



CITY OF  
**PALO  
ALTO**

## Finance Committee

### Staff Report

**From: City Manager**

**Report Type: ACTION ITEMS**

**Lead Department: Transportation**

**Meeting Date: April 23, 2024**

Report #:2403-2761

#### **TITLE**

Receive and Discuss the Palo Alto Transportation Management Association (PATMA) 2023 Annual Report, Strategic Plan, and Commute Survey

#### **RECOMMENDATION**

Receive and provide input on the 2023 Annual Report, Strategic Plan, and Commute Survey presentation by the Palo Alto Transportation Management Association and discuss its findings to inform services and funding needs.

#### **EXECUTIVE SUMMARY**

The City contracts with the Palo Alto Transportation Management Association (TMA) to implement programs to reduce single-occupancy vehicle (SOV) trips to and from Palo Alto. The funding agreement between the Palo Alto TMA and the City restricts the use of City funds to trip reduction programs and requires the TMA to report on the use of these funds. The attached Annual Report covers the 2023 calendar year, detailing how the City's contribution was used to support SOV trip reduction, including the results of the Fall 2023 Commute Survey. The attachment also includes the 2024 TMA Strategic Plan. The work of the TMA supports the City's Sustainability and Climate Action Goals by working to reduce vehicle miles traveled and increasing the mode share for active transportation and transit.

#### **BACKGROUND**

Following direction from the City Council in 2013, staff worked to develop transportation demand management (TDM) strategies to encourage alternatives to solo driving as part of a multi-faceted effort to address traffic and parking concerns in the downtown area and the city at large. The development of a TMA for Palo Alto was a key component of this approach, which the City initially funded through a \$499,880 contract with consultants Moore Iacofano Goltsman, Inc.<sup>1</sup> After the TMA was formed in January 2016, this contract continued to fund the

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<sup>1</sup> Report #4766: <https://www.cityofpaloalto.org/civicax/filebank/documents/43344>

sub-consultant services of the TMA's part-time executive director. The TMA hired permanent part-time staff in April 2018.

In June 2016, Council formalized the provision of additional City funding for TMA programs by executing a \$100,000 funding agreement between the City of Palo Alto, the Silicon Valley Community Foundation (SVCF), and the Palo Alto TMA to reduce single-occupancy vehicle (SOV) commute trips to and from downtown Palo Alto.<sup>2</sup> Because the TMA was not yet an approved Section 501(c)(3) organization (its application was pending with the Internal Revenue Service), the TMA operated as a program of SVCF. SVCF held and administered a fund restricted to specific charitable purposes and had legal discretion and control over the restricted account. When the TMA received its formal 501(c)(3) status, SVCF ceased to be the organization's program sponsor and to act as the TMA's fiscal agent.

Under a subsequent amendment, the City provided an additional \$100,000 to support the TMA's work in 2017. The City Council adopted a Fiscal Year 2018 budget that included \$480,000 for the Palo Alto TMA to continue to support its efforts to reduce SOV commute trips using a variety of strategies. In December 2018, the agreement was amended to incorporate additional funds allocated for FY 2019 and to reflect the fact that the SVCF no longer serves as the financial agent for the TMA now that the TMA is a non-profit.

In April 2019, the Finance Committee received a presentation from the TMA and provided feedback on the TMA Strategic Plan.<sup>3</sup> On May 15, 2019, the Finance Committee recommended an increase in employee parking permit rates to provide the TMA with additional funding of up to \$180,000, for a total of \$660,000 annually. On June 17, 2019, the Council voted to increase the FY 2020 budget recommendation by \$90,000 from the University Avenue Parking Permit Fund for a total amount of \$750,000 and a subsequent amendment was executed to implement this. That agreement expired on June 30, 2020.

An informational report transmitted to Council on May 26, 2020, included the 2019 TMA Annual Report, comprising commute program data, results and analysis of the Fall 2019 Downtown Commute Survey, and a summary of the 2020 Strategic Business Plan.<sup>4</sup> In that month, the Council considered its annual budget during the COVID-19 pandemic. The Council voted to appropriate a reduced funding level of \$453,000 for the TMA in FY 2021, and approved the use of City funds for the TMA's programs in the California Avenue Business District as well as the Downtown.<sup>5</sup> Funding was provided under the new proposed funding agreement but was reduced further based on a November 2020 TMA request for \$350,000. A new funding agreement was signed in 2020 reflecting Council's appropriation of \$350,000 in FY 2021. This

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<sup>2</sup> Report #6823: <https://www.cityofpaloalto.org/civicax/filebank/documents/52687>

<sup>3</sup> Report #10198: <https://www.cityofpaloalto.org/civicax/filebank/documents/70194>,

Presentation: <https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?t=63435.61&BlobID=70664>

<sup>4</sup> Report #11307: <https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?t=64175.41&BlobID=76770>

<sup>5</sup> Report #11376: <https://www.cityofpaloalto.org/civicax/filebank/documents/76803>,

Action Minutes: <https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?t=48631.05&BlobID=77870>

agreement expired in FY 2023 and again delegated authority to the City Manager to amend the agreement to add funding if Council budgeted more funds. In June of 2021, Council allocated \$150,000 in funds for the TMA for FY2022 and in June of 2022, allocated \$200,000 in funds for FY 2023.

