

Kate Harrison  
Councilmember District 4

## **REVISED AGENDA MATERIAL for Supplemental Packet 1**

**Meeting Date:** March 9, 2021

**Item Number:** 21

**Item Description:** Budget Referral: Allocate Transportation Network Companies User's Tax Proceeds and other General Fund Revenues to Support Priority Protected Bicycle Boulevards and the Street Repair Program

**Submitted by:** Councilmember Harrison

The item has been amended to:

- Clarify that bicycle funding will support Tier 1 protected bicycle lanes and crossings, including but not limited to quick-build projects;
- Include funding for quick-build public transit projects under the Street Repair Program that encourage transit use and either directly or indirectly reduce greenhouse gas emissions.



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Councilmember District 4

CONSENT CALENDAR  
March 9, 2021

To: Honorable Mayor and Members of the City Council

From: Councilmember Harrison, Mayor Arreguín, Councilmembers Robinson and Taplin

Subject: Budget Referral: Allocate Transportation Network Companies User's Tax Proceeds and other General Fund Revenues to Support Priority Tier 1 Protected Bicycle Boulevards Lanes, Crossings, Demonstration Paving Projects, and/or Quick-build Public Transit Projects Under the Street Repair Program

RECOMMENDATION

1. Refer to the June, 2021 budget process:
  - a. The first \$500,000 in expected Transportation Network Companies (TNC) User's Tax General Fund revenue toward the construction and maintenance of 18.4 miles of Tier 1 priority-protected bicycle boulevards lanes and crossings, including but not limited to quick-build projects; and
  - b. \$410,000 in expected TNC Tax revenue as revenues become available and an additional \$90,000 from other General Fund revenue to supplement demonstration paving projects and/or quick-build public transit projects under the Street Repair Program that either directly or indirectly reduce greenhouse gas emissions.
2. Refer to the Transportation Commission to make recommendations to the Council as to allocation of TNC User's Tax in subsequent budget cycles, including consideration of bicycle and transit infrastructure.

BACKGROUND

A Metropolitan Transportation Commission report warns that Berkeley's overall paving condition is "At Risk," meaning on the cusp of falling into "Failing" category.<sup>1</sup> The current five-year paving plan is the result of historic deferred maintenance and an underfunded,

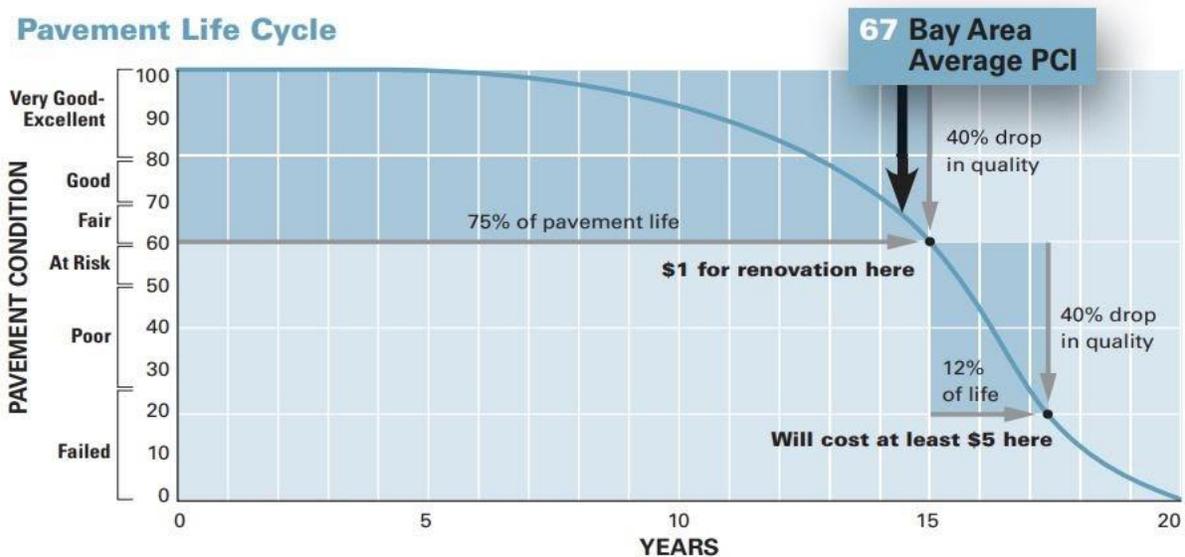
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<sup>1</sup> "The Pothole Report: Bay Area Roads At Risk," Bay Area Metropolitan Transportation Commission, September 2018, [https://mtc.ca.gov/sites/default/files/Pothole%20Report%20III\\_September%202018.pdf](https://mtc.ca.gov/sites/default/files/Pothole%20Report%20III_September%202018.pdf)

imperfect and complex balance between arterial, collector and residential streets distributed across Council districts.

