



## City Council Staff Report

From: City Manager

Report Type: **CONSENT CALENDAR**

Lead Department: Transportation

Meeting Date: **March 13, 2023**

Report #:2302-1016

### TITLE

Adopt an Ordinance Adding an On-Demand Transit Fare Fee to the FY 2023 Municipal Fee Schedule – CEQA Status – Not a Project

### RECOMMENDATION

Staff recommend adopting the attached ordinance amending the FY 2023 Municipal Fee Schedule to add the on-demand transit fare of \$0 to \$3.50 per ride.

### EXECUTIVE SUMMARY

In accordance with the recent establishment of the pilot on-demand transit program Palo Alto Link (PAL), the attached ordinance will establish a per passenger trip fare range (from \$0 to \$3.50) to the Municipal Fee Schedule.

### BACKGROUND

The Municipal Fee Schedule lists fees for City of Palo Alto services. Palo Alto Link begins service March 7, 2023 (with the first month's rides free for all users). City Council held a Study Session on the program February 6, 2023<sup>1</sup> following a VTA grant award to provide the service.

### ANALYSIS

The attached ordinance authorizes the fares for Palo Alto Link, the City's new on-demand transit service. This ordinance does not make any changes to the fares as discussed previously when the contract with service provider Nomad was approved in December 2022, or from the study session held in January 2023. Initially, the fare will be free for about one month to introduce the service. After that, the regular fare for the service will be \$3.50, but certain categories of riders, such as youth, low-income, and those with disabilities will be reduced to \$1 per ride. The fare range of \$0-\$3.50 per ride is reflected in the attached ordinance and will

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<sup>1</sup> City Council Staff Report, February 6, 2023,  
<https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateId=1067>

allow the City to adjust prices within that range for promotions, discounts, and other deals as the pilot moves forward throughout 2023 and 2024.

#### **FISCAL/RESOURCE IMPACT**

This is a Santa Clara County Measure B grant funded project requiring the establishment of a fare box price for this service, to meet grant requirements for contributing a match of up to \$500,000 in fare box recovery fees and staff time. The local match enables the disbursement of Santa Clara County Measure B funds up to \$2,000,000 for this project.

#### **STAKEHOLDER ENGAGEMENT**

Public engagement began in early 2023 to alert the community to the upcoming availability of the new service in March. Stakeholders who will be targeted for notification of the service include Caltrain riders, commuters to Palo Alto, service providers targeting older adults, senior living communities, youth service providers, neighborhood groups, etc. Community engagement and marketing activities may include tabling at community events and destinations (Farmer's Market, Caltrain stations, grocery stores) and social media campaigns (NextDoor, Facebook, Uplift Local, local newspapers, City blog posts, etc.).

#### **ENVIRONMENTAL REVIEW**

This activity is not a project under California Environmental Quality Act (CEQA) as defined in CEQA Guidelines, section 15378, because it has no potential for resulting in either a direct or reasonably foreseeable indirect physical change in the environment.

#### **ATTACHMENTS**

Attachment A: Ordinance Amending the FY 2023 Municipal Fee Schedule to Add On-Demand Transit Fare

#### **APPROVED BY:**

Philip Kamhi, Chief Transportation Official