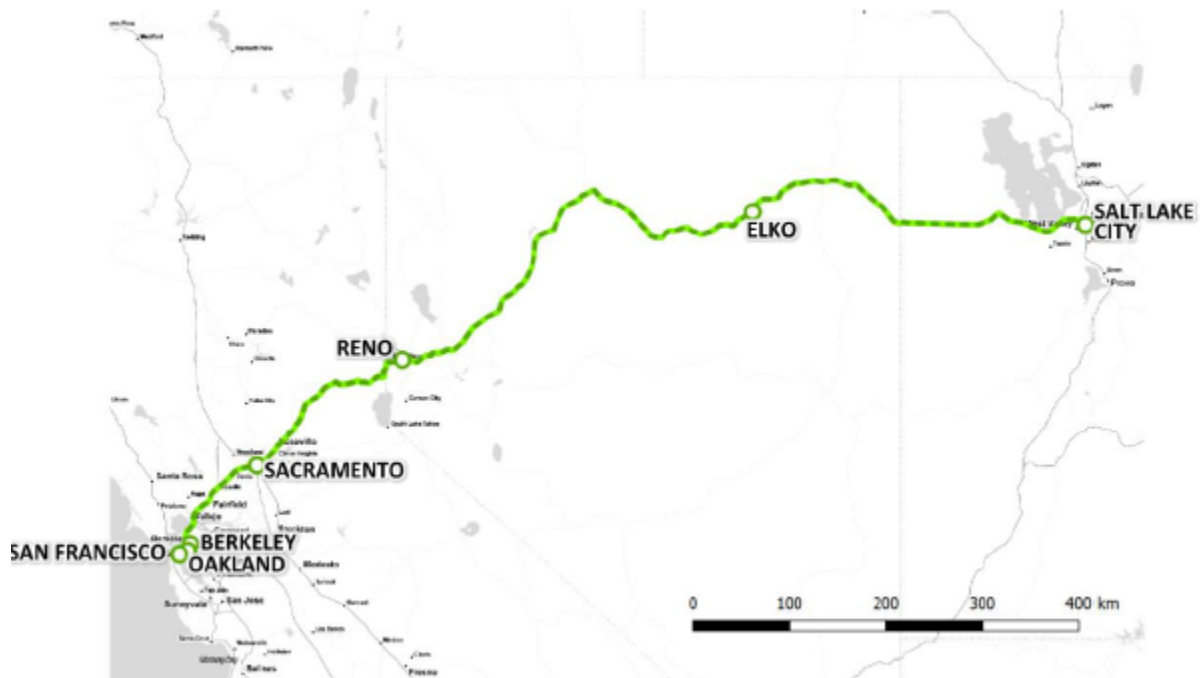
Route N2007



The N2007 is an overnight bus, connecting wine country with the east Bay Area, Los Angeles and San Diego.

FlixBus will employ a multistop strategy in LA and San Diego, allowing for more direct and convenient trips for passengers. This line passes through Anaheim, creating a connection to the Disneyland parks and resorts.

Route N2301



The N2301 is an overnight bus, connecting the Bay Area with Nevada and Salt Lake City.