



Legislation Details (With Text)

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Title:	Approve a Resolution Accepting the Annual Report of the West San Leandro Shuttle Business Improvement District (BID) for Fiscal Year 2023-2024 and Directing the City Manager to Impose the 2024 BID Assessment Rates Increased by the Consumer Price Index (CPI) (4.2 percent)				
Sponsors:	Tom Liao				
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Attachments:	1. A - Resolution Annual Report of the West San Leandro Shuttle BID, 2. B - San Leandro LINKS Shuttle Map, 3. C - SLTMO 2023-24 Annual Report				

Date	Ver.	Action By	Action	Result
11/20/2023	1	City Council	Received and Filed	Pass

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Approve a Resolution Accepting the Annual Report of the West San Leandro Shuttle Business Improvement District (BID) for Fiscal Year 2023-2024 and Directing the City Manager to Impose the 2024 BID Assessment Rates Increased by the Consumer Price Index (CPI) (4.2 percent)

COUNCIL PRIORITY

- Sustainability & Resiliency
- Community & Business Development

RECOMMENDATIONS

Staff recommends that the City Council adopt the Resolution accepting the Annual Report of the West San Leandro Shuttle Business Improvement District (BID) for Fiscal Year 2023-2024 and direct the City Manager to impose the BID assessment at the increased rates, as recommended by the BID Advisory Board.

BACKGROUND

The West San Leandro Business Improvement District was established to provide management and funding for the LINKS Shuttle Program. In December 2014, the City Council approved Ordinance No. 2014-023 expanding the BID service area and re-establishing the BID for a period of 15-years (LINKS Ordinance). BID fees are collected through the City's business license process. The LINKS Shuttle is administered by the San Leandro Transportation Management Organization (SLTMO), a 501(c)(4) non-profit corporation.

On November 1, 2022, the SLTMO entered into a Consulting Services Agreement with ALTRANS Transportation Management Association Inc. to administer the BID and oversee operations of the

LINKS Shuttle. Prior to this time, the SLTMO contracted with Municipal Resources Group (MRG) to manage the program for a number of years.

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

The BID Advisory Board includes the City's Public Works Director and Finance Director (or their designees). The business members appointed to the Advisory Board are Kristin Anderson, Eric F. Anderson, Inc., Steve Magidson, Docustream, and Gricelda Sanchez, Alameda County Industries, Inc. The Advisory Board's duties include review of the LINKS performance and budget, and a recommendation for the BID assessment rate. On October 9, the Advisory Board met to complete the annual review of the LINKS Shuttle. The FY 2023-2024 Annual Report is attached to the Resolution for your information.

The free LINKS shuttle operates Monday - Friday during peak commute hours (5:45 - 9:45 am and 3:00 - 7:00 pm). LINKS provides critical "first and last mile" connection between BART and employers in West San Leandro, serving major employers including the Coca-Cola bottling plant and distribution center, Torani, Walmart, and Costco, as well as small employers. There are over 800 employers and 15,000 employees in the LINKS service area. LINKS also provides transportation to retail centers, including the Westgate Center and Marina Square, and the Davis Street Family Resource Center, which services 10,000 low-income people each year. With 20 years of service to the community, LINKS has provided over 3 million rides.

Participation in the BID helps businesses comply with the BAAQMD Commuter Benefits program. 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 when compared to creating their own in-house program.

Analysis

LINKS Annual Report Summary

The Annual Report includes a review of the LINKS shuttle performance, planned operations, budget and a recommendation for the 2024 BID assessment. Following is a summary of the Annual Report:

LINKS Budget

Funding for the LINKS shuttle comes from the Business Improvement District (BID), grants, the City of San Leandro and advertising.

BID revenue is funded by annual per-employee fees charged to businesses within the district through the business license process. While BID revenue declined significantly year over year in 2020, in years 2021, 2022, and 2023 revenue has increased back to pre-Covid levels of approximately \$400,000 per year. Advertising revenue is received from the Marina Square Shopping Center, which purchases advertising space on the LINKS buses.

The major source of grant funding for LINKS is the Alameda County Transportation Commission (ACTC) Comprehensive Investment Plan (CIP) Program. SLTMO received a 2022 ACTC CIP grant for operation of the LINKS shuttle for the periods of FY 2021-2-22 through FY 2025-2026 in the amount of \$1,180,088. Although the full grant request was allocated, the matching requirement for this grant cycle went from 50% to 75% reducing the allowable request and significantly impacting the LINKS budget for the next five years.

In May 2023, the Alameda CTC approved the SLTMO's application for FY 2026-2027 and 2027-2028 CIP grant funds

(funded by Alameda County transportation Measure BB & the Alameda County Transportation Fund for Clean Air (TFCA)) in the amount of \$331,000. The grant agreements are pending.

The SLTMO projected a budget deficit beginning in FY 2022-2023 as a result of reduced ACTC grant funding, increased transportation costs and the potential for unpredictable drops in BID revenue. However, restructuring of the bus service into the Dual Loop configuration has allowed for the service to continue operating with reduced funding. Implementation of the Dual Loop configuration provides the most service under projected funding levels and reduces operational costs by approximately 50%, with the goal of stabilizing LINKS funding for the next five years.

