

REPORT

To the Honorable City Council
From Diane Howard, Chair of Alliance, and Ed Everett, City Manager

March 26, 2007

Subject

Authorize receipt of grant funding for the Community Shuttle Service Pilot Program and authorize the City Manager to execute Funding and Management Agreement for same.

Recommendation

1. By resolution, authorize acceptance of Lifeline Transportation Program Funding in the amount of \$129,488.00 from the Metropolitan Transportation Commission through City/County Association of Governments of San Mateo County for the Community Shuttle Service Pilot Program.
2. By motion, authorize the City Manager to execute the Funding and Management Agreement for the Community Shuttle Service Pilot Program.

Background

On behalf of the City of Redwood City, Council Member Diane Howard serves as the Chair of the Peninsula Traffic Congestion Relief Alliance (the "Alliance"), which is San Mateo County's Transportation Demand Management Agency. The Alliance intends to reduce the number of single occupancy vehicles traveling into and through San Mateo County in the effort to reduce vehicle emissions and improve air quality.

The Alliance's work plan includes assisting cities with research and implementation of alternative commute programs that best fit the needs of the local community. To evaluate commute alternatives for the City, Council Member Howard enlisted assistance from the Alliance, staff and citizens, and SamTrans to determine how best to implement a Commute and Community Shuttle Service in the City of Redwood City.

In fall of 2005, the City Council authorized the Alliance to conduct a survey of Redwood City residents to determine level of interest in a community shuttle service. Results from the survey showed that nearly three-fourths of the respondents indicated that they would use a shuttle service at least two days per week if reliable and convenient. Many respondents were interested in establishing specific routes including service to the Redwood City Caltrain Station at Sequoia Station, the Downtown/City Hall area, Kaiser Hospital, and Red Morton Community Center. There was additional interest in establishing routes to/from Sequoia Hospital, the Veterans Memorial Senior Center, and Fair Oaks Community Center. As well, employers located at Mid-Point Technology Park are willing to financially contribute to a commute hour service from the Redwood City Caltrain station to their worksites.

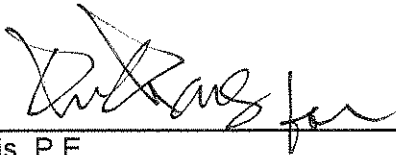
On April 24, 2006, the City Council approved initial planning for the Community Shuttle Service Pilot Program (commuter/peak hours and community/mid-day shuttle service program) based on the survey results and local area employer support. Council also authorized the Alliance and SamTrans to apply for grant funding on behalf of the City of Redwood City to help offset the operational costs of the shuttle service. On January 8, 2007, the City Council approved and initiated the Community Shuttle Service Pilot Program, and authorized the Alliance to financially manage the program. The Funding and Management Agreement for the program is attached. Application for funding has been made and granted in the amount of \$42,600.00 per year for the next three years. The City Council is asked to authorize the receipt of grant funds totaling \$129,488.00 and authorize the City Manager to execute the Funding and Management Agreement for the shuttle program.

Alternative

Rescind the City of Redwood City grant application for Lifeline Transportation Program Funding.

Fiscal Impact

Grant funds received from the Lifeline Transportation Program would result in receipt of \$129,488.00 over the next three years to assist with the operational costs of a shuttle program within the City.



Paul Willis, P.E.
Senior Civil Engineer



Chu Chang, P.E.
Manager, Engineering & Construction



Diane Howard, Chair
Peninsula Traffic Congestion Relief Alliance



Ed Everett
City Manager

Attachments

1. Resolution for Lifeline Project Sponsor
2. Lifeline Transportation Program Funding Application
3. Funding and Management Agreement

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE ACCEPTANCE OF LIFELINE TRANSPORTATION PROGRAM FUNDING IN THE AMOUNT OF \$129,488.00 FROM THE METROPOLITAN TRANSPORTATION COMMISSION THROUGH CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY FOR THE COMMUNITY SHUTTLE SERVICE PILOT PROGRAM

