



Legislation Details (With Text)

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| 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 2021-2022 and Directing the City Manager to Impose the 2022 BID Assessment Rates Increased by the Consumer Price Index (CPI) for the LINKS Shuttle Program | | | | |
| Sponsors: | Tom Liao | | | | |
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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 2021-2022 and Directing the City Manager to Impose the 2022 BID Assessment Rates Increased by the Consumer Price Index (CPI) 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 2021-2022 and direct the City Manager to impose the BID assessment at the increased rates for the LINKS Shuttle Program, as recommended by the BID Advisory Board.

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. The West San Leandro Business Improvement District is managed by the San Leandro Transit Management Organization (SLTMO). 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 the BID 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 in 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 October 6, the Advisory Board met to complete the annual review of the LINKS Shuttle. The FY 2021-2022 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 2022 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 the critical "first and last mile" connection between BART and employers in West San Leandro, serving major employers including Amazon, 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. Like all transportation services, the number of rides has dropped since the beginning of the COVID-19 pandemic. Ridership is gradually increasing and is currently 340 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.

2020-21 Activities

Last year, the SLTMO focused on providing reliable transportation to LINKS riders during the COVID-19 pandemic. LINKS continued to operate on its normal schedule following safety protocols including daily bus cleaning, mask requirements, social distancing and installation of driver shields.

Ridership dropped 72% but is gradually increasing. The shuttle is currently providing 380 rides per day, a reduction of 48%. To put this into perspective, the number of rides on the Emery Go-Round Shuttle in Emeryville first dropped 90% and is currently down 75-80% and BART ridership is down 75% as of August 2021. While LINKS continued to operate on its normal schedule, many shuttle services including the Emery Go-Round reduced routes and service hours. LINKS ridership during COVID-19 demonstrates that the LINKS Shuttle provides essential transportation to San Leandro

businesses, employees and the community.

During this period, the SLTMO worked with BART and AC Transit on the new shuttle stop configuration at the San Leandro BART station. The new shuttle stops for LINKS, FLEX Paratransit and the Kaiser Shuttle have been finalized and the City is working with BART on the stop markings, signs and way-finding signage.

The SLTMO submitted a 2022 Alameda CTC CIP grant application for a five-year Measure BB and TFCA grant in the amount of \$1,180,088. Alameda CTC staff is recommending full funding.

Under challenging circumstances, LINKS continues to provide reliable transportation to San Leandro residents and employees.

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.

2022 Alameda CTC CIP Grant (Measure BB & TFCA) - \$1,180,088

Alameda CTC staff is recommending full funding of the 2022 CIP five-year grant application for the LINKS shuttle in the amount of \$1,180,088. While this is good news, the matching requirement for the new grant cycle went from 50% to 75% reducing the allowable grant request from \$2.1 million to \$1.18 million, and significantly impacting the LINKS budget for the next five years.

Business Improvement District Revenue

BID revenue significantly declined year over year in 2020. The collections were made in January and February 2020 before COVID-19 was a factor. SLTMO analyzed the data and is working with City staff and the City's business license vendor to get clarification and address issues. Fortunately, 2021 BID revenue has returned to pre-2020 levels. The City continues to receive year over year BID revenue reports, which allows the SLTMO to monitor collection and address any problems in a timely manner.

Projected Budget Deficit

The SLTMO is projecting a significant budget deficit beginning in FY 2022-2023 resulting from several factors that may lead to reduction in service:

- New Alameda CTC matching requirements that limit the allowable grant request.
- Unpredictable BID revenue.
- Projected transportation cost increases.

Five-year Funding and Operational Plan

To proactively address the projected deficit, SLTMO has contracted with a transportation consulting firm to conduct a thorough analysis of the existing service, develop service alternatives based on high and low funding scenarios and include forecasts of expenses related to contracting of services and potential fleet replacement costs with gas and battery electric vehicle options. SLTMO is meeting with Alameda CTC and gave the City Council Facilities and Transportation Committee a brief overview of the projected LINKS deficit and the impacts of the matching policy change.

In 2015 the SLTMO expanded the LINKS service, renewed the Business Improvement District for

fifteen years and secured five-year Measure BB funding, which put the service on stable operational and financial footing for five plus years. The goal of the current transit study is to again develop a five-year funding and operational plan.

2021-22 Planned Activities

Following is a summary of planned activities for FY 2021-2022:

Rider Safety - Continue to provide much needed transportation following current COVID-19 safety protocols.

Transit Study - 5-Year Plan - Working with a transportation consultant, conduct an analysis of the current service and develop a five-year operational and funding plan.

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 the current contract with Marina Square (advertising) and seek other revenue generating opportunities.

Outreach - When it is safe to expand LINKS ridership, conduct outreach to employers and employees to educate and promote LINKS ridership.

2022 BID Recommendation

In order to ensure that funding for LINKS stays current with operating costs, it is recommended that the 2022 BID rate should 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 3.2 percent. This would result in the BID per employee rate increasing from \$25.07 to \$25.87. 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 \$11,000, which is less than 1% of the total LINKS budget.

After reviewing the Annual Report, the BID Advisory Board approved the 2021-2022 Annual Report and recommended that the 2022 BID rate should 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. 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:

Lars Halle, Development Coordinator