



Date: December 29, 1998

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: STANLEY PARK SHUTTLE - CONTRACT EXTENSION

RECOMMENDATION

- A. THAT the Stanley Park Shuttle contract with Vancouver Trolley Company be extended for one additional year, with all details to be approved by the General Manager.**
- B. THAT the Stanley Park Shuttle continues to be offered free of charge in 1999.**
- C. THAT marketing for the Shuttle be focused on local and regional visitors, at a cost not to exceed \$10,000.**
- D. THAT staff evaluate the second Shuttle season, including conducting traffic counts and a passenger survey at a combined cost not to exceed \$10,000, and report back to the Board in Fall 1999.**
- E. THAT the total cost for the shuttle operations, marketing and evaluation not exceed \$230,000 (including tax), and that this funding be derived from the additional parking revenues in Stanley Park from the increased parking fees during the 1999 summer months.**
- F. THAT no legal rights shall arise hereby and none shall arise hereafter until the execution of the contemplated document**

POLICY

On October 18, 1996, the Board approved the Stanley Park Transportation Plan, featuring as a key recommendation the introduction of a Stanley Park Shuttle as a means to lessen reliance on the private car for transportation within the park.

BACKGROUND

On April 4, 1997, the Board approved the contract award for the Stanley Park Shuttle to

Vancouver Trolley Company for one season. The Terms of Reference for proposals to provide the Stanley Park Shuttle service called for an initial one-year contract that could, by mutual agreement, be extended to a time period of one to four additional years.

When approving the contract award, the Board also moved to request a staff report back assessing the effectiveness of the service, and to increase summer parking rates in Stanley Park in order to pay the operating cost of the Shuttle out of the additional parking revenue.

DISCUSSION

The key principle of the 1996 Stanley Park Transportation Plan is to focus transportation uses on the centre of the park while emphasising recreational uses along the scenic perimeter.

Several projects have since been implemented according to that principle, including the separation of cyclists and in-line skaters from pedestrians on the Seawall along the east side of Stanley Park, and the creation of a pedestrian-only Ceperley Meadow and Beach area. 900 parking spaces were eliminated along Park Drive and North Lagoon Drive while 300 new spaces were created in the old service yard. The Stanley Park Shuttle was introduced in 1998, giving people access to the entire park without having to drive.

Shuttle Evaluation

The attached Stanley Park Shuttle Evaluation (Appendix A) details the assessment of the first operating season. In summary, the Shuttle was successful in attracting passengers; more than 108,000 were counted, for an average of 75% occupancy of seating capacity. The service was well liked, according to front line staff and a survey of 1,000 Shuttle passengers.

The Shuttle caused a very slight reduction in automobile traffic in the park. The passenger capacity of the existing Shuttle service is too small in comparison to the overall visitor volume to have a larger quantitative effect. If the Park Board's goal was to eliminate the need for private car traffic circling through the park while serving the same number of visitors, a fleet of sixty Shuttle vehicles would have to provide service. Funding such a service would be beyond the means of the Park Board. However, within a 10 year time frame, a more extensive shuttle service could assist in realising greater reductions in automobile traffic.

The Shuttle was successful in attracting users of alternative transportation. Two-thirds of Shuttle passengers took a bus or walked into the park, and used the Shuttle to reach the furthestmost areas of the park in a relaxed and entertaining way. Transit use into the park was up 60% in 1998.

Prior to the introduction of the Shuttle, it was feared that the Shuttle and attendant changes to roadside parking might lead to severely reduced visitor volumes, depriving many of the opportunity to visit the park, thereby causing a drop in private and Park Board revenues. Those

fears now seem unfounded. There was no indication of reduced numbers of visitors in 1998.

It is difficult to attribute increases or decreases in visitor numbers and revenues to single phenomena like the introduction of the Shuttle. Visitor numbers are influenced by many factors, the most important one being the weather. The exceptionally sunny summer contributed to making 1998 a banner year for park visits. Any conclusions regarding possible impacts of the Shuttle on visitor numbers are to be taken cautiously. However, the facts are that traffic counts did not indicate reduced park visits. Likewise, the Aquarium reports no decrease in visits. There is also no indication that the Shuttle caused a reduction in revenue from either parking or food concessions.

