



## Legislation Details (With Text)

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<b>Title:</b>	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 2019-20 and Directing the City Manager to Impose the 2020 BID Assessment Rates Increased by the Consumer Price Index (CPI)				
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12/2/2019	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 2019-20 and Directing the City Manager to Impose the 2020 BID Assessment Rates Increased by the Consumer Price Index (CPI)

### 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 2019-20 and direct the City Manager to impose the BID assessment at the increased rates, as recommended by the BID Advisory Board.

### BACKGROUND

#### Business Improvement District and Annual Report

In December 2014, the City Council approved Ordinance No. 2014-023 expanding the BID service area and re-establishing the West San Leandro Business Improvement District (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., Mike Adelson, Mr. Plastics and Steve Magidson, Docustream. The Advisory Board's duties include review of the LINKS performance and budget, and a recommendation for the BID assessment rate. On November 14, 2019 the Advisory Board met to complete the annual review of the LINKS Shuttle. The FY 2019-20 Annual Report is attached to the Resolution for your information.

## **Analysis**

The Annual Report includes a review of the LINKS performance, planned operations, budget and a recommendation for the 2020 BID assessment. Following is a summary of the Annual Report.

## **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" connection 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 1000 employers and 18,000 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 provides approximately 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.

The SLTMO conducts a rider survey approximately every three years to assess rider satisfaction and as a grant requirement. The last survey was conducted in 2016 and the SLTMO plans to conduct a new survey this year. The 2016 survey showed significant improvement in rider satisfaction most likely due to the expanded service. Overall satisfaction with the service increased with 90% of riders rating the service good to excellent. Schedule satisfaction improved significantly moving from a 64% good to excellent rating to 81%. If LINKS were not available, 23% of the LINKS riders surveyed indicated that they would drive alone demonstrating that LINKS significantly reduces single occupancy vehicle trips. Rider comments included "Great Service, "Drivers are always so kind" and "Thank you!"

## **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 most significant budget impact was higher transportation costs as a result of negotiating a new transportation contract and putting new vehicles in service. Over the last year, the service was significantly impacted by ongoing vehicle problems and replacing the old vehicles was critical.

LINKS received a \$1.02 million 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 a new grant.

The SLTMO continues to pursue a variety of grant funding. However, grant funding is always a challenge and unpredictable. For example, it was not until after staff received the Lifeline grant that staff was informed that the Measure BB grant would be reduced by that amount. Grant funds are also drawn on a reimbursement basis and can only be drawn as a percentage of total expenses for the reporting period. The reimbursement process creates cash flow issues 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, 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 lives and were experiencing routine breakdowns impacting on-time performance.

Looking to the future, 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, SLTMO decided to wait to move to alternative fuel vehicles during the next replacement cycle.

The new buses are comfortable and reliable. The exterior bus signage was updated to make the shuttles more easily identifiable. Exterior signage was improved and information racks were installed inside the buses. Each bus was fitted with a drive cam that can record the interior and exterior of the bus if there is an incident.

Over the last year, SLTMO staff worked with BART and AC Transit to prepare for the Bus Rapid Transit (BRT) service. All shuttle stops were moved to San Leandro Blvd. during construction. SLTMO is 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:

1. Rider Survey - Conduct a rider survey to better understand rider needs, meet grant requirements and guide program planning.
2. Nextbus - Continue Nextbus outreach. Nextbus allows riders to find real time arrival and departure information through a mobile application.
3. 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 BRT service is implemented and the BART station bus and shuttle stops are reconfigured.
4. 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.

5. Revenue Diversification - Continue to diversify revenue sources by maintaining current contract with Marina Square (advertising) and seek other revenue generating opportunities.
6. Outreach - Outreach to employers and employees to educate and promote LINKS ridership.

### 2019 BID Recommendation

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. Measure BB & TFCA grants have further stabilized LINKS funding, but the grants must be reauthorized every two years. Transportation costs have increased with the new contract.

Per the approved Ordinance, the BID may be increased annually by the Consumer Price Index (CPI). The applicable CPI factor is 3.5 percent. This would result in the BID per employee rate increasing from \$23.85 to \$24.68. Businesses with three or fewer owner/employees, landlords, and non-profits will continue to be exempt from the BID assessment.

After reviewing the Annual Report, the BID Advisory Board approved the 2019-20 Annual Report and Planned Operations and recommended that the 2020 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 staff report)**

- None

**ATTACHMENTS (to resolution)**

- San Leandro Transportation Management Organization Annual Report FY 2019-20
- Exhibit C - Budget FY 2019-20
- San Leandro LINKS brochure

**PREPARED BY:**

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