



Memorandum

Date: 06.16.11 **RE:** Plans and Programs Committee
June 21, 2011

To: Plans and Programs Committee: Commissioners Campos (Chair), Chu (Vice Chair), Avalos, Chiu, Wiener and Mirkarimi (Ex Officio)

From: Tilly Chang – Deputy Director for Planning *TTC*

Through: José Luis Moscovich – Executive Director *José Luis*

Subject: **ACTION** – Recommend Approval of the Strategic Analysis Report on the Role of Shuttle Services in San Francisco’s Transportation System

Summary

The transportation system in San Francisco has been increasingly complemented by the proliferation of various types of shuttle services. At the request of former Commissioner Dufty, the Authority initiated the Strategic Analysis Report (SAR) on the Role of Shuttle Services in San Francisco’s Transportation System to investigate the reasons for, and benefits and impacts of, the growth of shuttle activity in San Francisco. During the course of the SAR’s development, we focused on two areas of analysis: 1) how to respond to the rapid expansion of regional, employer-based shuttle operations in San Francisco neighborhoods; and 2) whether downtown circulator shuttles should be consolidated, and if so, how such consolidation could occur. Authority staff gathered information for the study through literature review, field observations, and extensive outreach to relevant stakeholders, including providers, operators, users, public agencies, and the general public. The SAR’s findings confirmed that regional shuttles provide widespread and significant public benefits but that local conflicts and impacts do exist—including at Muni stops—and should be managed. The SAR recommends the development of a “Muni Partners” program at the San Francisco Municipal Transportation Agency to liaise with the shuttle industry, respond to public inquiries and concerns, and provide for the orderly and beneficial growth of the shuttle sector. In October 2010, the Metropolitan Transportation Commission (MTC) awarded the Authority a grant from the Bay Area Climate Initiative (BACI) program for the San Francisco Integrated Travel Demand Management (TDM) Public-Private Partnership Project (TDM Partnership Project). The TDM Partnership Project encompasses several elements, including the piloting of the Muni Partners program at the SFMTA. The TDM Partnership Project will also support the analysis of alternative ways to improve the efficiency and effectiveness of employer-provided shuttles operations in the greater downtown. Requests for local match are the subject of separate items on the Plans and Programs Committee agenda. **We are seeking a recommendation to approve the SAR on the Role of Shuttle Services in San Francisco’s Transportation System.**

BACKGROUND

In recent years, there has been significant growth of shuttle operations in San Francisco, especially private employer-provided shuttles which provide direct service to employment sites from either residential neighborhood stops or from major transit hubs (e.g., Muni, BART, or Caltrain station). At the request of former Commissioner Dufty, the Authority initiated the Strategic Analysis Report (SAR) on the Role of Shuttle Service in San Francisco’s Transportation System in 2009 to investigate the reasons for, and benefits and impacts of, the growth of shuttle activity in San Francisco. The term “shuttle” can refer to a broad range of transportation services that are publicly and/or privately provided; which serve entities including community organizations, private employers, and academic or cultural institutions; which operate within specific geographical areas or to/from transit hubs within particular times; and which utilize vehicles ranging from minivans to full-sized motor coaches. Unlike

taxis, tour buses, and jitneys, they are not commercial operations (e.g., airport “super shuttle”). The SAR generally considered more regularly scheduled shuttle service with fixed routes and stops.

Shuttle services are provided for a range of reasons, including as a means to address growing traffic congestion and the inadequacy of local and regional transit services in effectively meeting demands for certain types of trips. Outreach conducted for the SAR indicated that shuttles are also offered for a range of other reasons—for example, to complement and encourage the use of existing transit; to practice environmental responsibility; as a benefit to attract and retain employees; and to increase the productivity of employees by offering wireless internet service (particularly on longer-distance, regional shuttles). In some cases shuttle service has been mandated as a condition of approval for specific land use developments as a mitigation measure.

As a city, San Francisco currently has a limited capability to manage regulate shuttle operations. The current regulatory framework for shuttles in San Francisco includes various agencies and elements. The California Public Utilities Commission (CPUC) grants operating authority and investigates public complaints. The San Francisco Police Department enforces weight restrictions, and the San Francisco Municipal Transportation Agency (SFMTA) enforces bus zone restrictions. In addition, as noted above, the San Francisco Planning Department has in some cases required shuttle service provision as a component of development mitigations. These varied regulations may not always be consistently enforced due to staff constraints, nor clearly communicated to shuttle providers.

During the preliminary stages of the SAR’s development, two central issues emerged as areas of focus for the SAR: 1) how to respond to the rapid expansion of regional, employer-based shuttle operations in San Francisco neighborhoods; and 2) whether downtown circulator shuttles should be consolidated, and if so, how such consolidation could occur. After release of the Draft SAR, subsequent outreach and field work was conducted in response to stakeholder input and guidance, including from the Authority’s Citizens Advisory Committee (CAC). This work included: study of transit stop conflicts for major Muni and shuttle route corridors; meetings with regional employer and downtown employer stakeholders; a public forum at the San Francisco Planning and Urban Research Association (SPUR); and meetings with Academy of Art shuttle managers in response to concerns of a member of the San Francisco Planning Commission.

