



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 27, 2016

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works Department

SUBJECT: Initiation Of The Downtown Waterfront Shuttle 5-Year Contract Negotiation

RECOMMENDATION: That Council:

- A. Receive a presentation from the Metropolitan Transit District about the Downtown Waterfront Shuttle services received over the past four years, as well as anticipated shuttle vehicle changes; and
- B. Assign the Downtown Parking Committee, as the City's advisory committee, to provide recommendations to Council on the Downtown Waterfront Shuttle contract renewal.

DISCUSSION:

The Downtown Waterfront Shuttle (Shuttle) will be up for contract renewal with the Metropolitan Transit District (MTD) in June 2017. The current contract has a five-year term and it is anticipated that MTD will desire another 5-year contract. A key difference with the upcoming contract will be the impending change in the vehicle MTD uses for the service. The current electric shuttle is about 10 years beyond its current lifespan, and needs to be replaced. The current shuttle is no longer in production. This will necessitate purchasing new electric vehicles, which will change the look and feel of the service. Staff has asked MTD staff to give a report to Council about the shuttle service to date, and the details of the pending vehicle change. A report from MTD regarding the current service and information about the new vehicle is attached.

The shuttle currently serves State Street (Sola Street to Cabrillo Boulevard) and Cabrillo Boulevard (Harbor Way to Ninos Drive). The cost of the shuttle service is divided between the Streets Fund and Downtown Parking Fund, managed by Public Works, as well as the Waterfront Fund. Staff is recommending that Council assign the Downtown Parking Committee as the advisory committee for the shuttle contract renewal.

BACKGROUND:

The City has contracted with the MTD to provide the shuttle service since 1989. The shuttle service was provided as a mitigation measure to the Central City Redevelopment Environmental Impact Report conducted by the Redevelopment Agency (1977) with the intent to improve traffic circulation and parking in the City's Central Business District. Upon the removal of the traffic signals on Highway 101 in 1992, the shuttle service was expanded to include the Waterfront route on Cabrillo Boulevard. At that time, MTD also procured an electric vehicle that mimicked the look and feel of the original circa 1900 trolley car with open windows, perimeter seating, and a single mid-vehicle entrance. The electric vehicle boosted annual ridership of the shuttle from under 195,000 riders to nearly one million riders in 1992. The shuttle initially was operated for free to the public.

By 1997, shuttle service had more than doubled to meet ridership demands. Daily operating hours were extended to the early evening hours. A \$.25 fare was added to eliminate all day riders. The fare generated about \$150,000 a year and supplemented the cost of the service, which in 2002 was just over \$850,000. Ridership through the 1990's stabilized to just over 700,000 riders per year and dropped to an average of 530,000 through 2011. In 2011, shuttle costs shifted to Measure A, Downtown Parking, and the Waterfront Fund as the Redevelopment Agency and related funding was eliminated by the State of California. The City then raised the shuttle fare to \$.50 in an attempt to cover a greater share of the operating costs. While ridership held at 540,000 that same year, the years following until present have seen a steady ridership decline. Ridership in Fiscal Year 2016 was just 371,000 riders. The City recovered \$144,000 from fares that same year, less than was typical in the years when the fare was \$.25. This reduction in fare box recovery seems to be a direct result of the declining ridership on the shuttle. One of the tasks for staff and the Downtown Parking Committee will be to work with MTD on potential fare modifications in relation to ridership.

BUDGET/FINANCIAL INFORMATION:

The City currently pays \$1,112,000 to MTD for the shuttle service, not accounting for shuttle fare, which is returned to the City (\$144,000 in Fiscal Year 2016). Prior to 2011, the entire shuttle contract was funded by the now defunct Redevelopment Agency. Today it is funded by the Measure A Fund (\$635,000), Downtown Parking Fund (\$396,000), and Waterfront Fund (\$81,000). At the September 13, 2016, Finance Committee meeting, Staff recommended a first quarter budget adjustment with shared shuttle costs between Downtown Parking and the Waterfront Department (75 percent/25 percent, based on service hours on State Street/Cabrillo Boulevard, respectively) to charge those operating funds that directly benefit from the shuttle service. The Finance Committee supported this recommendation, which will be presented to the City Council in November.

ATTACHMENT: MTD Director's Downtown Waterfront Shuttle Report

PREPARED BY: Robert J. Dayton, Principal Transportation Planner

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office



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September 13, 2016

Hon. Helene Schneider, Mayor, and
Members of the Santa Barbara City Council
City of Santa Barbara
P.O. Box 1990
Santa Barbara, CA 93102-1990

RE: Downtown-Waterfront Shuttle Update

Dear Mayor Schneider and Council Members:

The Santa Barbara Metropolitan Transit District (MTD) has operated the Downtown-Waterfront Shuttle in partnership with the City for more than 25 years. The Shuttle is a recognized element of the Santa Barbara experience, and it is a factor in MTD's reputation within the transit industry as a very successful small-city transit agency.