WHEREAS, the Metropolitan Transportation Commission (MTC) has established a Lifeline Transportation Program to assist in funding projects that 1) are intended to result in improved mobility for low-income residents of the nine San Francisco Bay Area counties, 2) are developed through a collaborative and inclusive planning process and 3) are proposed to address transportation gaps and/or barriers identified through a Community-Based Transportation Plan or are otherwise based on a documented assessment of needs; and

WHEREAS, MTC has identified a certain amount of funds in the Job Access Reverse Commute (JARC), Congestion Mitigation and Air Quality (CMAQ) and State Transit Assistance (STA) programs to be made available for eligible projects for a three year interim program; and

WHEREAS, MTC adopted principles, pursuant to MTC Resolution No. 3726, Revised, to guide implementation of the Lifeline Transportation Program for the three year period from Fiscal Year 2005-06 through Fiscal Year 2007-08, and has designated the Peninsula Traffic Congestion Relief Alliance in each of the nine bay area counties to help with recommending project selections and project administration; and

WHEREAS, City/County Association of Government C/CAG has been designated by MTC to assist with the Lifeline Transportation Program in San Mateo on behalf of MTC; and

WHEREAS, C/CAG conducted a competitive call for projects for the Lifeline Transportation Program in San Mateo county; and

WHEREAS, City of Redwood City submitted a project(s) in response to the competitive call for projects; and

WHEREAS, C/CAG, after review, recommends City of Redwood City proposed project(s), described more fully on Attachment A to this Resolution, be funded in part under the Lifeline Transportation Program; and

WHEREAS, City of Redwood City agrees to meet project delivery and obligation deadlines, provide for the required local matching funds, and all other conditions set forth in MTC Resolution No. 3726 Revised; and

WHEREAS, City of Redwood City certifies that the project(s) and purpose(s) for which funds are being requested is in compliance with the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), and with the State Environmental Impact Report Guidelines (14 California Code of Regulations Section 1500 et seq.) and if relevant the National Environmental Policy Act (NEPA), 42 USC Section 4-1 et seq. and the applicable regulations thereunder (See Attachment 1); and

WHEREAS, that there is no legal impediment to City of Redwood City making the funding request; and

WHEREAS, there is no pending or threatened litigation, which might in any way adversely affect the ability of City of Redwood City to deliver the proposed project(s) for which funds are being requested.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDWOOD CITY AS FOLLOWS:

RESOLVED, that City of Redwood City authorizes the acceptance of MTC grant funds available under its Lifeline Transportation Program, in the amounts requested for which City of Redwood City is eligible, for the project(s) described in Attachment A of this Resolution; and be it further

RESOLVED, that staff of City of Redwood City shall forward a copy of this Resolution, and such other information as may be required, to MTC, Peninsula Traffic Congestion Relief and Alliance, and such other agencies as may be appropriate.

Attachment 1

CEQA/NEPA Compliance for Community Shuttle Service Pilot Program

Description of project: The Redwood City Community Shuttle Service Pilot Program is an alternative transportation program sponsored by the Peninsula Traffic Congestion Relief Alliance that is intended to reduce the number of single-occupant vehicles traveling into and through San Mateo County, to reduce vehicle emissions and improve air quality. The Program is funded by several sources, including grant funding from the Metropolitan Transportation Commission (MTC), the source of which is both federal and state agency funding, Redwood City local matching funds, and employer contributions. The program will be managed on behalf of the City of Redwood City by the Alliance. The program's goal is a ridership target of 100 riders per day. The program is expected to commence in July 2007. In Redwood City, the program will have two components:

- 1) A commuter shuttle operating for approximately 6.5 hours of service during the morning and afternoon/evening commute periods. This service runs from the Redwood City Caltrain Station to 550 Broadway, serving Mid-Point Technology Park, with designated stops along the route.
- 2) A community shuttle service operating for approximately 5.5 hours of service during the mid-day hours. This service will run between the Fair Oaks neighborhood and locations to be determined on the west side of El Camino Real (i.e., potentially including the Red Morton Community Center and the Veterans Memorial Senior Center).

