

ANNUAL REPORT OF THE WEST San Leandro SHUTTLE BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2019-20



ANNUAL REPORT OF THE WEST SAN LEANDRO SHUTTLE BUSINESS IMPROVEMENT DISTRICT

Executive Summary & Recommendation

The Annual Report includes a brief history of the LINKS shuttle and the West San Leandro Business Improvement District (BID), ridership statistics; it's current and planned operations, the LINKS budget and the proposed BID assessment for 2020.

The LINKS Shuttle service is administered by the San Leandro Transportation Management Organization (SLTMO). The free shuttle provides critical first-last mile transportation from the San Leandro BART station to the industrial area west of I-880 and Marina Blvd. LINKS operates Monday – Friday during peak commute hours (5:45 – 9:45 am and 3:00 – 7:00 pm).

In 2015, The West San Leandro Business Improvement District which provides the service was updated and now operates two buses each on a north and south loop. The north and south loops shorten headways to 20 minutes, provide more frequent service and reduce the round trip to about 30 minutes. Links provides 200,000 rides per year with an average of 770 rides per day.

In FY 2015-16, the SLTMO focused on getting the new service up and running smoothly and updating the LINKS branding with new signage, brochure and website. Bus benches and new signs were installed.

In FY 2016-17, the SLTMO focused on stabilizing LINKS funding by applying for grants and renewing service contracts with Kaiser Permanente and Marina Square Shopping Center. LINKS received a five year \$1.02 M Measure BB grant which helped to stabilize funding for the next several years.

In FY 2017-18, the SLTMO focused on further enhancing the service through the installation of Nextbus technology. Using a mobile app, Nextbus allows riders to find real time arrival predictions for nearby stops instantly, find stops and vehicles on a map, get walking directions and set alerts for favorite stops and times. Nextbus also provides useful administrative reports including on-time performance and passenger count information. The installation of Nextbus required updating the website, brochure and all written material, new bus stop signs and outreach to riders. Google translate and transportation resources were also added to the website further increasing accessibility to riders.

And in FY 2018-19, the SLTMO continued its focus on improved performance and rider experience, replacing the LINKS fleet with four new buses. The exterior bus branding was updated, signage on the bus exterior was improved and information racks added to the bus interior. Each bus was fitted with a drive cam which can record the interior and exterior of the bus in the event of an incident.

Following is a summary of priority activities for FY 2019-20:

Rider Survey - Conduct a rider survey to better understand rider needs, meet grant requirements and guide program planning.

Nextbus – Continue Nextbus outreach. Nextbus allows riders to find real time arrival and departure information through a mobile application.

Shuttle Stops at BART – The SLTMO will continue to work with BART to ensure that the LINKS Shuttle secures a suitable curb assignment as the planning for the new Bus Rapid Transit service is implemented and the BART station bus and shuttle stops are reconfigured.

Grants - Aggressively seek grant and other funding opportunities. The Board will continue to work with the City of San Leandro and Alameda County Transportation Commission to secure critical funding.

Revenue Diversification – Continue to diversify revenue sources by maintaining current contract with Marina Square (advertising) and seek other revenue generating opportunities.

Outreach - Outreach to employers and employees to educate and promote LINKS ridership.

West San Leandro Business Improvement District

In 2015, the West San Leandro Business Improvement District (BID) which funds approximately one-half of the LINKS service was re-authorized for 15-years and the LINKS service area was expanded.

The enabling BID Ordinance requires that an Advisory Board annually review the performance of LINKS service and recommended BID rate adjustment for submission to the City Council. In addition, the Ordinance provides that the City Council may increase the annual assessment in an amount not to exceed the increase of the Consumer Price Index (San Francisco, Oakland, San Jose), as part of its review of the annual report.