A new three-year funding agreement was approved by City Council in September of 2023, providing \$200,000 for the TMA in FY 2024 and delegating authority to the City Manager to amend the agreement to add funding if Council budgets more funds. This agreement also allows the TMA to use \$25,000 of City funds to reduce SOV trips anywhere in Palo Alto.<sup>6</sup>

## **ANALYSIS**

Regular reports are required under the TMA's funding agreement with the City. In the past year, the TMA has used City funds to purchase transit passes for low-income workers, supporting their use of transit, and to subsidize other programs such as carpooling, biking, and ride-share aimed at increasing all Downtown and California Avenue commuters' use of alternative modes of transportation. The attached Annual Report covers the 2023 calendar year, detailing how public funds were spent to support SOV trip reduction, including the results of the Fall 2023 Downtown Commute Survey. The attachment also includes the 2024-2027 TMA Strategic Plan which is required to be updated by the funding agreement.

The Annual Report highlights several accomplishments, noting that in 2023 with \$200,000 in City funds, the TMA:

1. Rebuilt the transit pass program from a low of 28 people served in May 2020 to a high of 257 in December 2023.
2. Scaled back the after-hours Lyft program to provide \$10 credits rather than free fares for rides after 10 pm Monday-Saturday and after 8pm on Sunday.
3. Completed two transit pass audits to ensure compliance with PATMA rules and guard against fraud.
4. Received and activated 184 Caltrain GoPasses from the Caltrain GoPass Donation Program to distribute to low wage service sector workers in 2023.
5. Received approval to continue distributing Caltrain GoPasses in 2024 to low wage service sector workers to help rebuild Caltrain ridership.

## **POLICY IMPLICATIONS**

The City's S/CAP includes two mobility goals that are directly supported by the work of the TMA:

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<sup>6</sup> Report #2308-1883:

<https://cityofpaloalto.primegov.com/meetings/ItemWithTemplateType?id=2983&meetingTemplateType=2>

- Reduce total vehicle miles traveled 12% by 2030, compared to a 2019 baseline, by reducing commute vehicle miles traveled 20%, visitor vehicles miles traveled 10%, and resident vehicle miles traveled 6%
- Increase the mode share for active transportation (walking, biking) and transit from 19% to 40% of local work trips by 2030

In addition, the transportation demand management (TDM) services provided by the TMA are consistent with the following Comprehensive Plan policies and programs:

Policy T-1.1 Take a comprehensive approach to reducing single-occupant vehicle trips by involving those who live, work and shop in Palo Alto in developing strategies that make it easier and more convenient not to drive.

Policy T-1.2 Collaborate with Palo Alto employers and business owners to develop, implement and expand comprehensive programs like the TMA to reduce single-occupant vehicle commute trips, including through incentives.

Program T1.2.1 Create a long-term education program to change the travel habits of residents, visitors, shoppers and workers by informing them about transportation alternatives, incentives, and impacts. Work with the PAUSD and with other public and private interests, such as the Chamber of Commerce and Commuter Wallet partners, to develop and implement this program.

Program T1.2.4 Evaluate the performance of pilot programs implemented by the Palo Alto Transportation Management Association and pursue expansion from Downtown to California Avenue and other areas of the city when appropriate.

Program T1.2.6 Pursue full participation of Palo Alto employers in the TMA.

Policy T-1.13 Encourage services that complement and enhance the transportation options available to help Palo Alto residents and employees make first/last mile connections and travel within the city for daily needs without using a single-occupancy vehicle, including shuttle, taxi and ridesharing services.

Policy T-2.2 As part of the effort to reduce traffic congestion, seek ongoing funding and engage employers to operate and expand TMAs to address transportation and parking issues as appropriate in the City's employment districts.

Program T2.2.1 Work in partnership with the Palo Alto TMA and Stanford University to aggregate data and realize measurable reductions in single-occupant vehicle commuting to and from Downtown and in the Stanford Research Park.

Policy T-5.5 Minimize the need for employees to park in and adjacent to commercial centers, employment districts and schools.

Program T7.1.1 Expand transportation opportunities for transit-dependent riders by supporting discounts for taxi fares, rideshare services and transit, by coordinating transit systems to be shared by multiple senior housing developments, by maintaining a database of volunteer drivers and other transit options.

**FISCAL/RESOURCE IMPACT**

Funding for the TMA in FY 2024 is sourced from the University Avenue Parking Fund (\$175,000) and General Fund (\$25,000). The current funding agreement is a three-year agreement expiring at the end of FY 2026 (June 30, 2026). Any additional funds to be paid to the TMA beyond FY 2024 require Council appropriation as part of the annual budget process and amendment of the agreement. Funding of \$200,000 was included in the FY 2025 Long Range Financial Forecast reflecting base budget allocation.

**STAKEHOLDER ENGAGEMENT**

Monthly Palo Alto TMA Board of Directors meetings are open to the public and occur from 9:00 - 10:00am on the third Thursday of the month. Information about board meetings can be found at the Palo Alto TMA website: <https://www.paloaltotma.org/>

**ENVIRONMENTAL REVIEW**

The funding for PATMA and its associated scope of work is exempt from review under the California Environmental Quality Act (CEQA) since it can be seen with certainty that there is no possibility of a significant impact on the environment (State CEQA Guidelines Section 15061(b)(3)).

**ATTACHMENTS**

Attachment A: 2023 Palo Alto TMA Annual Report, 2024 Strategic Plan, and 2023 Commute Survey

**APPROVED BY:**

Philip Kamhi, Chief Transportation Official