CEQA compliance: The Redwood City Community Shuttle Service Pilot Program is considered a "project" under CEQA. There are no statutory or categorical exemptions under CEQA that are specific to an alternative transportation shuttle service. However, the CEQA Guidelines [Section 15061(b) (3)] provide lead agencies with a "common sense" exemption for actions that may be considered projects but the project does not fall within a statutory or categorical exemption. The common sense exemption applies if an agency can determine with certainty that the action will not produce significant environmental effects.

The intent of the Shuttle Service Pilot Program is to provide an alternative to the use of single-occupant vehicles for both commuting and accessing needed social services. Therefore, the program would contribute to the reduction in vehicles traveling into and through San Mateo County, thereby reducing vehicle emissions and contributing to improved air quality. The program would produce beneficial rather than adverse environmental effects. As such, the program meets the intent of the "common sense" exemption under CEQA, and is hereby granted such an exemption by the City of Redwood City.

NEPA compliance: The Federal Transit Administration (FTA) is the funding entity for the federal funding component of the program. According to the MTC, the FTA issues guidance, often in the form of circulars, to provide grantee direction on program-specific issues and statutory requirements. Circular C5620.1, titled "Guidelines for Preparing Environmental Assessments," was issued in October 1979 and provides guidance in the preparation and review of environmental assessments of mass transportation projects. The guidance identifies three classes of action that require different levels of environmental analysis and documentation. Projects are placed in one of these three classes according to the probable significance of their impacts on the human environment.

Class 1 actions normally have a significant impact on the environment and thus require an Environmental Impact Statement (EIS). Class 3 actions are those in which the significance of the impacts on the environment is not clearly established and for which an Environmental Assessment (EA) is prepared to determine the probable impacts. Class 2 actions normally do not entail significant impacts on the environment and, therefore, require neither an EIS nor an EA. These actions are considered categorical exclusions under NEPA.

One type of categorical exclusion under Class 2 actions includes "operating assistance to transit authorities to continue existing service or increase service to meet demand." According to the MTC, this is the appropriate categorical exclusion for the federal funding component of the Redwood City Community Shuttle Service Pilot Program, and is hereby used by the City of Red

- Lifeline Transportation Program Funding Application

A. Project Information

Project Sponsor

Name of the applicant(s) City of Redwood City
 Contact person Honorable Diane Howard – Council Member
 Address 1017 Middlefield Road
 Redwood City, CA 94062
 Phone number PH: (650) 595-4221
 Fax number Fax: (650) 595-5540
 E-mail address dhoward@redwoodcity.org

Other Partner Agencies

Agency	Contact Person	Address	Telephone
Peninsula Traffic Congestion Relief Alliance	Christine Maley- Grubl	1150 Bayhill Drive, Ste 107 San Bruno, CA 94066	650-588-8170
SamTrans	Richard Cook	1250 San Carlos Ave., San Carlos, CA 94070	650-508-7979

Brief Description of Project:

Redwood City has a number of low income residents in the Fair Oaks community. A recent survey of the city's residents indicates that low income residents need transportation to basic services such as: transportation hubs, shopping, medical needs; as well as job training and county services. The city plans to respond to this need by implementing a pilot shuttle service to connect residents with necessary services.

Budget Summary

	\$	% of Total Project Budget
Amount of Lifeline funding requested:	\$ 61,800	11.37%
Amount of local match proposed:	\$481,600	88.63%
Total project budget:	\$543,400	100.00%

B. Project Narrative

Please provide a brief narrative to describe the project, as indicated below.

Project Need/Goals and Objectives

1. Describe the unmet transportation need that the proposed project seeks to address and the relevant planning effort that documents the need. Describe how project activities will mitigate the transportation need. Estimate the number of people to be served, and/or the number of service units that will be provided. Describe the specific community this project will serve, and provide pertinent demographic data and/or maps.

