



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: James R. Helmer

**SUBJECT: DASH SHUTTLE FUNDING
AGREEMENT**

DATE: 07-13-09

Approved

Date

7/16/09

COUNCIL DISTRICT: 3

RECOMMENDATION

Approval of a Funding Agreement with the Santa Clara Valley Transportation Authority (VTA) to operate the Downtown Area Shuttle Program (DASH) for the period between July 1, 2009 to June 30, 2012, in an amount not to exceed \$600,000.

OUTCOME

Continuation of the DASH shuttle for a three year period from July 1, 2009 to June 30, 2012.

BACKGROUND

In February 1996, VTA working with the San Jose Downtown Association (SJDA) and the City of San José began operation of the DASH shuttle, with 15 minutes headways connecting the Diridon Station with VTA Light Rail and major Downtown destinations during commute hours. In 1996, the DASH daily ridership averaged 280 persons.

In December 1998, the City Council approved an agreement with the SJDA to coordinate expansion of the DASH service in response to increased parking demand in Downtown San Jose. The expanded program provided for two shuttles with 10 minute headways from the early morning to evening hours. Projected average daily ridership under the expanded program was 580 passengers a day. A private transit operator/vendor provided this service through the VTA.

In June 2005, the City Council approved a three-year Grant Agreement with the SJDA that authorized \$200,000 per year for the purposes of continuing the DASH program from July 1, 2005 through June 30, 2008. The Grant Agreement was amended in June 2008 to extend the term for one year to June 30, 2009 for \$200,000.

In August 2007, the VTA assumed direct operation of the DASH service and improved the buses and the schedule. In January 2008, the route was moved from Santa Clara Street to San Fernando

Street. DASH service currently operates weekdays (excluding major holidays) from 6:30 a.m. to 7:00 p.m.

ANALYSIS

The Council-adopted 2007 Downtown Parking Management Plan Update included the following recommendation:

“Explore the most appropriate use of current funding levels to provide the right combination of daytime shuttle, nighttime shuttle, Downtown Free Fare LRT Zone to move people between available parking resources and their downtown destinations. Details would need to be coordinated with VTA and other downtown stakeholder groups.”

Since VTA assumed operation of the DASH service in 2007, they have provided new shuttle buses which increased passenger comfort and capacity during the heavy morning commute hours; enhanced buses with new graphics which increased visibility; reduced headways during peak demand times; and implemented a more direct route with the move from Santa Clara to San Fernando Street. These improvements have provided a more attractive and dependable service which has ultimately increased ridership. Specifically, ridership during FY 08-09 increased 18% over FY 07-08. Today, the DASH shuttle is one of the most successful VTA shuttle services, averaging over 1,000 riders per day.

The FY 09-10 DASH program will cost approximately \$1.6 million with the following funding sources:

VTA:	\$845,000
Transportation Fund for Clean Air Grant:	\$547,000
City of San Jose and other participants:	<u>\$200,000</u>
Total:	\$1,592,000

The City and other participants will contribute a maximum of \$200,000 annually during the three-year term of this Grant Agreement. In FY09-10, it is anticipated that SJSU will contribute \$25,000 to support the DASH shuttle. This amount will be deducted from the City's contribution for FY09-10. In addition, any subsequent contributions by SJSU and other potential participants for FY 10-11 or FY 11-12 will be deducted from the City's contribution.

EVALUATION AND FOLLOW-UP

The VTA is required to submit a monthly report throughout the fiscal year which tracks DASH activity. In addition, the VTA will perform surveys on an annual basis to assess DASH performance and to solicit rider feedback on potential system improvements.

POLICY ALTERNATIVES

The Parking Management Plan called for exploration of the most appropriate use of current funding to provide the right combination of daytime shuttle, nighttime shuttle, and a Downtown Free Fare LRT Zone program to move people between available parking resources and their downtown destinations.

In exploring the potential of a free fare zone with the VTA, SJSU, SJDA, and City staff, it was determined to be cost prohibitive with an estimated annual cost of \$4 million. Stakeholders also determined that a free fare zone would not serve the current DASH riders because current Light Rail and bus routes do not follow the current DASH route or provide the same service frequency as DASH. The current DASH commuters would not be served as well or as efficiently by a Free Fare LRT Zone.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

On April 1, 2009, DOT staff presented a report to the Downtown Parking Board (DPB) with a recommendation to approve a three-year DASH Agreement. The DPB unanimously approved the three-year recommendation.

The approval of this Funding Agreement does not meet any of the criteria identified by the Sunshine Reforms Work Plan. This memorandum will be posted on the City's website for the August 4, 2009 Council agenda.

COORDINATION

This report has been coordinated with the City Manager's Budget Office, and the City Attorney's Office.

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FISCAL/POLICY ALIGNMENT

The DASH shuttle is a critical service as the City desires to continue to encourage the use of mass transit at the Diridon Station (Caltrain, Amtrak and Altamont Commuter Express-ACE) and Downtown Light Rail Stations to move commuters to common downtown destinations. In addition, DASH provides the ability for patrons to utilize parking alternatives outside of the downtown core thereby reducing traffic congestion throughout the downtown.

COST SUMMARY/IMPLICATION

The total amount payable by the City for the three-year term of the Grant Agreement will not exceed \$200,000 annually for a maximum total three-year compensation of \$600,000.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the contract recommended as part of this memo.

Fund #	Appn #	Appn. Name	RC#	Total Appn.	Amt. For Contract	2009-2010 Proposed Operating Budget Page	Last Budget Action (Date, Ord. No.)
533	0512	Non-Personal/Equipment - Department of Transportation		\$6,857,851	\$200,000	N/A	06/23/09 Ord. No. 28593

CEQA

Not a project.

/s/

JAMES R. HELMER
Director of Transportation

For questions contact Joe Garcia, DOT Division Manager, at 535-3833.