



Dear Mayor and Council Members:

On behalf of City Manager Ed Shikada, please find below the staff response to a question from Councilmember Cormack and Tanaka regarding the [Monday, December 12 Council Meeting](#) consent agenda items.

Item 6, Approval of Lease and License of 300 Homer Ave. Roth Building between the City of Palo Alto and the Palo Alto Museum

1. **Given the likelihood of construction expenses continuing to increase, which party is financially responsible for final costs that exceed current funding? Specifically, does this agreement in any way obligate the city to pay any capital costs above and beyond those detailed on page 63?**

Staff response: Responsibilities for excess costs will be determined in the tenant work letter that is still in progress and will be brought for Council review and approval in the new year. Pursuant to Section 10 of the lease agreement (starting on Packet Page 78), the parties will endeavor in good faith to agree, within 60 days following the effective date of the lease, upon a mutually acceptable tenant work letter to document the parties' additional obligations related to the construction of the initial tenant improvements. Otherwise, the lease will automatically terminate. Staff and the Museum are revising the tenant work letter to account for use of the federal earmark of \$3 million for project costs during the rehabilitation phase as needed.

Item 8, Approval of a Contract with Nomad Transit, LLC (Via) for City of Palo Alto On-Demand Transit Service in a total contract amount not to exceed \$2,043,550 for two years and Approval of a Budget Amendment in the General Fund

1. **Does the current on-demand system plan on catering towards the previous 550 daily shuttle users with only 9 shuttles, or will there be more shuttles in the future to meet pending demand?**

Staff response: The VTA Innovative Transit grant for this service provides enough funding for the operation of nine shuttles. With this grant funding, the City will need to monitor costs and tailor service levels to demand. Via provides the City with a flexible model that allows for the number of vehicles in operation to be tailored to demand, but nine vehicles will be the maximum that we will be able to afford with existing planned funding. If the City can find or provide more funding in the future, the service can be expanded. Staff are actively seeking additional funding and also working with Via to source additional funding to enable service continuation and/or expansion. It should be noted that the prior fixed-route shuttle service had a limited area from which to draw passengers, generally a quarter-mile to a half-mile distance from the route. The prior fixed-route shuttles drew up to 550 riders per day at the service's peak. Given that the new on-demand service will draw riders from the entire City, staff estimates ridership to be comparable to the fixed route levels. However, at this time, this is a pilot service, which will be evaluated to determine ridership and how well it serves the public. The VTA grant funding for Innovative Transit was not available for traditional shuttle service as the City had previously provided.

2. What is the seating capacity of the 6 hybrid vans and 3 electric Wheelchair Accessible Vehicles?

Staff response: To clarify, the vendor is working to procure the cleanest fleet possible and through contract negotiations had offered to include EV's in their fleet. Additionally, the Contractor must make a "best effort to transition to zero emission vehicles during the contract term" (packet pg. 395). Fleet composition has been negotiated to provide a high level of service, as the type of vehicles has an impact on both the service hours available and available seats. As such, the planned initial service vehicle types (as defined in Section 3.A.1), will be as follows: 4 hybrid vans, 3 hybrid Wheelchair Accessible Vehicles (WAVs), 2 EVs (total of 9 vehicles).

The vendor will procure vehicles after the execution of the contract, but the estimated capacities for each vehicle, including the driver, are as follows:

- Hybrid vans: 7-8 passengers (depending on whether the middle row is a bench or captain chairs)
- Hybrid WAVs: 6 passengers (incl. 1 wheelchair)
- EVs: 4 passengers