MTD is excited by the opportunity to work with City staff to begin discussions regarding the renewal of the Downtown-Waterfront Shuttle agreement and to participate in the City's efforts to plan for the future of the Central Business District and Waterfront area.

The original project transformed what was the equivalent of a "shopper-hopper" into what is now recognized as the Downtown-Waterfront Shuttle service. A primary objective of the City was to provide public transit service to support the redevelopment of downtown Santa Barbara by connecting the Central Business District to the Waterfront area. Consistent with the community's support for the environment, battery-electric shuttle buses were introduced and have operated successfully for over a quarter of a century.

The provision of a transit service of this type provides a benefit to the local economy. Many of these riders are shoppers traveling from the Waterfront up State Street, or from one end of the State Street route to the other. MTD believes the service is a key element in the success of the cruise ship visits that grace the city and provide a boost to the local economy.

With the upcoming opening of Entrada de Santa Barbara, and the completion of other lower State Street projects, the number of potential shoppers wishing to ride the Shuttle is expected to increase.

Additionally, the Shuttle route overlays with the City's map of the public parking lots and garages along State Street and the Waterfront (see Attachment A), encouraging visitors and residents to "park once" and ride the Shuttle.

Downtown-Waterfront Shuttle Fare and Service Changes

Characteristics of the Downtown-Waterfront Shuttle service and the number of passengers carried has varied significantly over the years. For example, ridership increased dramatically in late 1991 when MTD began operating electric shuttles on the service rather than diesel buses. Similarly, ridership decreased with changes to the fare and changes to the level of service provided (see Attachment B). These ridership changes illustrate that demand for the Downtown-Waterfront Shuttle is very elastic in regards to fare and service characteristics. This issue will be discussed further in my presentation scheduled for September 27th.

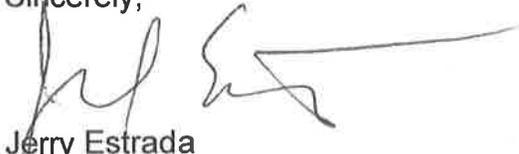
MTD Electric Vehicle Program

MTD has long been a leader in the implementation of electric vehicle use in public transit. MTD's electric vehicles have logged a total of nearly 4.5 million miles, which has resulted in a significant reduction in greenhouse gas emissions.

The fourteen electric shuttles that MTD currently utilizes to operate the Downtown-Waterfront Shuttle service are 15 to 16 years old and in need of replacement. MTD is in the process of procuring replacement electric vehicles, which will be longer than the current shuttles (30 feet rather than 22 feet), but identical in width. The new electric vehicles will be procured through a combination of purchases (eight vehicles) and leases (six vehicles). The quantity of the six leased vehicles that MTD ultimately purchases will be contingent upon any revisions to the terms of the updated Master Agreement with the City. MTD expects to receive these vehicles early in 2017. The bus manufacturer is working on an updated artist's rendition of the new electric vehicle, which will be included in the presentation.

MTD and the City have had a long-term, mutually beneficial partnership in the Downtown-Waterfront Shuttle service. MTD looks forward to continuing this partnership into the future.

Sincerely,



Jerry Estrada
General Manager

CC: Paul Casey, City Administrator
Rebecca Bjork, Public Works Director
Rob Dayton, Principal Transportation Planner
MTD Board of Directors

Attachment A



Downtown Parking SANTA BARBARA

Park once and enjoy it all. Shopping, art, entertainment, history, restaurants, and waterfront attractions are an easy walk from Santa Barbara's public parking lots and the Downtown Waterfront Shuttle. Enjoy the beautiful paseos that connect the lots and garages to State Street and shuttle stops.

Downtown Parking staff are happy to offer directions and information about destinations not shown on this map.

MAP KEY

- PUBLIC RESTROOMS
- PUBLIC PARKING
- EV CHARGING STATIONS
Located in Lots 6 and 7, 60 minute
Hidema Lot, and Main Harbor Lot
- COMMUTER PARKING LOT ONLY
(Permit Parking)
- DOWNTOWN WATERFRONT SHUTTLE
Shuttle stops on every block
of State Street. Fare: 3.50 per person.
- FREEWAY ON/OFF RAMP
- POINTS OF INTEREST

First 75 Minutes FREE!