The purpose of this memorandum is to present the findings and recommendations of the SAR and seek a recommendation for its approval.

DISCUSSION

Regional Employer-Based Shuttles: There are several corporations which operate shuttle service to and from San Francisco to employment campuses outside the city—for example, to and from Silicon Valley. These shuttles consist of a mix of large 40 to 50 passenger motorcoaches and smaller 20 to 25 passenger vehicles which reach into local San Francisco neighborhoods at predetermined (but generally informal) stops. In the SAR, shuttle programs of four large employers were used as a representative sample of this shuttle category. Collectively, shuttles for these four employers transport over 2,000 employees daily (at the time of the data compilation effort), and utilize about 50 vehicles to serve approximately 50 stops.

Community and stakeholder outreach revealed a wide mix of perceptions of these shuttles. Many residents (including non-shuttle riders) expressed support for shuttles, citing reduced automobile usage by shuttle riders and improved neighborhood parking availability; increased attractiveness of the city as a residential location; shuttle riders’ patronage of local retail shops; and increased perceptions of safety

associated with increased foot traffic. Other residents raised significant concerns regarding the local impacts of shuttle operations, citing conflicts with Muni buses at stops, which may delay transit service and/or cause Muni passengers to alight away from the curb; the relative size of shuttles compared to the scale of local streets and sidewalks, leading to pavement wear and safety concerns for cyclists and pedestrians; and issues of noise, idling, and pollution. Many stakeholders also expressed frustration regarding the relative anonymity of some shuttle services, which makes it difficult to report complaints pertaining to unlabeled vehicles.

Given the wide range of shuttles issues and concerns, we assessed the benefits and impacts of current services and identified potential means to improve the management of the shuttles sector.

Benefits and Impacts (Regional Shuttles): While the SAR investigated two main categories of shuttles (regional and local shuttles) the assessment of benefits and impacts focused on the regional shuttle category, using a representative sample of four major employers as described in detail in the enclosed report.

The analysis assessed key benefits of regional shuttle operations (based on the sample of four employers). The SAR found that approximately 63 percent of shuttle riders would have otherwise driven alone. This equates with approximately 320,000 automobile trips avoided per year, resulting in a reduction of 20 million vehicle-miles traveled (VMT). Based on estimates of VMT avoided, carbon dioxide (CO₂) emissions are reduced by at least 8,000 tons per year. Shuttles also help to encourage spending at local merchants (generally, during walk trips to and from shuttle stops); the SAR estimated this effect at approximately \$1.8 million annually. Furthermore, 62 percent of residents indicated that shuttle services contributed to their residential location decisions, and 28 percent of survey respondents do not own personal vehicles.

The analysis also examined a range of impacts associated with the operations of shuttles. A review of vehicle sizes in comparison to city streets indicated some locations where turning radii exceed design standards. The shuttle vehicles themselves have emissions impacts, which correspond to approximately 2,000 tons per year of CO₂ (though these emissions should be viewed in the context of overall emissions avoided). Safety concerns (raised by the observations by residents) could not be quantified; a review of the federal safety database (required for all motorcoach operators) indicated no collisions reported which could be attributable to shuttle activity in the recent period from 2006 to 2008.

Regional employer shuttles were in general found to serve a complementary role to transit, filling gaps where regular transit service does not or cannot provide coverage. The SAR also documents a fair amount of public support, with 50 percent to two-thirds of public comments and online surveys indicated favorable opinions regarding employer-based shuttles. However, while benefits are widespread (both regional and local) for these shuttles, impacts are highly localized. For example, about 90 percent of shuttle buses use Muni zones for loading and unloading. The use of bus zones and red color curb areas for shuttle stops and layovers presents both actual and perceived conflicts with Muni vehicles. Shuttle stops can also involve double parking and traffic impacts when shuttles do not pull in entirely to Muni zones.. The SAR was not able to conclusively quantify the extent of the transit and traffic conflicts problem: while limited field studies of shuttle operations revealed occasional conflicts at Muni zones, public comments and concerns about this problem indicate that this may be a more common occurrence. In all, the lack of clear operating rules and guidance creates anxiety and conflicts that could be better managed to the benefit of Muni bus services, shuttle operations, traffic circulation, and the public at large.

Downtown Local Employer-Based Circulator Shuttles: In the course of developing the SAR, the Authority was approached by a group of downtown employers who operate shuttles in the downtown area. They expressed a desire for the City to explore consolidation of their shuttle operations to realize cost savings and operational efficiencies. Indeed, the SFMTA's 2008 shuttle inventory found that there were more than ten private business shuttle systems operating in the greater downtown area, in some cases providing redundant service. Inefficiencies in existing downtown shuttle operations are indicated by relatively low load factors, which typically peak at just over 50 percent (with the 25-passenger vehicles operating at 18-42 percent of capacity).

