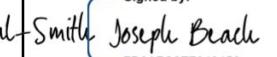
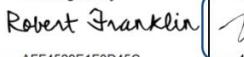
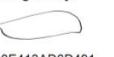




## EXECUTIVE DECISION DOCUMENT

<b>GENERAL MANAGER APPROVAL:</b>		DocuSigned by:  47000790F2D7463...	<b>GENERAL MANAGER ACTION REQ'D:</b> NA		
<b>DATE:</b>	1/12/2026	1/16/2026	<b>BOARD INITIATED ITEM:</b> Yes		
<b>Originator/Prepared by:</b> Kasheica McKinney <b>Dept:</b> Transit Oriented Development <b>Signature/Date:</b>	<b>General Counsel</b> DocuSigned by:  2528C067C44147D... 1/14/2026	<b>Chief Financial Officer</b> Signed by:  7D9A7C6E7348456... 1/14/2026	<b>District Secretary</b> DocuSigned by:  AFF4529E1F0D45C... 1/16/2026	<b>BARC</b> DocuSigned by:  43D0E413AD6D491... 1/14/2026	
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### BART's Labor Peace Agreement Policy Extension

#### PURPOSE:

For the Board of Directors to consider extending BART's Labor Peace Agreement Policy for Transit-Oriented Development (TOD) Hotel Operations.

#### DISCUSSION:

BART's TOD Policy, Strategy D.1, directs the District to "Evaluate the financial performance of proposed projects based on sound financial parameters and the ability to generate transit ridership, fare revenue, lease payments, parking revenues, grant resources, other financial participation, and/or cost savings." Consistent with this policy direction, the District must make prudent decisions to manage business risks and protect its economic interests.

In 2019, the Board identified that labor-management conflict within the San Francisco Bay Area hotel industry could present a risk to future BART TOD projects.

To address this risk, at their January 28, 2021 meeting, the BART Board adopted the Labor Peace Policy for Hotel Operations (the "Policy") . The Policy requires that, as a condition of any agreement, lease or contract with the District for a TOD project that includes a hotel or motel, the developer, owner and any selected hotel operator enter into an agreement with applicable labor organizations that represents or seeks to represent the workforce at the planned hotel operations. In exchange, the labor organization agrees not to engage in picketing, work stoppages, boycotts, or other economic interference with any "hospitality



operations" of the hotel or motel.

For the purpose of the Policy, "hospitality operation" refers to any hotel or motel operations and any conference or food, and beverage service operations that are operated or developed in conjunction with the hotel or motel. The Policy does not apply to stand-alone restaurants, bars, or other food and beverage uses that are not part of a hotel or motel.

Key provisions of the adopted Policy include:

- Applicability to hotel or motel operations employing at least 10 full-time employees;
- A requirement for a Labor Peace Agreement ("LPA") between the hotel (or motel) owner/operator and applicable labor organizations representing the workers at the development;
- BART's economic interest would be protected with non-strike provisions;
- If an LPA is not deemed feasible after BART/3<sup>rd</sup> party economic review, developer may request a waiver (Board approval required);
- The Policy is not applicable to any development projects where a ground lease or ground lease option agreement had been signed at the time of the Policy's adoption.
- A five-year sunset provision, with staff to return to the Board prior to expiration of the Policy to seek Board approval to continue or dissolve the Policy.

The Policy is scheduled to sunset at the end of January 2026. In the five years since its adoption, no new proposed BART TOD development has included a hotel component. An extension of the current Policy would enable the BART Board to consider the impacts of the Policy on a future TOD development that might contain a hospitality use, should one be proposed in the coming five years.

## **FISCAL IMPACT:**

The Labor Peace Agreement Policy impacts operating costs for any prospective hotel operator. The potential fiscal impact on BART has not been determined as all TOD projects vary in size and scope and the potential market context. Since the adoption of the policy, no BART TOD has proposed a hospitality use. The Policy allows for a project-specific waiver request if compliance is determined to be financially infeasible, at which point fiscal impacts could be evaluated on a project-by-project basis.

## **ALTERNATIVES:**

- Do not extend the Labor Peace Policy for TOD Hotel Operations.
- Extend the Labor Peace Policy for TOD Hotel Operations indefinitely, without future review.

**RECOMMENDATION:**

It is recommended that the Board approve the following motion.

**MOTION:**

The BART Board of Directors hereby extends the Labor Peace Agreement Policy for Transit-Oriented Development Hotel Operations, originally adopted on January 28, 2021, through January, 2031.