BID Board Rate Recommendation

Increase the BID per employee assessment rate equal to the increase in the Consumer Price Index (CPI) as provided for in Ordinance No. 2009-002. For 2020 the applicable CPI factor is 3.7 percent. This would result in the BID per employee rate increasing from \$23.85 to \$24.73. Businesses with three or fewer owner/employees, landlords, and non-profits will continue to be exempt from the BID assessment.

Annual Report

Background

In 2000, the City of San Leandro evaluated the feasibility of implementing a commuter shuttle service connecting west San Leandro employment sites with the San Leandro BART station. Based on the results of that study, the San Leandro Transportation Management Organization (SLTMO) and a Business Improvement District (BID) were formed to provide management and funding for the LINKS Shuttle program.

The SLTMO is a 501(C) 4 non-profit corporation governed by a Board of Directors that includes representation from businesses included in the BID and the City of San Leandro. The LINKS Shuttle service provides free transportation from the San Leandro BART station to the industrial area west of I-880, and the Marina Blvd. corridor.

Oversight of the BID is conducted by the West San Leandro Shuttle Business Improvement District Advisory Board (Advisory Board). The five to seven member Advisory Board includes two City staff designees and three to five business representatives. The Advisory Board's duties include annual review of the LINKS performance for submission to the City Council. The Ordinance authorizing the BID also provides that the City Council may increase the annual BID assessment in an amount not to exceed the increase of the Consumer Price Index as part of its review of the annual report.

BID Renewal

In 2015, the Business Improvement District was re-authorized for 15-years and the LINKS service area was expanded. BID fees are collected through the City's business license process and the BID funds approximately half of the LINKS service.

When the BID was renewed, the service was expanded providing more frequent service with shorter wait times, shorter round-trip rides and connections to businesses that previously could not access LINKS.

Current LINKS Operation

The LINKS Shuttle provides free transportation from the San Leandro BART station to the industrial area west of I-880 and Marina Blvd., a major employment center of the City and the region. LINKS operates Monday – Friday during peak commute hours (5:45 – 9:45 am and 3:00 – 7:00 pm). The service operates two buses each on a North and South Loop. Links provides 200,000 rides per year with an average of 770 rides per day.

LINKS provides critical “first and last mile” connection between transit and employers in West San Leandro, serving major employers including Coca Cola Bottling Company, Walmart and Costco, as well as small employers. There are over 1000 businesses and almost 18,000 employees in the LINKS service area. LINKS also provides transportation to commercial nodes including Marina Square Shopping Center and community services such as Davis Street Family Resource Center which serves 10,000 low-income people each year.

Participation in the LINKS BID service area helps businesses comply with the BAAQMD Commuter Benefit requirements. In 2014, the Bay Area Air Quality Management District (BAAQMD) implemented the Commuter Benefits Program that requires all employers with 50 or more full-time employees to provide commuter benefits to their employees. To comply with the Program, employers must select one (or more) of four commuter benefit options and register with BAAQMD. Participation in the LINKS BID satisfies Option 3 (“Employer Provided Transit”) under the requirements, allowing businesses to save time and money.

LINKS Budget

Funding for LINKS comes from the BID, grants, the City of San Leandro and advertising. The BID funds approximately one-half of the LINKS service. Marina Square Shopping Center purchases advertising on the LINKS buses.

LINKS received a \$1.02M Measure BB five year grant. The BB funds have stabilized the LINKS funding for the next several years at which time the SLTMO can reapply for new grant.

The SLTMO continues to pursue a variety of grant funding, however, grant funding is challenging and unpredictable. For example, grant funds are drawn on a reimbursement basis and can only be drawn as a percentage of the total expense for the reporting period. The reimbursement process impacts cash flow making it necessary to have a strong reserve balance at all times.

The LINKS budget can be found in Exhibit C.

2018-19 Activities

In FY 2018-19, The SLTMO focused on improved performance and rider experience replacing the LINKS fleet with four new buses. The old buses were at the end of their useful life and had begun experiencing routine breakdowns impacting on-time performance. The SLTMO issued a Request for Proposals (RFP) for transportation services and four new buses. Five proposals were submitted and the contract was awarded to MV Transportation. MV’s service yard is located within the LINKS BID area on Williams Street and they have been a long time partner of the LINKS service.