Residential streets across the entire city are largely categorized as failing and bicycle, pedestrian and Vision Zero projects are severely underfunded. Meanwhile, neighboring cities in the Bay Area, such as Richmond, El Cerrito, San Francisco have “Excellent/Very Good” to “Fair/Good” streets conditions.

The Public Works Department has advised that ongoing funding under the rolling 5-Year Street Plan will not be enough to stabilize Berkeley’s streets. In fact, if street investment is not increased, Public Works warns that the City could face \$1 billion in future repair costs as the cost of deferred paving maintenance increases exponentially each year.

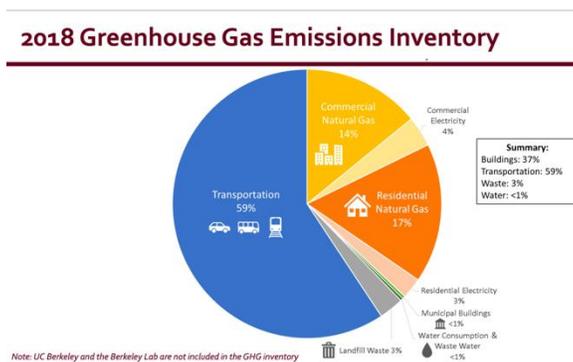


Since January 2020, the Facilities, Infrastructure, Transportation, Environment, & Sustainability Committee has been working with the Public Works Department and Public Works Commission to explore funding opportunities to enhance the Paving Condition Index (PCI) of Berkeley’s streets. In addition, it has been reviewing the City’s Paving Policy, which was last updated in 2009, and has been working to develop a Paving Master Plan.

To stabilize street conditions, the City will likely need to pursue a combination of investment strategies ranging from increasing General Fund allocations, initiating transfers from waste and sewer accounts, initiating impact fees in response to heavy

vehicle use and potentially issuing bonds. However, before going to the voters for new bonds, it is critical that the Council exhaust all equitable alternatives, including leveraging the proceeds of existing taxes and fees on private corporations who contribute disproportionately to the deterioration of Berkeley's streets and greenhouse gas emissions.

A recent University of Oxford study concluded that even partial substitution of vehicle travel with walking, cycling or e-biking are critical strategies for addressing climate change and lower mobility-related lifecycle CO<sub>2</sub>, and that cyclers have 84% lower CO<sub>2</sub> emissions impact as compared to non-cyclers.<sup>2</sup> According to the study, urban residents substituting one vehicle trip per day with cycling reduced their carbon footprint by 0.5 tons per year, and "[i]f just 10% of the population were to change travel behaviour, the emissions savings would be around 4% of lifecycle CO<sub>2</sub> emissions from all car travel."



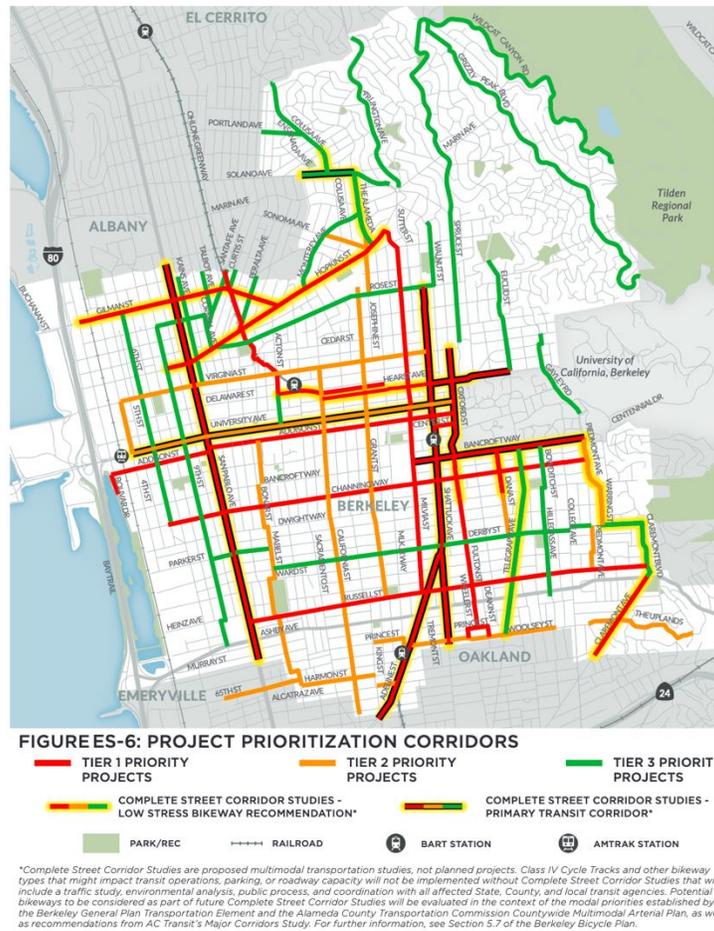
Berkeley voters overwhelmingly passed the TNC User's Tax (Measure GG) in 2020 with a 50-cent fee per rideshare trip specifically in order to generate "at least \$900,000 annually to support general municipal services like paving streets and improving pedestrian and bicycle infrastructure."<sup>3</sup> City staff estimated the tax will bring in approximately \$910,000 per year.<sup>4</sup>

