



City Council Staff Report

From: City Manager

Report Type: INFORMATION REPORTS

Lead Department: Transportation

Meeting Date: May 22, 2023

Report #:2304-1356

TITLE

Palo Alto Transportation Management Association 2022 Annual Report, Strategic Plan, and Commute Survey

RECOMMENDATION

This is an information report, and no action is required.

EXECUTIVE SUMMARY

The Palo Alto Transportation Management Association (TMA) implements 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 in the Downtown and California Avenue areas only and requires the TMA to report on the use of these funds. The attached Annual Report covers the 2022 calendar year, detailing how public funds were spent to support SOV trip reduction in the Downtown and California Ave districts, including the results of the Fall 2022 Commute Survey. The attachment also includes the 2023 TMA Strategic Business Plan.

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.¹ After the TMA was formed in January 2016, this contract continued to fund the sub-consultant services of the TMA's part-time executive director. The TMA hired permanent part-time staff in April 2018.

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

In June 2016, Council authorized the City Manager to formalize the provision of additional City funding for TMA programs by executing a funding agreement between the City of Palo Alto, the Silicon Valley Community Foundation (SVCF), and the Palo Alto TMA.² 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.

The 2016 funding agreement approved by Council provided \$100,000 to the TMA for programs to reduce single-occupancy vehicle (SOV) commute trips to and from downtown Palo Alto. 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. An amended and restated agreement signed in 2017 incorporated this approved funding, extended the agreement's term and set forth the parties' obligations over the remaining years. This 2017 funding agreement delegated authority to the City Manager to amend the agreement to add funding if the Council chose to budget additional funds for future fiscal years and to remove the SVCF as a party once the TMA received IRS section 501(c)(3) nonprofit status and no longer required SVCF to act as the TMA's fiscal agent. 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.³ 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 FY20 budget recommendation by \$90,000 from the University Avenue Parking Permit Fund for a total amount of \$750,000. In July 2019, the agreement was amended to reflect the Council's appropriation of \$750,000 for FY 2020. 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 Plan⁴. In that month, the Council considered its annual budget during the COVID-19 pandemic. In this context, which also aligned with a lower funding request by the TMA in May, 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

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

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

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

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

TMA's programs in the California Avenue Business District as well as the Downtown.⁵ 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 agreement expires in FY 2023 and again delegates authority to the City Manager to amend the agreement to add funding if Council budgets more funds. In June of 2021, Council allocated \$150,000 in funds for the TMA for FY 2022. In June of 2022, Council allocated \$200,000 in funds for the TMA for FY 2023.

DISCUSSION

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 2022 calendar year, detailing how public funds were spent to support SOV trip reduction in Downtown, including the results of the Fall 2022 Downtown Commute Survey. The attachment also includes a summary of the 2023-2026 TMA Strategic Business Plan.

POLICY IMPLICATIONS

The funding agreement between the City and the TMA requires that the TMA strategic plan be regularly updated. 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.

⁵ 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>

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

This item is an informational report and has no resource impact. Funding for the TMA is sourced from the University Avenue Parking Fund and is subject to City Council approval through the annual budget process. The current funding agreement is a three-year agreement expiring at the end of FY 2023 (June 30, 2023). Any additional funds to be paid to TMA for FY 2024 would require Council appropriation and amendment of the agreement. The City Manager is authorized to amend the agreement to incorporate any additional Council appropriated funds. The FY 2024 budget includes recommended funding for the TMA consistent with the prior year level.

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/>

ATTACHMENTS

Attachment A: 2022 Palo Alto TMA Annual Report, Strategic Plan, and Commute Survey

APPROVED BY:

Philip Kamhi, Chief Transportation Official