



DATE: August 25, 2020

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Mountain View Community Shuttle Agreements**

RECOMMENDATION

1. Authorize the City Manager to execute a funding agreement with Google LLC to fund the operation of the Mountain View Community Shuttle for the period of October 1, 2020 through June 30, 2024.
2. Authorize the City Manager to execute an agreement with the Mountain View Transportation Management Association to operate the Mountain View Community Shuttle for the period of October 1, 2020 through December 31, 2022. Approve agreement amount not to exceed \$1,800,000 for first-year operations through June 30, 2021. Authorize amendments to the agreement for Fiscal Year 2021-22 and Fiscal Year 2022-23 in the amount of funding as approved in the respective fiscal year budget.
3. Authorize the Public Works Director to approve minor modifications to Community Shuttle operations and nonfinancial amendments to the agreement with the Mountain View Transportation Management Association.
4. Approve receipt of \$1,800,000 from Google LLC for Mountain View Community Shuttle operations for Fiscal Year 2020-21 and appropriate the funds in the General Fund – Transportation Reserve for Mountain View Community Shuttle operations. (Five votes required)

BACKGROUND

In 2015, the City partnered with Google LLC (Google) to launch the Mountain View Community Shuttle pilot program (Phase 1) to provide daytime transit options for Mountain View residents. During Phase 1, the free shuttle service was fully funded and operated by Google. The Community Shuttle provides connections between residential

neighborhoods and key destinations in Mountain View as well as connections to the regional transportation network (Figure 1).