Per Table 1: Communities of Concern meeting 30% Poverty Threshold, the North Fair Oaks area in Redwood City is a qualifying community for Lifeline funding. Redwood City has a number of low income residents in the Fair Oaks community. A recent survey of the city's residents indicates that low income residents need transportation to basic services such as, transportation hubs, shopping, medical needs; as well as job training and county services. The city plans to respond to this need by implementing a pilot shuttle service to connect residents with necessary services.

Using the survey results as a basis, four meetings were held with interested stakeholders to refine the area of operation. A draft plan based on the survey of residents is included. The service is intended to operate approximately 12 hours per weekday between the hours of 6:30a and 6:30p and will be planned for transit connections.

The program's goal is a ridership target of 100 riders per day, such as that currently being transported on a similar service in East Palo Alto; considered a successful community shuttle.

2. What are the projects goals and objectives?

Implementation Plan

1. Describe key personnel assigned to this project, and their qualifications.

The Alliance Shuttle Program Manager, in consultation with the SamTrans/Caltrain Associate Contract Administrator will provide daily oversight of the service. Redwood City staff will provide input as needed.

The Alliance Shuttle Program Manager has a MSBA in Marketing and Transportation Logistics and over 18 years of operations and management experience in the passenger transportation industry. He currently manages 15 other employer and community shuttles for the Alliance in San Mateo County on behalf of their host cities.

The SamTrans/Caltrain Associate Contractor Administrator has over 30 years in the transportation industry and has held his current position at SamTrans for over five years; managing over 30 employer and community shuttle routes.

2. Provide an operational plan for delivering service. Include route map, if applicable. OR Provide an implementation plan for completing a capital project, including key milestones and estimated completion date.

Implementation will begin on July 1, 2006. Initial planning has already commenced. Development of final schedule and route will be completed in the fall with service expected to begin in October 2006. Public outreach will begin at that time.

3. Estimate the number/percentage of low-income persons that will be served by this project. How many new trips (or other unit of service) will be provided?

The Fair Oaks community response to the survey was approximately 7% of the total survey response. It is expected that approximately 16 round trips of the shuttle will be offered each day.

4. Describe any proposed use of innovative approaches that will be employed for this project.

The City of Redwood City is partnering with the Peninsula Traffic Congestion Relief Alliance for daily service management, with SamTrans for additional oversight and with numerous stake holders to assist in the initial planning. This initial community outreach should provide additional "buy-in" from the community and further inform the targeted users of the new service. Cellular phone dispatch as used in the Bayshore/Brisbane Community shuttle may be used for midday operations.

5. Is the project ready to go? Can the project be implemented in a timely manner after project award? What, if any, major issues need to be resolved prior to implementation?

Initial planning has already commenced. Development of final schedule and route will be completed in the fall with service expected to begin in October 2006. Public outreach will begin at that time. We are still working on refining the pilot service area and associated schedule based on community input.

Project Budget/Sustainability

1. Project sponsor should provide a complete budget indicating project revenues and expenditures in the format provided below. Estimate the proposed cost per trip (or other unit of service). Describe efforts to ensure its cost-effectiveness.

The pilot Redwood City Community Shuttle will utilize CCAG's current service efficiency guidelines of per rider costs not to exceed \$6 and no fewer than 10 riders per service hour.

2. Proposals should address long-term efforts and identify potential funding sources for sustaining the service beyond the grant period.

In addition to Lifeline funding, the pilot Redwood City Community Shuttle will be requesting service grants from the Bay Area Air Quality Management District and CCAG of San Mateo. The Alliance and SamTrans will be providing "in kind" administrative oversight alleviating city staff of that time burden and the city of the financial burden. If the commute hour service is implemented, Genentech, a large employer with a phone center near the planned route, will provide contributions for the service. The City will also be supporting the service financially. Based on current discussions, the service is expected to have sufficient funding for future years should the pilot program prove successful.

Coordination and Program Outreach

1. Describe how the project will be coordinated with public and/or private transportation and social service agencies serving low-income populations.

Redwood City, Alliance and SamTrans staff will work with interested stakeholders including those from the Fair Oaks Community Center, to design a viable service to meet the needs of the North Fair Oaks area.