At least two employers have already begun sharing service, but they and others continue to request assistance to further investigate possible consolidation. Private consolidation is not necessarily straightforward financially, due to liability issues (sharing insurance which covers all combinations of passengers from different employers) and possible upfront costs in procuring vehicles. Regarding interest in a public agency-led consolidated operation, several models of private partnerships and public/private partnership in shuttle operations exist in the Bay Area and beyond. However, aside from the threshold question of how service expansion in this area would be justified, given present Muni operating fund constraints and service needs citywide, the prospect of public participation could also change the service into an open one, negating some perceived and/or real benefits of having a dedicated and "closed" system.

For these reasons, the stakeholder group and City agencies agreed that a phased approach would be advisable where employers would first explore private partnerships and potential consolidation of shuttle operations among themselves. The Authority and the SFMTA could provide technical assistance to the downtown employer group in the creation of a new entity to handle the transition from individual service contracts to a shared contract among many employers.

Recommendations: The central recommendations of the SAR are as follows:

- 1) **More formal management and recognition of shuttles.** The SAR recommends the development of a "Muni Partners" program at the SFMTA and dedicated SFMTA staff to liaise with the shuttle industry, respond to public inquiries and concerns, and provide for the orderly and beneficial growth of the shuttle sector. This program could address similar issues that exist with other state-licensed vehicles, such as tour buses and the like. The program should be supported, at least in part, by a fee structure for member organizations. At a minimum this would provide for cost recovery of the program in a manner consistent with other SFMTA curb-management and facility fees and policies. Non-participating shuttle operators could be subject to enforcement actions at Muni stops and red zones and would not be eligible for program benefits such as shared stops, planning support and coordination, etc.
- 2) **Designated shuttle coordinator.** The Muni Partners program would include a shuttles staff person at the SFMTA to address management needs and develop regulations, coordinate with shuttle providers and operators, and act as a point of contact for the public. This coordinator would develop certification criteria, provide operating guidance, plan needed facilities, set fee structures, conduct monitoring and evaluation activities, coordinate enforcement, and manage growth of the sector. The coordinator would also receive and appropriately direct public inquiries and complaints. It is anticipated that the majority of effort would be needed up front to research shuttle and transit/traffic operations conflicts and establish shuttle facility needs, as well as to work collaboratively with industry stakeholders, other agencies, and the public to develop program features, benefits, and fee structures. Thereafter, a maintenance level of effort

will likely be needed to continue tracking and monitoring sector activities and respond to public inquires, as well as to undertake planning efforts to grow the program appropriately in concert with larger agency and citywide travel demand management (TDM) initiatives. The Authority will be partnering with the SFMTA and other City agencies, through a regional grant-funded effort described below, to undertake this preliminary work and to determine the need for, and level of effort required to sustain, the program on a more permanent basis.

Travel Demand Management Partnership Project: In October 2010, the Metropolitan Transportation Commission (MTC) awarded the Authority a grant from the Bay Area Climate Initiative (BACI) program for the San Francisco Integrated TDM Public-Private Partnership Project (TDM Partnership Project). The project is a joint initiative of the Authority, the SFMTA, the Department of the Environment, and the Planning Department. The TDM Partnership Project encompasses several elements, including the piloting of the Muni Partners program at the SFMTA. The TDM Partnership Project will also support the analysis of alternative ways to improve the efficiency and effectiveness of employer-provided shuttles operations in the greater downtown. A key focus of both initiatives is to grow the private shuttle market in a more coherent and organized fashion in order to maximize the benefits and minimize the impacts of shuttle operations. Requests for local match to support the TDM Partnership Project are the subject of separate memoranda included in the Plans and Programs Committee meeting packet.

Development of the Muni Partners program in the initial stages through a grant-funded approach will allow the City to investigate program need and effectiveness. As noted above, the program's pilot period will include more detailed analysis and data collection regarding shuttle operations than was possible within the scope of this SAR. This work will inform the development of clear operating guidelines and requirements for the shuttles sector. Importantly, during the pilot period there will be an assessment of how to cover the costs of the program following the approximately 18-month grant period, including whether and how to charge a fee to members and what fee level is appropriate.

We are seeking a recommendation to approve the SAR on the Role of Shuttle Services in San Francisco's Transportation System.

ALTERNATIVES

1. Recommend approval of the SAR on the Role of Shuttle Services in San Francisco's Transportation System.
2. Recommend approval of the SAR on the Role of Shuttle Services in San Francisco's Transportation System, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC was briefed on this item at its May 25 meeting, and adopted a motion of support for the staff recommendation, with 6 members voting in favor and 2 members dissenting. Dissenting CAC members characterized the impacts generated by shuttle operations as minimal and questioned the need for a Muni Partners program at the SFMTA.

FINANCIAL IMPACTS

None. Requests for local match funding for the TDM Partnership Project, which will pilot the central recommendation of the SAR, are the subject of two separate items on the Plans and Programs Committee agenda.

RECOMMENDATION

Recommend approval of the SAR on the Role of Shuttle Services in San Francisco's Transportation System.

Enclosure:

1. SAR on the Role of Shuttle Services in San Francisco's Transportation System