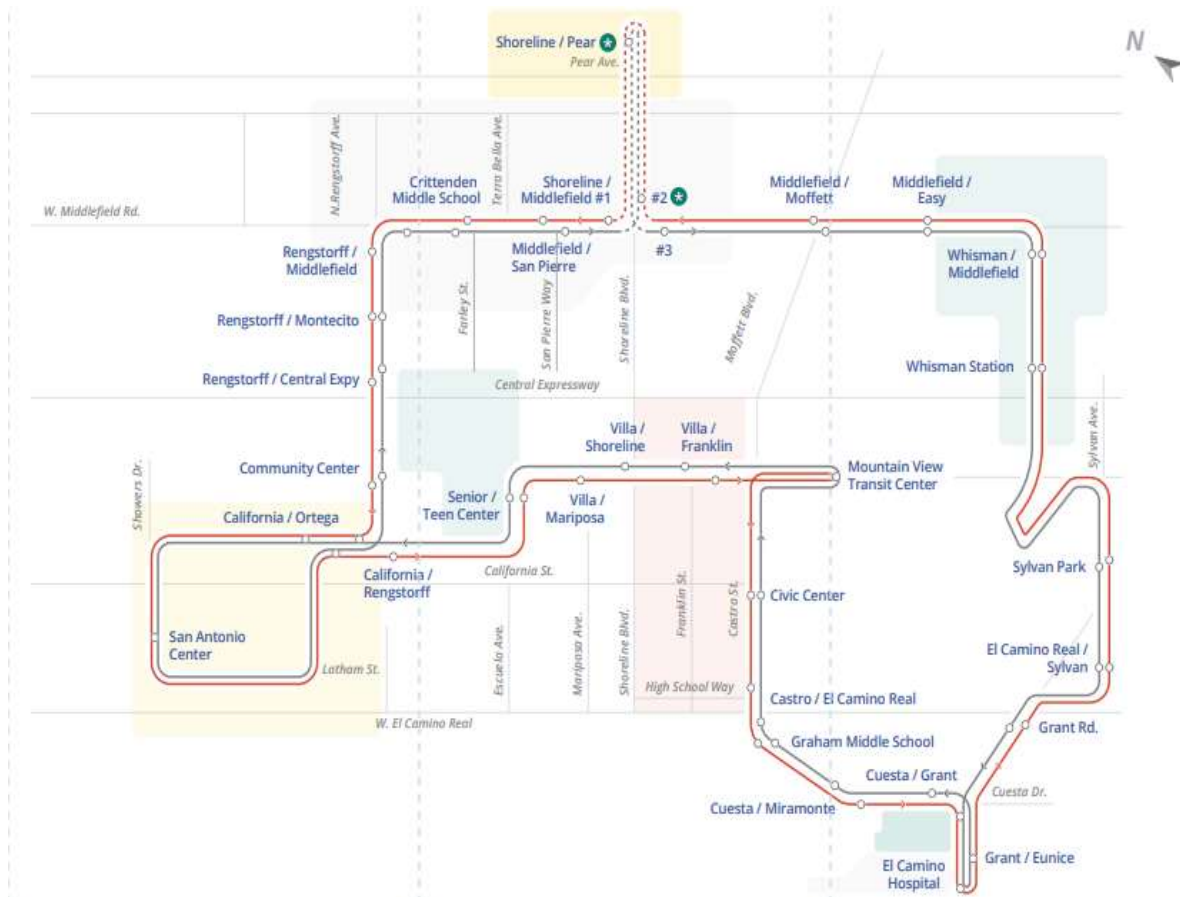


Figure 1: Mountain View Community Shuttle Route

The current fleet consists of six all-electric, 16-seat vehicles, each equipped with a wheelchair lift, exterior bicycle racks, and free on-board WiFi. The shuttles operate in a bidirectional loop every day between 10:00 a.m. and 6:00 p.m., with 30-minute frequency on weekdays and 60-minute frequency on weekends and holidays. Trips in the clockwise direction are considered the gray route, while counterclockwise is the red route. In 2017 and 2018, a real-time tracking and mobile app component was added for riders to see where the shuttles are at any given time.

The Community Shuttle Phase 1 pilot program was set to expire in 2019. In June 2019, Google committed to a five-year funding extension to continue the program into Phase 2. Phase 2 will transition the operations from Google to the City and allow the City to study the next steps for the program while providing current service levels.

At a Council Study Session on [February 25, 2020](#), staff presented the initial findings of a study of Mountain View shuttle and transit services, including an evaluation of the Community Shuttle (Attachment 1). It was noted that the Community Shuttle performs well and is popular in the community. Key findings included:

- Pre-COVID, daily ridership exceeded 600 riders, and the shuttle carried more riders per hour of service than VTA routes, including El Camino Real service within Mountain View.
- The Community Shuttle route serves most of the main activity centers and destinations identified as important in a community survey and stakeholder interviews.
- Seniors and students benefit from, and are supportive of, the Community Shuttle.

Since the COVID-19 Shelter-in-Place order was issued in March 2020, the Community Shuttle has continued to operate at current service levels. Daily ridership initially dropped to around 15 percent of pre-COVID-19 levels after the Shelter-in-Place order was issued, and is currently around 25 percent of pre-COVID-19 levels. This drop in ridership is comparable to other transit agencies, including Valley Transportation Authority (VTA).

Maintaining the Community Shuttle at current service levels has proven valuable for serving the travel needs of the current remaining riders. Most of these riders, including many seniors, make essential medical and shopping trips and connections to other transit services. These essential trips comprise about 90 percent of current daily ridership.

Staff also presented a plan for transitioning operations of the Community Shuttle from Google to the City at the February 25, 2020 Study Session, and Council supported the following staff recommendations:

- Develop a two-year agreement with the Mountain View Transportation Management Association (TMA) to take over management and operations of the Community Shuttle.
- Do not make any changes to the shuttle route and hours during the transition of Community Shuttle operations to new management.
- Give priority to expanding service hours before increasing frequency or changing the route alignment. Depending on actual cost and funding, expand the service hours in 2021.

- Work with the TMA to explore options for integrating the Community Shuttle and MVgo shuttle in 2022 or later.

ANALYSIS

The original planned date for transitioning operations of the Community Shuttle from Google to the City was July 1, 2020. After the COVID-19 Shelter-in-Place order was issued in March 2020, Google agreed to defer the transition date to October 1, 2020 to give the City more time to prepare. During this time, staff has discussed agreement terms with both Google and the TMA.

Google Funding Agreement

The proposed agreement with Google will provide funds to the City to continue operating the Community Shuttle at current service levels for the period from October 1, 2020 through June 30, 2024. Terms of the proposed agreement are as follows:

- Responsibility for operating the Community Shuttle will transfer to the City as of October 1, 2020, and the City may use a third-party contractor to operate the service.
- Google funding for the first full calendar year of the agreement (January 1, 2021 to December 31, 2021) will be \$2,400,000. Google will also provide \$600,000 for the last quarter of 2020. Future calendar year funding (2022 to 2024) will be increased in accordance with the Consumer Price Index (CPI).
- Any funding provided by Google that is not expended for Community Shuttle operations through June 30, 2024 shall be reimbursed to Google by September 30, 2024.
- Google will provide six electric vehicle chargers on their property within the City of Mountain View for Community Shuttle use through September 31, 2022 with an optional one-year extension. Google shall maintain the chargers and provide the power at no cost to the City or its Community Shuttle service provider. In addition, the Community Shuttle operator may use these charging parking spots to store the shuttles when not in service.
- The City may implement modifications to the Community Shuttle service provided that such changes meet the needs of and benefit the residents of the City.