2. Describe how project sponsor will continue to involve key stakeholders throughout the project. Describe efforts to market the project, and ways to promote public awareness of the program.

After the service has been operating for a period of three to six months, the Alliance intends to survey the ridership to obtain their feedback. The service will be modified as necessary to better meet the needs of the users. As the service approaches the 12 to 18 month mark, the ridership will again be surveyed and the stakeholder group will meet to evaluate the existing service and ridership comments and recommendations.

Program Effectiveness

1. Project application should demonstrate that the proposed project is the most appropriate match of service delivery to the need. Identify performance measures to track the effectiveness of the service in meeting the identified goals. At a minimum, performance measures for service-related projects would include: documentation of new “units” of service provided with the funding (e.g. number of trips, service hours, workshops held, car loans provided, etc.), cost per unit of service, and a quantitative summary of service delivery procedures employed for the project. For capital-related projects, project sponsor is responsible to establish milestones and report on the status of project delivery.

The pilot Redwood City Community Shuttle will utilize CCAG’s current service efficiency guidelines of per rider costs not to exceed \$6 and no fewer than 10 riders per service hour.

2. Describe a plan for ongoing monitoring and evaluation of the service, and steps to be taken if original goals are not achieved.

Ridership levels will be monitored on a monthly basis with service updates provided to CCAG on a quarterly basis. New service may take a little time to “catch on.” We are making every effort to include the appropriate stake holders to speed up this process.

It is the program’s goal to meet ridership expectations by month 24 of operation. The service will be reviewed on a regular basis and adjusted as necessary to improve operations.

C. Budget

Please provide a detailed line item budget describing each cost item including start-up, administration, operating and capital expenses, and evaluation. If the project is a multi-year project, detailed budget information must be provided for all years. Please show all sources of revenue, including anticipated fare box revenue.

The budget should be in the following format:

Revenue	Year 1	Year 2	Year 3	TOTAL
Lifeline Program Funds				
[Other Source of Funds]				
[Other Source of Funds]				
TOTAL REVENUE				
Expenditures	Year 1	Year 2	Year 3	TOTAL
Operating Expenses				
Capital Expense				
Administrative Expenses				
[Other Expense Category]				
[Other Expense Category]				
TOTAL EXPENSES				

Revenue	Year 1	Year 2	Year 3	Total
Lifeline Program Funds	20,000	20,600	21,200	61,800
CCAG Grant	88,050	90,550	93,250	271,850
BAAQMD Grant	14,064	14,488	14,920	43,472
RWC Shuttle Funds	35,686	36,922	38,030	110,638
Employer Contributions	18,000	18,540	19,100	55,640
TOTAL REVENUE	175,800	181,100	186,500	543,400
Expenditures	Year 1	Year 2	Year 3	Total
Operating Expenses	175,800	181,100	186,500	543,400
Administrative Expense	0	0	0	0
Alliance Marketing Exp	0	0	0	0
TOTAL EXPENSES	175,800	181,100	186,500	543,400

Please clearly specify the source of the required matching funds. Include letter(s) of commitment from all agencies contributing towards the match. If the project is multi-year, please provide letters of commitment for all years.

DRAFT

AGREEMENT CONCERNING MANAGEMENT OF THE REDWOOD CITY PILOT SHUTTLE PROGRAM

THIS AGREEMENT, dated _____, 20____, by and between the City of Redwood City ("CITY"), and the Peninsula Traffic Congestion Relief Alliance ("ALLIANCE"), a joint powers agency, is made with reference to the following facts:

A. CITY desires to facilitate the operation of a pilot commuter shuttle service program ("SHUTTLE PROGRAM") for employers and/or residents in the various designated areas within the boundaries of CITY (collectively "DESIGNATED AREAS");

