



## Legislation Details (With Text)

**File #:** 20-551      **Version:** 1      **Name:** SR - 2020-21 LINKS BID Annual Report  
**Type:** Staff Report      **Status:** Filed  
**In control:** City Council  
**On agenda:** 12/7/2020      **Final action:** 12/7/2020  
**Enactment date:**      **Enactment #:**

**Title:** Staff Report for a City of San Leandro City Council Resolution Accepting the Annual Report of the West San Leandro Shuttle Business Improvement District (BID) for Fiscal Year 2020-2021 and Directing the City Manager to Impose the 2021 BID Assessment Rates, Increased by the Consumer Price Index (CPI) to Provide Management and Funding for the LINKS Shuttle Program

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**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
12/7/2020	1	City Council	Received and Filed	Pass

Staff Report for a City of San Leandro City Council Resolution Accepting the Annual Report of the West San Leandro Shuttle Business Improvement District (BID) for Fiscal Year 2020-2021 and Directing the City Manager to Impose the 2021 BID Assessment Rates, Increased by the Consumer Price Index (CPI) to Provide Management and Funding for the LINKS Shuttle Program

### 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 2020-2021 and direct the City Manager to impose the BID assessment at the increased rates, as recommended by the BID Advisory Board.

At the request of the City Manager, the San Leandro Transportation Management Organization (SLTMO) staff will provide a presentation to the City Council at a future meeting regarding the provision of shuttle services. The presentation will include City Engineering/Transportation staff and will provide an overview of shuttle service operations, costs, establishment of shuttle routes, and financing shuttle operations.

### BACKGROUND

#### Business Improvement District and Annual Report

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. BID fees are collected through the City's business license process.

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.

The five to seven member Advisory Board includes the City's Engineering and Transportation Director and the Director of Finance (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 November 12, 2020 the Advisory Board met to complete the annual review of the LINKS Shuttle. The FY 2020-2021 Annual Report is attached to the Resolution.

## **Analysis**

The Annual Report includes a review of the LINKS performance, planned operations, budget and a recommendation for the 2021 BID assessment. Following is a summary of the Annual Report.

### **LINKS Shuttle - Current Operations**

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" connections between BART 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 800 employers and 15,000 employees in the LINKS service area. LINKS also provides transportation to retail centers and the Davis Street Family Resource Center, which services 10,000 low-income people each year. LINKS typically provides 200,000 rides per year with an average of 770 rides per day.

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.

## **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.

The SLTMO has had continued success with grant awards:

- Measure BB - \$1.02M (FY 17-18 - FY 21-22)
- TFCA - \$130,000 (FY 2018-19 & 2019-20)
- TFCA - \$128,000 (FY 2020-21 & 2021-22)

BID revenue declined in the past year even though collections were made before the COVID-19 pandemic was a factor. SLTMO has analyzed the data and is working with City staff to clarify the reason for the loss in revenue. To account for the decline in BID revenue between 2020 and 2019 and the possible impact of COVID-19 on businesses, staff has used conservative revenue estimates in the 2021 BID budget.

Fortunately, LINKS funding is relatively stable thanks to the Measure BB grant. However, funding challenges for the coming year include unpredictable grant funding other than Measure BB, cash flow which is impacted by the grant reimbursement process, annual transportation cost increases and possible impacts from COVID-19. The LINKS budget can be found in Exhibit C of the FY 20-21 SLTMO Annual Report (attached to the resolution).

### **2019-20 Activities**

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

In June, the LINKS service was impacted by large crowds gathering in the vicinity of the Westgate Parkway entrance to the MV Transportation facility. MV was in constant communication with the SLTMO and San Leandro Police Department. SLPD officers patrolled the area on a regular basis. No damage to the shuttles or harm to the drivers occurred and the shuttle continued to operate on its normal schedule.

Planned promotional activities were put on hold with the arrival of COVID-19. The SLTMO implemented safety protocols allowing the shuttle to continue to operate on its normal schedule. Buses are sanitized daily, the driver and riders must wear a mask, and social distancing is enforced by limiting the number of available seats. A clear driver shield has been installed on the buses between the driver and the bus entrance to protect drivers and riders. COVID updates are posted on the buses, website and Nextbus app. Riders have been complying with face mask and other COVID protocols and there have been no serious problems. Even with these measures, ridership has dropped by 60% to 300 rides per day. Fortunately, ridership is gradually climbing to pre-COVID levels and the service continues to provide rides to those who have few transportation options.

### **2020-21 Planned Activities**

Following is a summary of planned activities for 2020-2021:

- Rider Safety - Continue to provide much needed transportation following current COVID-19 safety protocols.
- 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.
- Outreach - When it is safe to expand LINKS ridership, conduct outreach to employers and employees to educate and promote LINKS ridership.

- 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.

### **2021 BID Recommendation**

In order to ensure that funding for LINKS stays current with operating costs, it is recommended that the 2021 BID rate be adjusted by the applicable Consumer Price Index (CPI).

Per the approved Ordinance, the BID may be increased annually by the Consumer Price Index (CPI). The applicable CPI factor is 1.6 percent. This would result in the BID per employee rate increasing from \$24.68 to \$25.07. Businesses with three or fewer owner/employees, landlords, and non-profits will continue to be exempt from the BID assessment. The CPI adjustment will raise approximately \$6,000, which is less than 1% of the total LINKS budget.

After reviewing the Annual Report, the BID Advisory Board approved the 2020-2021 Annual Report recommendation that the 2021 BID 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. 2008-130, adopted October 20, 2008, amending Resolution No. 2004-153, modifying the membership of the West San Leandro Shuttle Business Improvement District Advisory Board
- Resolution No. 2009-014, adopted February 2, 2009, approving a Resolution of Intention to re-form the West San Leandro Shuttle Business Improvement District
- Ordinance No. 2009-002, adopted April 6, 2009, amending Title 2 of the San Leandro Municipal Code to add a new Chapter 15 re-establishing the West San Leandro 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

**ATTACHMENTS (to resolution)**

San Leandro Transportation Management Organization Annual Report

**PREPARED BY:**

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