2022-2023 Activities - Implementation of Dual Interfaced Loop

In order to address the anticipated budget deficit, in 2022, the SLTMO worked with a transit consulting firm to evaluate ways to reduce costs of operating the LINKS shuttle. On July 1, 2022, the LINKS shuttle program implemented a Dual Interlaced Loop service in which all buses run along the North Loop and then the South Loop routes, stopping at the San Leandro BART Station where the routes meet.

With the Dual Loop service, there is no change to shuttle stops, service area or operating hours. However, the number of buses is reduced from four to two and the headway time between buses is increased from 20 to 30 minutes. This alternative provides the most service under projected funding levels, reduces operational costs by approximately 50% with only a 10-minute decrease in shuttle frequency and allows for expansion of service if new funding is identified.

Average daily ridership dropped from 771 in February 2020 to a low of 200 in April 2020 due to the onset of the Covid-19 pandemic. Since then, ridership steadily increased, with an average daily ridership in June 2022 of 518 rides or 71% of pre-Covid levels. LINKS ridership rebounded much more quickly during 2020 and 2021 than large transit operators such as AC Transit and BART. The continuance of LINKS ridership during Covid demonstrated that the LINKS Shuttle provides essential transportation to San Leandro businesses, employees, and the community.

As anticipated with the reduction in service vehicles and increased headway, with the implementation of the Dual Loop configuration came a reduction in ridership. At the end of FY 2022-2023 ridership was averaging 350 rides per day. This represents a 50% pre-pandemic recovery, a trend consistent with BART's recovery levels.

2023-2024 Planned Activities

Following is a summary of planned activities for FY 2023-2024:

Dual Interlaced Loop - The SLTMO Management will continue to monitor and modify the shuttle service as needed to meet riders' needs.

Outreach - The SLTMO Management will increase outreach to employers and employees to promote LINKS ridership now that riders are coming back to public transportation.

The LINKS shuttle program has launched an X (formerly known as Twitter) account to increase digital awareness, as well as provide up-to-date service information.

In addition to the route map and schedule being available on the NextBus app and website, the information will be available on Google Maps, Apple Maps, and the Transit App. The LINKS shuttle will be listed as a transit option for those using the apps to provide directions and map out their routes.

Grants - The SLTMO Management will aggressively seek local, state, and federal grants 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. Historically, the City of San Leandro has served as the financial administrator and sponsor for grants, which are typically awarded to transit agencies and cities.

2024 Annual BID Assessment Rate Recommendation

In order to ensure that funding for the LINKS shuttle stays current with operating costs, it is recommended that the 2024 BID Assessment rate be adjusted by the applicable Consumer Price Index (CPI).

Per the approved Ordinance, the BID Assessment rate per employee may be increased annually by the increase in the Consumer Price Index (CPI). Per the Bureau of Labor Statistics, the period of June 2022 through April 2023 reflects that the applicable CPI factor is 4.2 percent. This would result in the per employee BID Assessment rate increasing from

\$27.63 to \$28.79. Businesses with three or fewer owners or employees, landlords, and non-profits will continue to be exempt from the BID assessment. The CPI adjustment will raise annual BID revenues by approximately \$18,000.

After reviewing the Annual Report, the BID Advisory Board approved the 2023-2024 Annual Report and recommended that the 2024 BID Assessment rate be adjusted by the applicable Consumer Price Index (CPI).

Current Agency Policies

- Ordinance No. 2004-013, adopted June 21, 2004, amending Title 2 of the San Leandro Municipal Code to add a new Chapter 15 establishing the West San Leandro Business Improvement District
- Resolution No. 2004-153, adopted October 4, 2004, forming the West San Leandro Shuttle Business Improvement District Advisory Board
- Ordinance No. 2004-021, adopted October 18, 2004, specifying the time and manner of collecting the West San Leandro Shuttle BID assessments
- Resolution No. 2009-014, adopted February 2, 2009, approving a Resolution of Intention to re-form the West San Leandro Shuttle Business Improvement District
- Resolution No. 2010-008 RDA, adopted September 20, 2010, the Redevelopment Agency of the City of San Leandro 2010-2014 Implementation Plan. The West San Leandro-MacArthur Boulevard Project Area identifies the maintenance of LINKS as Economic Development Priority Program
- Ordinance No. 2014-023 re-establishing the West San Leandro Business Improvement District for a period of fifteen years.

Applicable General Plan Policies

Goal 15.03 of the General Plan specifically encourages the use of shuttle buses as a viable alternative to driving and Action 15.03-A urges continuation of public/private partnerships to provide shuttle services and the pursuit of grant funding opportunities for such activities.

Environmental Review

No environmental review is required for this proposed resolution.

Legal Analysis

The proposed resolution was reviewed by the City Attorney and approved as to form.

Financial Impacts

The proposed resolution has no fiscal impacts to the City.

ATTACHMENTS

- A: Resolution Accepting the Annual Report of the West San Leandro Shuttle Business Improvement District (BID) for Fiscal Year 2023-24 and Directing the City Manager to Impose the 2024 BID Assessment Rates Increased by the Consumer Price Index (CPI)
- B: LINKS Route Map
- C: San Leandro Transportation Management Organization Annual Report

PREPARED BY:

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