B. CITY and ALLIANCE have entered into certain funding agreements (collectively "FUNDING AGREEMENT") with various funding entities (collectively "FUNDER"), including (1) Regional Transportation Fund for Clean Air from the Bay Area Air Quality Management District, (2) Lifeline Funding from the Metropolitan Transportation Commission through the City/County Association of Governments (C/CAG) of San Mateo County, and (3) The Congestion Relief Funding from C/CAG of San Mateo County, to fund a portion of SHUTTLE PROGRAM and desire to transfer the FUNDING AGREEMENT rights and grants to the ALLIANCE;

C. ALLIANCE has contracted with a shuttle provider, Parking Company of America Management, ("OPERATOR") to provide shuttle service;

D. The SHUTTLE PROGRAM consists of shuttle bus service from certain Caltrain stations or DESIGNATED AREAS to shuttle stops in various other DESIGNATED AREAS to be operated by OPERATOR pursuant to the terms of FUNDING AGREEMENT;

E. A group of employers located within the CITY ("PARTICIPATING EMPLOYERS") shall enter into a certain "Consortium Agreement Between Redwood City Shuttle Employers" whereby PARTICIPATING EMPLOYERS shall agree to make cash contributions toward the cost of operating the SHUTTLE PROGRAM and to cooperate with ALLIANCE and the CITY to design, institute and monitor the SHUTTLE PROGRAM, and promote the shuttle service to their employees;

F. CITY and ALLIANCE acknowledge that the SHUTTLE PROGRAM could change significantly during the course of the program, since this shuttle must compete for funding each year, thus there is no guarantee that funding will be available to support the SHUTTLE PROGRAM.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Responsibilities of ALLIANCE. ALLIANCE shall exercise primary responsibility for managing the SHUTTLE PROGRAM. ALLIANCE will handle all invoicing, promotion, grant reporting, and logistical maintenance of the SHUTTLE PROGRAM, including, but not limited to, the following specific responsibilities:

(a) Invoicing and Payments:

- (1) ALLIANCE shall invoice PARTICIPATING EMPLOYERS in a timely manner and with a frequency as deemed appropriate by mutual consent. Payments shall be due within 30 days from the billing date. The invoices shall instruct the Participating Employers to make their checks payable to “**The ALLIANCE**” and to mail or deliver the same to:

**Peninsula Traffic Congestion Relief Alliance
ATTN: Finance Department – Redwood City
Shuttle
1150 Bayhill Drive, Suite 107
San Bruno, CA 94066**

- (2) In the event that unanticipated revenue is generated by the SHUTTLE PROGRAM such as bus advertising, interest income, additional employer contributions or rebates, ALLIANCE shall record this revenue in a separate line item within the Shuttle Program budget reflecting the Redwood City Shuttle, and reserve this funding for Program-related expenses as agreed upon by the Parties, such as signage, marketing and other expenses.

(b) Grant Reporting and Applications:

- (1) The FUNDING AGREEMENT between ALLIANCE and FUNDER and/or any other funding agreements or financing arrangements for the SHUTTLE PROGRAM may be proposed from time to time.
- (2) ALLIANCE shall assume primary responsibility for:
- Preparation and timely submittal, on behalf of CITY, of all reports that may be required under the terms of any funding agreements for the SHUTTLE PROGRAM; and
 - Re-applying to funding agencies on behalf of ALLIANCE for grant funds in future years, including but not limited to, the preparation of

application forms with the statistical and operating information that may be required in connection therewith to the extent that information to be included therein must be obtained by ALLIANCE from the records maintained by ALLIANCE and/or the CITY pursuant to this Agreement in connection therewith.

(3) ALLIANCE may also prepare and submit other grant applications for funding the SHUTTLE PROGRAM, should such funding opportunities arise and be deemed by both ALLIANCE and CITY to be appropriate for the SHUTTLE PROGRAM.

(4) CITY shall cooperate with and assist ALLIANCE in the preparation of such reports and funding applications. *— left off*

(c) Shuttle Program Promotion:

(1) ALLIANCE will, from time to time, solicit new employer involvement in the SHUTTLE PROGRAM and promote new ridership by employees from PARTICIPATING EMPLOYERS. At least every four (4) months, ALLIANCE shall provide CITY with a list of the PARTICIPATING EMPLOYERS.