Courtesy of Downtown Businesses

Each additional hour or part \$1.50

Persons with Disabilities

(must present placard)

First 2 1/2 hours Free

Each additional hour or part \$1.50

Amtrak/Greyhound Validation

\$5.00 per day

Rates In Effect

Sunday-Thurs. 7:30AM - 9:00PM

Friday - Sat. 7:30AM - 2:00AM

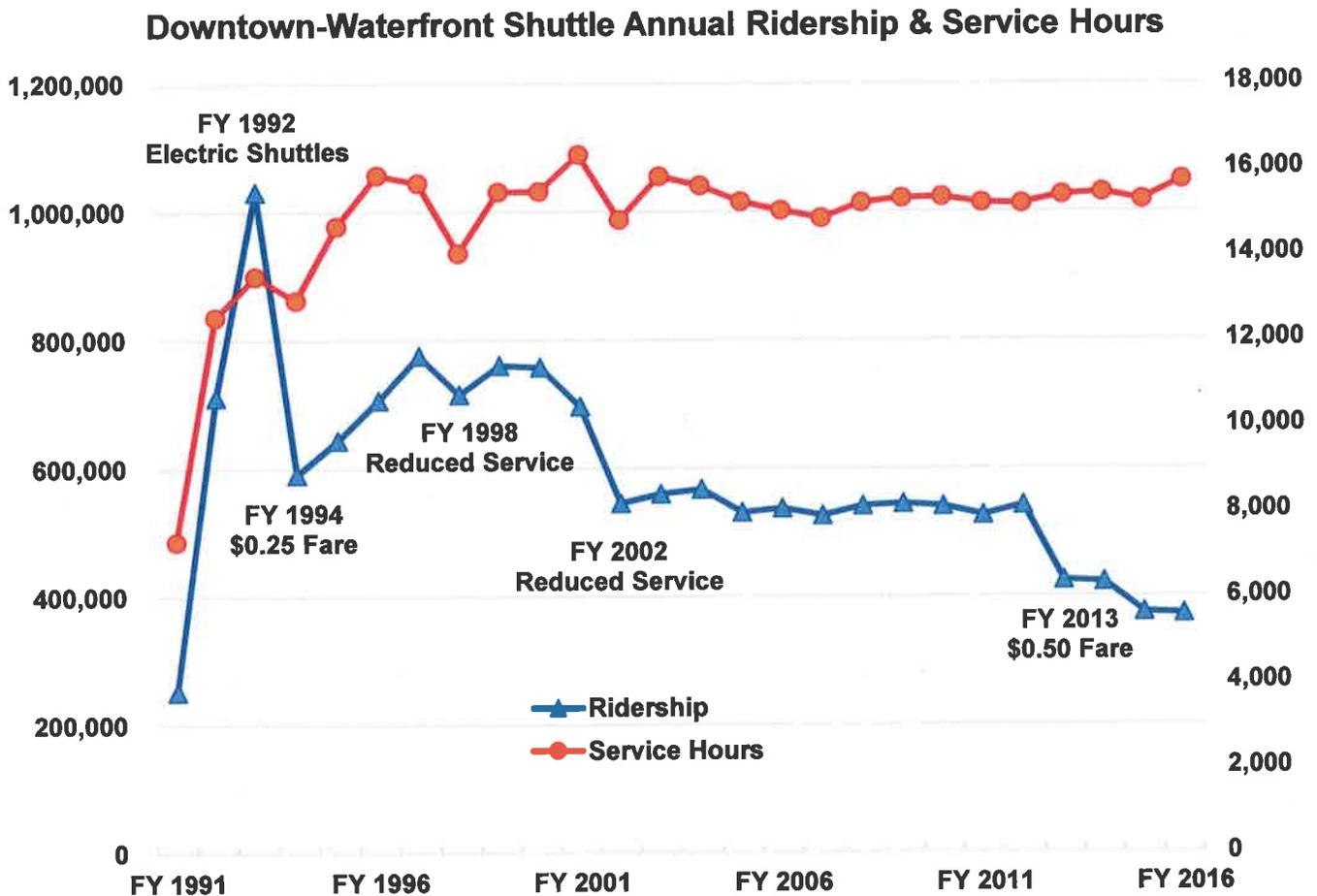
Main Office Phone: 805.564.5656

Parking facilities open 24 hours seven days per week

scan for real-time parking availability



Attachment B



Demand for the Downtown-Waterfront Shuttle is very elastic in regards to fare and service characteristics, as illustrated in the chart above. Ridership increased dramatically beginning in late 1991 when MTD began operating electric shuttles on the service rather than diesel buses. Conversely, ridership decreased when the amount of service provided decreased (e.g., FY 1998 and FY 2002), when a fare was first implemented (FY 1994), and when the fare was increased (FY 2013).

Starting after the implementation of a \$0.25 fare in FY 1994, ridership generally rose and fell in conjunction with the number of service hours provided. However, starting with the increase of the base adult fare to \$0.50 in FY 2013, that correlation is no longer evident. The number of service hours provided has remained consistent or increased, while ridership has decreased. A decrease was expected in the first year following the fare increase, but, given the previous history of the service, ridership would have been expected to stabilize or increase in the following years. The numerous construction projects underway on lower State Street and Cabrillo Boulevard, and the resultant increased congestion, have no doubt contributed to the continued ridership decrease. It is noteworthy that monthly ridership has exhibited an increase over ridership in the corresponding month of the previous year in each of the last several months, beginning in February 2016.