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Title: Staff Report for the Public Meeting Regarding the City Council of San Leandro’s Intention to Establish the West San Leandro Shuttle Business Improvement District (BID) and Ordinance of the City Council of San Leandro Amending Title 2 of the San Leandro Municipal Code to Delete Chapter 15 and to Add a New Chapter 15 Establishing the West San Leandro Shuttle Business Improvement District for a Period of Fifteen Years (January 2015 - December 2029)

Sponsors: Cynthia Battenberg

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Staff Report for the Public Meeting Regarding the City Council of San Leandro’s Intention to Establish the West San Leandro Shuttle Business Improvement District (BID) and Ordinance of the City Council of San Leandro Amending Title 2 of the San Leandro Municipal Code to Delete Chapter 15 and to Add a New Chapter 15 Establishing the West San Leandro Shuttle Business Improvement District for a Period of Fifteen Years (January 2015 - December 2029)

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council hold a public meeting and take testimony regarding the City’s intention to re-establish the West San Leandro Business Improvement District (BID). Staff further recommends that the City Council adopt the Ordinance amending Title 2 of the San Leandro Municipal Code to delete Chapter 15 and add a new Chapter 15 re-establishing the West San Leandro Shuttle Business Improvement District for a period of fifteen years.

On October 20, 2014, the City Council adopted a Resolution of Intention to re-establish the BID. In order to re-establish the BID, the City Council must hold a public meeting, hold a public hearing (scheduled for December 15, 2014) and tally the protest votes submitted by business owners within the BID, as provided for under the Parking and Business Improvement District Law of the California Streets and Highways Code (36500 et seq.).

If at the conclusion of the public hearing on December 15, 2014, there are written protests by business owners amounting to more than fifty percent (50%) of the total assessment, the BID will fail and cannot be formed. Should the protest vote be 50% or less, the City may vote to form the BID at the conclusion of the public hearing by passing the second reading of this ordinance.

BACKGROUND

The current BID, which funds approximately half of the LINKS Shuttle service, expired on June 30, 2014. In anticipation of the need to re-authorize the BID, City staff and the San Leandro Transportation Management Organization (SLTMO) engaged in an extensive process of re-evaluating the service to determine what changes would be needed to ensure that it best meets the needs of the West San Leandro industrial area. The proposal for re-authorization of the BID adjusts the BID rate and BID territory to match the plan for enhanced services that was previously presented to the City Council and the San Leandro business community.

Service Updates

After extensive outreach to businesses and in-depth work with transportation experts, City staff and the SLTMO propose to divide the LINKS route into two distinct loops. Proposed service enhancements include new service to Marina Boulevard, more frequent service with shorter headways, and reduced time required for a round-trip ride. The SLTMO is also working on other enhancements to assist riders including updated signage, benches and bus shelters and offering Wi-Fi and a digital tool that could allow riders to track the buses from their computers or phones. Re-authorization of the BID will also help businesses in the BID area to comply with new Bay Area Air Quality Management District (BAAQMD) regulations requiring businesses with 50 or more employees to provide commuter benefits to their employees.

Proposed BID Assessment

The proposed BID is a simple fee of \$21 per employee, per year. This assessment will replace the existing methodology, which combines a base fee of \$26.73 and a per-employee charge of \$11.63. If approved, the BID will include businesses within one-quarter mile of the proposed LINKS route. Businesses within one-half mile of the San Leandro Downtown BART station will be excluded from the BID (see the attached map.) The proposed assessment would also exclude businesses with three or fewer employees, landlords, non-profit businesses and home-based businesses. The annual assessment would be collected along with the City's Business License tax. Annual assessments may be increased in an amount up to the increase, if any, of the Bay Area Cost of Living Index. The proposed term of the BID is fifteen years.