The annual funding of \$2,400,000 (increased by CPI after 2021) is estimated to fully fund the annual operating costs of the Community Shuttle at its current service levels and provide some allowance for one-time costs that are anticipated through the term of the agreement. These costs may include acquiring new electric shuttle vehicles to replace the current aging fleet and providing a permanent charging and storage location.

TMA Funding and Operations Agreement

The proposed agreement with the TMA covers a term from October 1, 2020 to December 31, 2022. During this term, it is expected that the TMA will be utilizing the current service operating vendors, including assuming the leases for the Community Shuttle vehicles. During this period, the City and TMA will work together to develop the best long-term strategy for operations, including consideration of a potential merger of the Community Shuttle with the MVgo shuttle services. The strategy will also address the future of electric vehicles for the shuttle, including new potential charging stations.

Proposed terms of the agreement include:

- The TMA will be responsible for the provision, management, and coordination of the operation of the Community Shuttle service and the TMA may use third-party contractor(s) to operate the service.
- The City will fund all costs and expenses up to the not-to-exceed amount approved by Council for providing the Community Shuttle service.
- The TMA will prepare monthly ridership and performance reports, provide customer relations and complaint handling, conduct an annual survey, prepare and distribute route maps, and maintain the Community Shuttle website and online app.
- The TMA will maintain the current Mountain View Community Shuttle branding, providing attribution to the City and Google for sponsoring and funding the service in all printed and online public information materials and media releases.
- The City will be responsible for coordinating and assisting the TMA with community outreach, service promotion, and the annual rider survey.
- Either the City or TMA may propose changes to the service. The City's Public Works Director and TMA may mutually agree on minor modifications, such as bus stop locations and schedule adjustments that do not require additional budget allocation or change the service area. Major modifications to the service, such as extended

hours and route modifications changing service areas, will require an amendment to the agreement with approval by the City Council.

- The City may terminate the agreement without cause by giving 30 days' prior notice. The City may also suspend the agreement immediately if, in the reasonable opinion of the City, the safety of its passengers or the general public has or may be threatened. The TMA may terminate the agreement without cause by giving 180 days' prior notice.

The TMA provided an estimated cost of \$1,800,000 to operate the Community Shuttle for the period of October 1, 2020 through June 30, 2021. The cost estimate includes some one-time start-up costs for the TMA to assume service operations and a new lease to replace one of the electric shuttles that was damaged in a collision earlier this year. The budget also includes a 5 percent contingency. Otherwise, the costs are consistent with those incurred by Google in running the service. The TMA will submit a cost estimate for operating the shuttle service for Fiscal Year 2021-22 by February 1, 2020 to be approved by the Council as part of the Fiscal Year 2021-22 budget. A similar process will be used for establishing and approving a budget for Community Shuttle operations for Fiscal Year 2022-23.

FISCAL IMPACT

Approval of the recommended actions will establish a current fiscal year budget for the operation of the Community Shuttle with funding provided through the Google agreement. For future fiscal years, staff will include the revenue to be received from Google and an appropriation for Community Shuttle operations in the annual budget. The funding provided by Google is expected to be sufficient to fund the current service levels of the Community Shuttle through June 30, 2024. Should unanticipated cost increases occur that exceed the funding provided by Google, staff will return to Council with options for additional funding or reducing costs.

In some fiscal years, the funding provided by Google may exceed the amount of funding required to operate the shuttle. These excess funds may roll over to the next fiscal year and accumulate for one-time anticipated expenses, such as acquisition of new shuttle vehicles and establishing a permanent shuttle vehicle charging and parking location. Any Google funding not utilized for the Community Shuttle service by June 30, 2024 will be returned to Google. Staff recommends that the funds go into and be expended from the General Fund—Transportation Reserve in order to facilitate the multi-year accumulation of funds for one-time expenses, more easily track the expenditure of the funding from Google, and return any excess funds in 2024.

CONCLUSION

Approval of the agreements with Google and the TMA will allow the transition of Community Shuttle operations to occur on October 1, 2020. The funding provided by Google should fully fund the Community Shuttle operations through June 30, 2024. The agreement with the TMA will provide for the continuation of the existing service for the next two years while the City and TMA work together to develop the best long-term strategy for shuttle operations in Mountain View.

ALTERNATIVES

1. Specify additional or modified terms for the Google and/or TMA agreements.
2. Do not proceed with the agreements for the transition of Community Shuttle funding and operations.
3. Provide other direction.

PUBLIC NOTICING

In addition to the City's standard agenda posting requirements, notices were distributed to the persons who have signed up for updates and information about the Mountain View Community Shuttle. Copies of the Council report were provided to Google and the TMA.

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DSC/CL/6/CAM
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