<sup>2</sup> "Study Shows Walking, Cycling, & e-Biking Make Significant Impact On Carbon Emissions," CleanTechnica, February 3, 2021, <https://cleantechnica.com/2021/02/03/study-shows-walking-cycling-e-biking-make-significant-impact-on-carbon-emissions/>.

<sup>3</sup> "Argument in Favor of Measure GG," Berkeley City Clerk, August 2020, <https://www.cityofberkeley.info/uploadedFiles/Clerk/Elections/GG%20-%20Primary%20in%20Favor%20-%20FINAL.pdf>

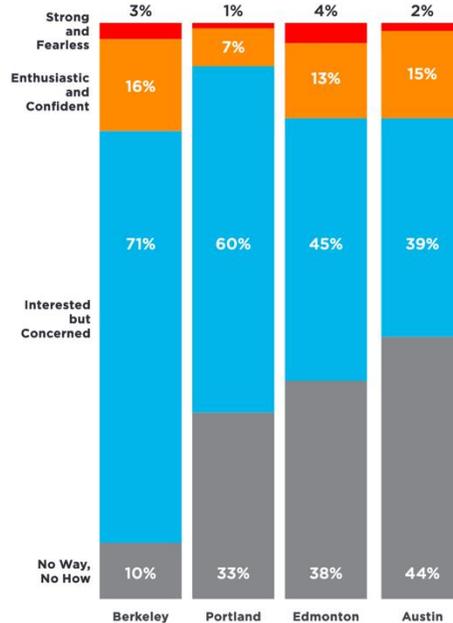
<sup>4</sup> "Placing a Tax Measure on the November 3, 2020 Ballot to Adopt a Tax on Transportation Network Companies," Berkeley City Clerk, July 21, 2020, [https://www.cityofberkeley.info/Clerk/City\\_Council/2020/07\\_Jul/Documents/2020-07-21\\_\(4pm\)\\_Special\\_Item\\_04\\_Placing\\_a\\_Tax\\_Measure\\_on\\_the\\_November\\_pdf.aspx](https://www.cityofberkeley.info/Clerk/City_Council/2020/07_Jul/Documents/2020-07-21_(4pm)_Special_Item_04_Placing_a_Tax_Measure_on_the_November_pdf.aspx)

This budget referral proposes to allocate \$500,000 from TNC Tax proceeds directly to projects aimed at building out Tier 1 priority protected bicycle boulevardslanes and crossings, including but not limited to quick-build projects, which will enhance bicycle and micro mobility safety, offset vehicle miles travelled and paving impact, and lower greenhouse gas emissions.



Surveys conducted as part of the 2017 Berkeley Bicycle Plan provided key data about the eagerness of Berkeley residents to bicycle or use other forms of mobility, assuming the City provides safe infrastructure and routes. An astonishing 70% of Berkeley residents expressed interest in bicycling but were concerned about safety. The 2017 Plan concluded: "90 percent of Berkeley residents already bicycle or would consider bicycling if the right bikeway facility or roadway conditions were available. That is a

larger percentage than any other city that has conducted a similar study, including Portland, as shown at right.”<sup>5</sup>



Roger Geller's "Four Types of Transportation Cyclists" distribution for Berkeley, Portland, OR, Edmonton, AB, and Austin, TX.

