



PUBLIC WORKS DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting: February 15, 2022

Subject

Consider an update on the Via-Cupertino On-Demand Community Shuttle Pilot Program and proposed grant application: California State Transportation Agency (CalSTA,) Transit and Intercity Rail Capital Program (TIRCP.)

Recommended Action

Receive an update on Via-Cupertino ridership since its re-launch on October 19, 2021 and consider authorization of a competitive grant application to CalSTA to fund 50% of shuttle costs in the future.

Background

The Via-Cupertino Community Shuttle launched on October 29, 2019, with the goal of attracting motorists to a sustainable and affordable transportation option. The service features nine vans that provide shared rides anywhere in Cupertino, and three locations outside Cupertino (Sunnyvale Caltrain, Kaiser Permanente Santa Clara, and Rancho San Antonio) for a flat fare. Program information, including hours of operation, service area, and fares are available on the City of Cupertino website at cupertino.org/shuttle.

A budget allocation of \$1.75 million was approved by City Council for this program on June 18, 2019, and an agreement with Via-Cupertino was approved by City Council on August 20, 2019. Service was paused on August 24, 2020, due to COVID-19, and resumed on October 19, 2021. A contract amendment was approved by Council on July 20, 2021. The purpose of the contract renewal was to extend the program expiration date to October 31, 2022, to account for time lost during the pause, and to include new contract language related to Assembly Bill 5 (AB) and Proposition 22. (The bill requires contract employees to be treated as employees and the proposition exempts ride share companies from AB 5.)

Discussion

Ridership has grown steadily since the re-launch on October 19, 2021 and is currently the highest it has been at any point during the pandemic. Several changes were made at the re-launch to grow ridership in response to community feedback. These included new vans that are lower to the ground and easier to enter, bicycle racks, plexiglass dividers between the driver and riders, and updated fares. Since the relaunch, 1,748 trips have been made,

and 16,708 trips have been made overall since the program began in October 2019 (this is the most recent number, as of the time of submittal of this report.) Sunnyvale Caltrain station and Cupertino's high schools are the most popular pick-up and drop-off points. Ridership is increasing, although overall ridership is still below what was experienced in February 2020, prior to the pandemic. In that month, 3,956 rides were completed. By comparison, in January 2022, 487 rides were completed. Despite this difference, growth has been consistent since the re-launch, even during the Omicron variant. It is anticipated that ridership will continue to grow through the spring and summer, with the speed of recovery increasing as more employees return to office and as students resume activities on campus at De Anza College.

Survey Data

Several surveys conducted at various points in the pilot program consistently showed strong community support for Via-Cupertino. Survey results show a broad appeal across various community groups, such as seniors, students, office workers, and persons with disabilities. A 2021 rider survey indicated that if not for Via-Cupertino, 85% of riders would travel by private vehicle. This indicates that the pilot program has been successful in reducing Vehicle Miles Traveled (VMT) and greenhouse gas (GHG) emissions. It has also been successful in better connecting Cupertino residents to the Sunnyvale Caltrain station.

Budget Update

The Via-Cupertino On-Demand Community Shuttle program is currently on budget, with allocated funding anticipated to last until the end of the contract on October 31, 2022. As of January 2022, \$20,927.09 has been collected in fare revenue since the start of the pilot program. Staff expects the pilot program to exhaust most of the funds as ridership is anticipated to continue growing until the end of the pilot program.

Transit & Intercity Rail Capital Program

The TIRCP is a grant that is primarily used to modernize California's intercity, commuter, and urban rail networks. The funding comes from the State's GHG Reduction Fund. In addition to funding rail projects, it also funds projects that can increase the use of rail transit, such as Via-Cupertino. The grant application for this is due on March 3, 2022.

For the first time, this grant includes micro transit as a category and cities are eligible to apply for funds. As this is a very large grant with larger projects likely to score higher, staff has reached out to the Cities of San José, Sunnyvale, and Santa Clara regarding a potential multi-jurisdictional application. If awarded, the grant could cover up to 50% of capital and 50% of operating costs annually for a five-year period. (Attachment A.)

The Cities of Sunnyvale and San José have expressed interest but have not yet decided whether to participate as they need to first identify their fund matching capacity. As a result, City staff has discussed a grant application that would be structured to enable other cities to participate in years two and three, giving those jurisdictions more time to secure funding for their local match. The City would be able to use grant funds to add destinations outside of the City that are frequently requested but would require more

vans, such as the City of Mountain View's Caltrain station (which has Baby Bullet service) and El Camino Hospital. Applying for this grant does not commit the City to funding Via-Cupertino in the future, nor does it lock in a vendor, should the City seek to contract with a different on demand vendor in the future.

Next Steps

If Council authorizes submission of an application for the TIRCP grant, staff will prepare application materials to submit by March 3, 2022. CalSTA will notify applicants of a decision by June 2022. Transportation staff will return to the City Council Summer 2022 with another ridership update and more information on next steps, including what steps would need to be taken if the City Council elects to make the program permanent.

Sustainability Impact

Via-Cupertino is an on-demand ride sharing program that reduces the amount of VMT in the City, also reducing GHG emissions and local traffic congestion. In addition, as the most frequent destination and pickup point is Sunnyvale Caltrain, the program supports rail transit ridership and lessens parking demand for Caltrain. Vehicles are currently powered by internal combustion engines. However, a transition to electric vehicles (EV) is planned and will occur as vehicles become available from the current lessor (Avis), or if Via-Cupertino is able to secure an alternate provider sooner. If the CalSTA grant is awarded to the City, this will facilitate the transition to EVs by covering the increased capital costs of fleet electrification. It is anticipated that vehicles would be swapped out as soon as available, with the entire fleet in the City becoming electric in three to five years. Another EV strategy under consideration is for staff to pursue grants to acquire EVs that would become City assets, and then have Via-Cupertino manage and operate the fleet. Currently, most grants for EVs that are available require a 50% City match, which would require a significant investment from the City, unless it is able to acquire it through alternate means (such as through a donation, or through VMT Mitigation Funds.)

Fiscal Impact

This ridership update has no fiscal impact. Via-Cupertino was approved as part of the 2019 Budget at a cost of \$1.75 million for the entirety of the pilot program in the Traffic Engineering budget unit, special project account, 100-88-844 750-061 The amount of \$718,812.53 has been spent to date. If the grant is awarded by CalSTA, and if the City Council decides to continue the Via-Cupertino program beyond its current expiration date (October 31, 2022,) the ongoing cost to operate Via-Cupertino is estimated to be \$1.2 million per year. The CalSTA grant could cover up to 50% of capital costs and 50% of operating costs annually for five years, leaving the City responsible for paying the other 50% and/or finding alternate funding sources to cover those costs.

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Attachments:

A -Proposed Expansion Map