(2) Notwithstanding the provisions of Paragraph(c)(1) above, ALLIANCE shall not accept new employers or increased ridership from PARTICIPATING EMPLOYERS unless the SHUTTLE PROGRAM has the capacity to safely accommodate the increased number of passengers, or the parties have agreed upon a plan for increasing the capacity of the SHUTTLE PROGRAM to provide service for the additional passengers.

(d) Logistical Maintenance:

(1) ALLIANCE shall coordinate shuttle schedule adjustments with PARTICIPATING EMPLOYERS and the OPERATOR.

(2) ALLIANCE shall coordinate the inclusion of new PARTICIPATING EMPLOYERS into the SHUTTLE PROGRAM.

(3) ALLIANCE shall, from time to time, conduct periodic meetings with PARTICIPATING EMPLOYERS to discuss improvements to the SHUTTLE PROGRAM and address other Transportation Demand Management issues.

(e) Ridership Maintenance:

- (1) ALLIANCE shall collect and compile ridership data from the OPERATOR and may, from time to time, conduct periodic ridership surveys and on-board checks.
- (2) ALLIANCE shall be designated the point of contact for problem solving for shuttle riders, OPERATOR and PARTICIPATING EMPLOYERS, and will keep the CITY informed of these contacts including but not limited to the nature of the problem(s) and step(s) taken to reconcile such problems.

(f) Changes in Level of Service:

If, on the basis of its surveys, promotional activities, and communications with PARTICIPATING EMPLOYERS or prospective employers, ALLIANCE concludes that there is an immediate need to increase or decrease the ridership capacity of the SHUTTLE PROGRAM, ALLIANCE shall promptly notify CITY of the proposed changes in levels of service ALLIANCE believes are necessary and the parties shall meet and investigate the feasibility of implementing such increases or/decreases. As SHUTTLE PROGRAM will be an ALLIANCE budgetary item, with prior written notice to CITY, ALLIANCE maintains its right to immediately reduce service if it reasonably expects a service funding deficit in excess of \$10,000 (Ten Thousand Dollars) annually. However, every effort will be made by ALLIANCE to delay any potential reductions in the existing level of service provided by SHUTTLE PROGRAM.

(g) Audit by CITY:

ALLIANCE shall make available its books and records regarding this SHUTTLE PROGRAM and permit CITY to inspect same during normal business hours upon reasonable advance notice.

2. Responsibilities of CITY. City shall perform the following responsibilities in connection with the operation of the Shuttle Program:

- (a) CITY shall transfer all grant rights and associated funds collected from FUNDER or any other funding agencies to ALLIANCE for SHUTTLE PROGRAM.
- (b) CITY shall cooperate with and assist ALLIANCE in the preparation and timely submittal of all reports that may be required under the terms of any funding agreements for the SHUTTLE PROGRAM including but not limited to reapplying to current or other funding agencies on behalf of CITY for grant funds

in future years, the preparation of application forms with the statistical and operating information that may be required in connection therewith to the extent that information to be included therein must be obtained from the records for the SHUTTLE PROGRAM maintained by CITY pursuant to this Agreement.

- (c) CITY will cooperate with ALLIANCE in the preparation of grant applications for continuance of funding for the SHUTTLE PROGRAM or grant funds to finance increases in the levels of service provided by the SHUTTLE PROGRAM.
 - (d) CITY will, from time to time, assist ALLIANCE in the conduct of marketing and promotion activities for the SHUTTLE PROGRAM, contingent upon the availability of capacity to handle any increased ridership that may result from such efforts.
 - (e) The parties acknowledge that ALLIANCE is not intended to be a source of grant funds or loans for the SHUTTLE PROGRAM and it is not the intention of this Agreement to obligate ALLIANCE to provide continuing financing for any operating deficits of the SHUTTLE PROGRAM.
 - (f) In the event of any default by a PARTICIPATING EMPLOYER in the payment of a required contribution for the SHUTTLE PROGRAM, or any loss or delay in receipt of grant money from any funding agency (if applicable), CITY may incur an out-of-pocket expense for operation of the SHUTTLE PROGRAM pursuant to Section 2(e) above. To commence SHUTTLE PROGRAM, CITY agrees to contribute \$25,000 covering the months of April through June of 2007. Thereafter, the CITY agrees to contribute up to \$75,000 per fiscal year to support SHUTTLE PROGRAM and ALLIANCE may reduce service to eliminate any anticipated funding deficit for SHUTTLE PROGRAM.
3. Determination of Annual Operating Program and Budget.