Berkeley has struggled to address its transportation GHG emissions, but the data suggest that biking and mobility options could dramatically offset vehicle miles travelled. It is in the public interest to invest general fund revenue, namely TNC Tax revenue, in street enhancements that can encourage mode shifts from vehicles to carbon-free transportation.

If Council were to allocate the TNC Tax accordingly over next ten years, the period scientists consider critical to meet global emissions reductions targets, the City could fund 50% of the total "Class 4: Cycletrack" costs provided in the Bike Plan, and thus maximize the number of Berkeleyans who deem the streets safe enough to ride. Certainly, the expenditures proposed herein will not be enough to adequately fund

<sup>5</sup> "City of Berkeley Bicycle Plan," May 2, 2017, [https://www.cityofberkeley.info/uploadedFiles/Public\\_Works/Level\\_3\\_-\\_Transportation/Berkeley-Bicycle-Plan-2017-Executive%20Summary.pdf](https://www.cityofberkeley.info/uploadedFiles/Public_Works/Level_3_-_Transportation/Berkeley-Bicycle-Plan-2017-Executive%20Summary.pdf)

Berkeley's entire bike network, but they represent an important down payment.

*Table ES-3: Summary of Project Recommendations and Cost Estimates*

TYPE	MILEAGE	COST ESTIMATE
Class 1A: Paved Path	1.5 miles	\$5,285,700
Class 2A: Standard Bike Lane	0.1 miles	\$10,700
Class 2B: Upgraded Bike Lane	3.0 miles	\$541,500
Class 3C: Sharrows	13.9 miles	\$71,600
Class 3E: Bicycle Boulevard	12.4 miles	\$621,900
Class 4: Cycletrack	18.4 miles	\$9,903,300
Complete Street Corridor Interim Treatments	17.0 miles	\$1,181,400
Intersection and Traffic Calming Improvements	-	\$16,855,000
<b>Total</b>	<b>66.3 miles</b>	<b>\$34,471,100</b>

In addition, expanding reliability and access to public transit is also key to lowering GHG emissions and improving quality of life. Revenue generated from the TNC user tax should benefit bus transit performance and the transit rider experience since transit has been particularly impacted by the influx in TNC volume and use. To demonstrate the immediate benefits of these funds to transit, projects should be implemented with AC Transit's Quick-build framework structure as pilot and demonstration projects that could be implemented in under 18 months.

The City, AC Transit and local Business Improvement Districts are developing a list of City infrastructure improvements to support transit use with a focus on prioritizing transit, including dedicated bus lanes, bulb outs and paving treatments, and improving transit rider access and experience. For example, the City could add transit shelter canopies at the stops near senior centers and enhancing benefits for nearby businesses through building parklets and other customer amenities that serve both business patrons and bus riders, with the goal of encouraging patrons to visit businesses via public transit. In addition, funding could be dedicated to a quick-build transit lane along Durant Street, as this project has been evaluated by AC Transit and City of Berkeley Transportation staff. Since preliminary coordination has been done, using these funds to augment this project would realize an immediate impact.

Any allocation will be overseen by a joint working group of AC Transit and City of Berkeley staff to quickly realize the benefits to transit. Out-years projects will be determined by the City of Berkeley Transportation Commission, or another process deemed appropriate by the City Council.

It is therefore in the public interest to allocate the remaining \$410,000 TNC Tax revenues as they become available and approximately an additional \$90,000 in General Fund revenues per year to demonstration paving projects and/or quick-build public transit projects under the Street Repair Program that either directly or indirectly reduce greenhouse gas emissions. ~~which is aimed at generally improving the paving condition of all streets and may include alternative mobility, public transit and Vision Zero, and complete streets upgrades.~~

In subsequent budget cycles, this item refers to the Transportation Commission to weigh in with regard to the allocation of TNC User's Tax. The Transportation Commission is not currently authorized to meet remotely due to COVID-19 restrictions.

#### FINANCIAL IMPLICATIONS

The item would have a net \$90,000 impact on the General Fund after considering the estimated \$910,000 revenue credited from the TNC Tax.

#### ENVIRONMENTAL SUSTAINABILITY

Reducing carbon emissions at an emergency and equitable pace is a necessary step to meet the goals of the Climate Action Plan and Climate Emergency Declaration.

#### CONTACT PERSON

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