

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** James R. Helmer

**SUBJECT:** ECO PASS PROGRAM

**DATE:** 11-21-05

Approved

Date 12/1/05

## RECOMMENDATION

Adoption of a resolution authorizing the City Manager to negotiate and execute agreements with the Santa Clara Valley Transportation Authority (VTA) for the purchase of Eco Passes for City employees in an amount not to exceed \$200,000 per calendar year.

## BACKGROUND

In 1996, the Santa Clara Valley Transportation Authority (VTA) introduced the Eco Pass program. The program provides discounted annual transit pass program to participating private and public sector employers within Santa Clara County. Holders of an Eco Pass have access to VTA's regular bus and light rail service 24 hours a day/seven days a week.

The City of San José, as part of an effort to address traffic congestion and air quality issues, has offered Eco Pass to full-time and part-time benefited employees. The City was an original participant in the pilot phase of the program and began to provide the Eco Pass in mid-1996. The City has been recognized by the U.S. Environmental Protection Agency (EPA) as a *Best Workplace for Commuters* since 2002, in part, as a result of offering Eco Pass to City staff.

The City Council has authorized the City Manager to execute agreements with the VTA, in an amount not to exceed \$112,000 per year, for the Eco Pass program. On October 26, 1999 the City Council approved Resolution No. 69176 in this regard. The purpose of this report is to update the City Council on the Eco Pass Program and renew the City Manager's authority to negotiate and execute future agreements.

## ANALYSIS

The cost structure for the Eco Pass program is based on factors related to the number and location of employees. VTA charges higher annual rates for employees located in areas having greater frequency of transit service. For example, Downtown San José has the highest rate of \$60 per employee, employee sites located along light rail transit corridors have a \$30 rate, and

other locations have a \$15 rate. The Eco Pass program requires the purchase of passes for all employees regardless of individual use as an incentive to encourage use of transit services. Accordingly the cost is significantly discounted. It is noted that the cost to purchase individual annual transit passes for VTA services is \$674 per person (adult rate).

The City has purchased approximately 5000 annual Eco Passes for full-time and part-time benefited employees. This does not include sworn police officers who are allowed free transit service per VTA policy. With the opening of the new City Hall and the consolidation of City employees in Downtown San José, the City's annual cost for the Eco Pass program will increase for 2006. This is due to greater number of City employees in Downtown and the improved access to transit services.

In 2005 with many City employees based at the old City Hall, the Eco Pass cost was approximately \$104,550. The proposed City cost for the Eco Pass program in 2006 is \$168,870. The City's cost for the Eco Pass program is funded through the City's Parking Fund. The increased cost for Eco Passes was accounted for in the adopted budget for 2005-2006 and was coordinated with the Downtown Parking Board in Spring 2005. In order to streamline the annual approval process for the City's participation in the Eco Pass program, it is recommended that City Manager be authorized to execute the Eco Pass agreements with the VTA up to an amount of \$200,000 per calendar year.

The Eco Pass program results in many positive benefits for City employees and the community. It provides City employees the opportunity to reduce their travel costs while providing an efficient means of commuting. The program also provides significant benefits to the City, which include decreased traffic congestion, improved air quality, and reduced parking demand at City facilities.

### **OUTCOME**

Approval of this item will facilitate the City's continued participation in the VTA's Eco Pass program, and support the City's goals related to promoting viable transportation choices, facilitating a quality environment and being an employer of choice.

### **PUBLIC OUTREACH**

Not applicable

### **COORDINATION**

This item was coordinated with the City Attorney's Office and the Budget Office.

**COST IMPLICATIONS**

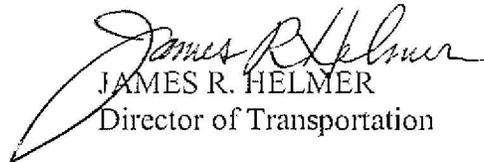
Approval of the recommended action supports the City's continued participation in the VTA's Eco Pass program having an estimated cost of \$168,870 for calendar year 2006.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn	Amt. for Contract	Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
<b>Current Funding Available</b>							
533	0512	Department of Transportation Non-Personal/Equipment	486690	\$6,176,087	\$168,870	XI-32	N/A
<b>Total Current Funding Available</b>				<b>\$6,176,087</b>	<b>\$168,870</b>		

**CEQA**

Not a project.

  
 JAMES R. HELMER  
 Director of Transportation