



## City Council Staff Report

**From: City Manager**  
**Report Type: CONSENT CALENDAR**  
**Lead Department: Transportation**

**Meeting Date: April 10, 2023**

Report #:2303-1128

### TITLE

Agreement with Stanford University to provide \$744,000 in funding for expanded Palo Alto Link (PAL) on-demand transit services; Contract Amendment No. 1 with Nomad Transit, LLC (Via) to increase total contract amount not to exceed \$3,244,000 for up to two years; and Associated Budget Amendment in the General Fund. CEQA status – not a project.

### RECOMMENDATION

Staff recommends that Council approve and authorize the City Manager or their designee to:

1. Execute the attached Cost Sharing Agreement with Stanford University to provide expanded Palo Alto Link services to Stanford Research Park (Attachment A);
2. Execute Contract Amendment No. 1 with Nomad Transit, LLC (Via), to provide expanded Palo Alto Link services, beginning following Council's approval, through the pilot phase of the program, concluding no later than March 31, 2025 for a revised not to exceed total of \$3,244,000 (Attachment B); and.
3. Amend the Fiscal Year 2023 Budget Appropriation Ordinance for the General Fund (requires a 2/3 majority vote) by:
  - a. Increasing the Office of Transportation revenue estimate for Charges of Services by \$744,000; and
  - b. Increasing the Office of Transportation contract services expense appropriation by \$744,000.

### BACKGROUND

Staff previously provided City Council a study session describing funding and other relevant details entailed with providing Palo Alto Link services<sup>1</sup>. PAL provides on-demand transit service

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<sup>1</sup> City Council, February 6, 2023; Agenda Item #1, SR #2301-0878

<https://portal.laserfiche.com/Portal/DocView.aspx?id=61654&repo=r-704298fc&searchid=88f2879f-d513-419a-9702-dc902301045c>

Monday—Friday for a 10-hour service span 8:00 am-6:00 pm. The service operates within most of the City, with exceptions only to the east and west ends that house large open spaces and conservation lands. PAL is utilizing a ten (10) vehicle fleet to provide virtually positioned pick-up and drop-off location within an acceptable walking distance with the help of a web application. Door-to-door service is available for riders who may require extra assistance. The service addresses first-/last-mile challenges in Palo Alto and provides a convenient and affordable transportation option for residents, employees, and vulnerable/transit-dependent populations. Finding and securing funding partners such as SRP is an integral strategy to establishing a long-term path forward for funding PAL transit services. The City Council approved the contract for this service with<sup>2</sup>.

## **DISCUSSION**

City staff have negotiated with Stanford University and operator Via to provide an expansion of Palo Alto Link (PAL) services to 1) include the Stanford Research Park during all regular hours of the program; 2) subsidize rides to and from the Stanford Research Park as part of the program in lieu of charging riders the regular fee; 3) Provide Stanford with ride data periodically regarding rides to/from Stanford Research Park; Stanford University has agreed to pay the City \$744,000 for the expanded service.

This funding and service contract agreement expands the regular fleet deployment from nine (9) vehicles to ten (10) vehicles. Under the current contract, the 10<sup>th</sup> vehicle was to be held in reserve. Under the new arrangement, that 10<sup>th</sup> vehicle will be deployed as necessary to meet any additional demand peaks needing coverage.

City and Via staff plan to continue the service beyond the initial 18 months secured by Measure B VTA Innovative Transit funds and will be seeking out additional grant funds and partnership funding opportunities.

## **FISCAL/RESOURCE IMPACT**

Approval of these agreements with Stanford University and Via require a budget amendment in the General Fund to increase the Office of Transportation's expenses by \$744,000, offset by an increase to the revenue estimate for the Palo Alto Link program by \$744,000, thus it is cost neutral.

## **STAKEHOLDER ENGAGEMENT**

Public engagement is ongoing since the program launched on March 7. Stakeholders targeted for notification of the service include Caltrain riders, commuters to Palo Alto, service providers

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<sup>2</sup> City Council, December 12, 2022; Agenda Item #8, SR #14959

<https://portal.laserfiche.com/Portal/DocView.aspx?id=59018&repo=r-704298fc&searchid=e9dd8045-ca5c-4ec0-894f-98858ac71e73>

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.). Stanford Research Park will also be providing notification to and engagement with their stakeholders to encourage ridership.

#### **ENVIRONMENTAL REVIEW**

Council action on this item is not a project as defined by CEQA because the cost-sharing agreement with Stanford University is a government funding mechanisms or fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. CEQA Guidelines section 15378(b)(4).

#### **ATTACHMENTS**

Attachment A: Stanford Park Cost Sharing Agreement; C23187713

Attachment B: Nomad Transit LLC (Via) Contract; C23184827 Amendment #1

#### **APPROVED BY:**

Philip Kamhi, Chief Transportation Official