- (a) CITY and ALLIANCE shall meet during the first quarter of each calendar year to establish the budget and operating program for the next fiscal year, which shall run from July 1st to June 30th. The budget shall be based upon the amount of grant funding which has been awarded to ALLIANCE by FUNDER and any other funding agencies, plus the amount expected to be contributed by the PARTICIPATING EMPLOYERS for payment of operating expenses of the SHUTTLE PROGRAM. The budget and operating program shall be approved in writing by the City Manager of CITY and the Executive Director of ALLIANCE and, except as otherwise provided in Section 2(f) of this Agreement, the budget and operating program shall not thereafter be modified without the written approval of both parties.

- (b) If the OPERATOR, ALLIANCE and/or CITY contemplate any change in the level of service, type of service or cost of service during the next fiscal year which results in an increase in the total amount of operating expenses for the SHUTTLE PROGRAM, such change(s) shall not be implemented until all funding for payment of the cost thereof has been obtained or assured to the satisfaction of CITY.
4. Mutual Indemnification/Insurance.
- (a) Neither CITY nor any officer, employee, agent or contractor of CITY shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by ALLIANCE in the performance of its duties and responsibilities under this Agreement. Pursuant to Government Code Section 895.4, ALLIANCE shall fully indemnify, defend, and hold CITY and its officers, employees, agents and contractors harmless from any liability imposed for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by ALLIANCE in the performance of its duties and responsibilities under this Agreement.
- (b) Neither ALLIANCE nor any officer, employee, agent or contractor of ALLIANCE shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by CITY in the performance of its duties and responsibilities under this Agreement. Pursuant to Government Code Section 895.4, CITY shall fully indemnify, defend, and hold ALLIANCE and its officers, employees, agents and contractors harmless from any liability imposed for injury (as defined in Government code Section 810.8) occurring by reason of anything done omitted to be done by CITY in the performance of its duties and responsibilities under this Agreement.
- (c) ALLIANCE shall maintain Commercial General Liability (CGL) insurance with a limit of \$2 million and automobile liability coverage during the term of this Agreement. ALLIANCE shall name Redwood City, and its officers, employees, agents and volunteers as additional insureds on its CGL policy.
5. Modification or Termination of Agreement. This Agreement can be modified only by a written amendment hereto duly executed by both of the parties. This Agreement shall remain in effect until terminated by either party giving not less than sixty (60) days written notice of termination to the other party.
6. Notice. Any notice required to be given or delivered by any provision of this Agreement shall be personally delivered or deposited in the U.S. Mail, registered or certified, postage prepaid, addressed to the other party at its address noted below and shall be deemed to

have been received by the party to which the same is addressed upon the earlier of receipt or seventy-two (72) hours after mailing.

If to CITY: City of Redwood City
 ATTN: Chu Chang, Engineering Manager
 1017 Middlefield Road
 Redwood City, CA 94063

If to ALLIANCE: Peninsula Traffic Congestion Relief Alliance
 ATTN: Executive Director
 1150 Bayhill Drive, Suite 107
 San Bruno, CA 94066

- 7. Prior Agreement. This Agreement shall supersede and cancel the Existing Management Agreement and the same is declared to be of no further force or effect.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

THE CITY OF REDWOOD CITY

By: _____
Representative

PENINSULA TRAFFIC CONGESTION RELIEF ALLIANCE

By: _____
Representative

Approved as to form:

City/ or Employer Attorney