Looking to the future, the SLTMO researched alternative fuel vehicles but found that at this time the technology is less reliable and the vehicles require more maintenance. Because the service was replacing unreliable vehicles, it was decided that we couldn’t risk possible problems and we would wait to move to alternative fuel vehicles during the next replacement cycle.

The new buses provided an opportunity to update the exterior bus branding, improve exterior signage and provide information racks inside the buses. Each bus was fitted with a drive cam which can record the interior and exterior of the bus in the event of an incident.

Over the last year SLTMO staff worked with BART in preparation for the Bus Rapid Transit service. All shuttle stops were moved to San Leandro Blvd during construction and we are

continuing to work with BART to ensure that the LINKS Shuttle secures a suitable permanent shuttle stop.

2019-20 Planned Operations

Following is a summary of planned activities for 2019-20:

Rider Survey - Conduct a rider survey to better understand rider needs, meet grant requirements and guide program planning.

Nextbus – Continue Nextbus outreach. Nextbus allows riders to find real time arrival and departure information through a mobile application.

Shuttle Stops at BART – The SLTMO will continue to work with BART to ensure that the LINKS Shuttle secures a suitable curb assignment as the planning for the new Bus Rapid Transit service is implemented and the BART station bus and shuttle stops are reconfigured.

Grants - Aggressively seek grant and other funding opportunities. The Board will continue to work with the City of San Leandro and Alameda County Transportation Commission to secure critical funding.

Revenue Diversification – Continue to diversify revenue sources by maintaining current contract with Marina Square (advertising) and seek other revenue generating opportunities.

Outreach - Outreach to employers and employees to educate and promote LINKS ridership.

Business Improvement District Authorization

The BID is a levied benefit assessment on businesses within the BID Area, the proceeds of which shall be used for the public purposes benefits the businesses in the BID, pursuant to the Parking and Business Improvement Area Law of 1989 Section 36500 et seq. of Division 18 of the California Streets and Highways Code. All of the assessments imposed by the BID Ordinance shall be reviewed by the City Council annually based upon the annual report prepared by the advisory board appointed pursuant to Sections 36530 and 36533 of the California Streets and Highways Code. Pursuant to Section 36533(c), the City Council may approve the report as filed by the advisory board or may modify any particular contained in the report and approve it as modified.

The ordinance defines the boundaries of the BID, the amount of the annual assessment, the approved use of the assessment funds, and the effective period of the assessment. The Ordinance requires that an Advisory Board annually review the performance of LINKS for submission to the City Council. In addition, the Ordinance provides that the City Council may increase the annual assessment in an amount not to exceed the increase of the Consumer Price Index (San Francisco, Oakland, San Jose), as part of its review of the annual report.

Annual BID Rate Recommendation – 2020 Business Improvement District Assessment

Per the approved Ordinance, the BID per employee rate may be increased annually by the increase in the Consumer Price Index (CPI). For 2020 the applicable CPI factor is 3.7 percent. This would result in the BID per employee rate increasing from \$23.85 to \$24.73. Businesses with three or fewer owner/employees, landlords, and non-profits will continue to be exempt from the BID assessment.

Proactive measures taken to generate new revenue and secure grants have helped to stabilize funding for LINKS. The cash flow gap resulting from the grant reimbursement process will continue to pose a challenge for LINKS. The Measure BB grant has stabilized LINKS funding but the BB grant must be reauthorized every two years. Transportation costs have increased with the new contract.

In order to ensure that funding for LINKS stays current with operating costs, it is recommended that the 2020 BID rate be adjusted by the applicable Consumer Price Index (CPI).

EXHIBIT A – Ridership Statistics

EXHIBIT B – Brochure

EXHIBIT C – Budget