BID Process

On October 20, 2014 the City Council adopted a Resolution of Intention (Resolution No. 2014-115) to re-establish the West San Leandro Business Improvement District. On September 17, 2014 all affected businesses within the proposed BID boundaries were mailed a notice of the proposal to re-establish the BID. The packet included the following pieces in a City of San Leandro envelope stamped "PUBLIC NOTICE BUSINESS IMPROVEMENT DISTRICT BID BALLOT" in red ink for emphasis.

- BID Public Hearing Notice & Information Sheet
- Map showing the shuttle route and the boundaries of the proposed BID
- Copy of the Resolution of Intention, as required by law
- A self-addressed protest card, as a convenience to those business owners that choose to register a protest.

The public hearing notice and informational sheet provides the following information: the type and purpose of assessment, who the fees affect, how the assessment is collected and the amount, and the time and place for the public hearing. The information sheet also clearly explains how to register a protest vote.

A revised public hearing notice was sent to all businesses on October 21, 2014 and included notification of this Public Meeting scheduled for December 1, 2014 as well as a new date for the public hearing, scheduled for December 15, 2014.

Protest votes are weighted by the number of employees according to the City's Business License records. For example, a protest vote from the owner of a company with 20 employees will count as 20 votes against the BID. If, at the conclusion of the public hearing on December 15, 2014, there are written protests by business owners amounting to more than fifty percent (50%) of the total number of employees, the BID will fail and cannot be formed; thus the current BID will lapse. Furthermore, no other attempt may be made to form the BID in the stated area for a period of one year. In the event that re-establishment of the BID fails, the original BID area will sunset. Also, should the protest vote be 50% or less, the City Council may vote to form the BID at the conclusion of the public hearing.

Previous Actions

- Resolution 2003-185, adopted by the City Council on September 2, 2003 approving a Resolution of Intention to form the West San Leandro Shuttle Business Improvement District.
- 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.
- Ordinance No. 2005-017, adopted October 3, 2005, amending Title 2 of the San Leandro Municipal Code to add a new Chapter 15 re-establishing the West San Leandro Business Improvement District and to sunset June 30, 2009.
- Motion, December 15, 2008, accepting the SLTMO and the BID Advisory Board's recommendation to direct staff to prepare a Resolution of Intention to re-establish the BID at current rates for a five-year term.
- Resolution No. 2009-014 declaring the City Council's intention to establish the West San Leandro Shuttle Business Improvement District (BID) and setting a Public Hearing for March 16, 2009.
- Ordinance No. 2009-002 amending Title 2 of the San Leandro Municipal Code to delete Chapter 15 and to add a new Chapter 15 establishing the West San Leandro Shuttle Business Improvement District.
- Resolution of Intention (Resolution No. 2014-115), adopted by the City Council on October 20, 2014 to establish the West San Leandro Shuttle Business Improvement District (BID) and Setting a Public Hearing Relating Thereto for December 15, 2014 (starts the 45-day process to re-establish the BID, which would levy an annual \$21 per employee assessment on the approximately 600 businesses in the BID to fund approximately 50% of an enhanced LINKS shuttle service.

Summary of Public Outreach Efforts

Staff and the SLTMO have engaged in extensive outreach in anticipation of the BID re-authorization to alert businesses to the upcoming ballot process and the proposed enhancements to the LINKS

shuttle service more generally.

Outreach efforts have included:

- One-on-one meetings with interested businesses.
- A letter detailing how LINKS relates to the new BAAQMD Commuter Benefits Program mailed to all businesses with 50+ employees on August 18, 2014.
- Information brochure mailed to all impacted businesses on August 28, 2014.
- Community meeting held on September 10, 2014.
- A redesign and update of the LINKS website.
- Public Hearing Notice and Informational Packet mailed on September 17, 2014.
- Revised Public Hearing Notice, Notice of Public Meeting and Informational Packet mailed on October 21, 2014.
- Resolution of Intention published in the Daily Review on October 21, 2014.

Legal Analysis

The public hearing notice and ordinance have been reviewed by the City Attorney and approved as to form.

ATTACHMENT

Attachment to Related Ordinance

- Proposed LINKS BID Area Map

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