Most stakeholders in Stanley Park were pleased with the Shuttle. The only critical voices were AAA Horse and Carriage and a tour bus company, attributing losses in revenues to the Shuttle, and the occasional motorists missing roadside parking. By most accounts, the introduction of the Stanley Park Shuttle was successful, and generated a tremendous amount of goodwill for the Park Board.

Staff therefore recommend that the service continue for an additional year, and that any further contract extension be subject of a report back to the Board in Fall 1999.

The 1999 shuttle would be operated in a manner broadly similar to the 1998 service. However, the starting and finishing dates of the service, and the daily hours of operation, would be reviewed in light of the 1998 ridership information and adjusted to ensure that the service best meets anticipated customer demand.

Staff considered the possibility of a route change, to bring the Shuttle past the Beach Avenue entrance to Stanley Park, more convenient to some prospective riders. This would add significantly to the time taken to complete a circuit of the park, with a consequent increase in the operating costs if reductions in service levels were to be avoided. As a result no route changes are currently contemplated.

Free Shuttle Versus Charging a Fee

Rides on the Shuttle were offered free of charge in 1998. The Board, when approving the Shuttle, increased summer parking fees in Stanley Park in order to generate sufficient funds to cover the operating costs of the Shuttle. In accordance with the Stanley Park Transportation Plan, the increase in parking fees constitutes a slight disincentive to private automobile traffic while providing alternative transportation free to everyone. The operational costs for the Shuttle were \$195,000, well below the additional parking revenue collected yearly since the parking fee increase went into effect.

Given the need for fiscal restraint, staff investigated passengers' willingness to pay for a shuttle

ride, and reviewed projected net revenues from alternative fare structures. Staff also reviewed ticketing methods, cash handling requirements and associated costs.

The higher the ticket price, the more the ridership drops. According to the survey of Shuttle passengers (Appendix B), a ticket price of \$1 would cause a 31% drop in the number of passengers. At \$2 a ride, only 26% of the passengers remain.

YEAR 1	FREE SHUTTLE	\$1 FARE	\$2 FARE
RIDERSHIP	108,000	75,000	28,000
REVENUE FROM FARES	\$0	\$75,000	\$56,000
SET UP & CASH HANDLING COSTS	\$0	-\$52,000	-\$52,000
TROLLEY SERVICE COST	-\$200,000	-\$200,000	-\$200,000
SUBSIDY REQUIRED	-\$200,000	-\$177,000	-\$196,000

The inserted chart summarises financial performance for a \$1 and a \$2 fare, taking into consideration the projected ridership decrease, also accounting for initial set-up costs and annual cash handling costs. It should be noted that, included in the above set up and cash handling costs figure of \$52,000, are set up costs of \$27,500 which would apply only in the first year, should a multi-year contract be considered.

The expected drop in passenger numbers may be less severe than predicted, and thereby increase the gross revenue. However, with the delays in boarding which would be caused by cash collection and ticket issuance, more vehicles may be required in order to retain the desired 15-minute schedule, which would result in a higher trolley service cost. That is, an increase in gross revenue due to higher than projected ridership may require a parallel increase in operating cost, wiping out some or all of the additional revenue.

Staff considered suggestions for a fare-based system that would allow exemptions, such as allowing Vancouver residents, seniors or children to ride free, accepting BC Transit transfers, or giving free rides to those who buy parking tickets. By and large, administering such exclusions would be time-consuming and cumbersome, fraught with conflict, and would reduce the revenue collected by the Board. Just excluding seniors, for example, could potentially cost more than is gained by charging a fee in the first place.

The advantages of a free Shuttle are accessibility to all, high passenger volumes, support for the Transportation Plan objectives, and good will for the Park Board. The advantage of charging \$1 for rides on the Shuttle is that it would reduce the required subsidy by an estimated \$23,000. On

balance, Staff recommend continuing to provide the Shuttle as a free service for at least another year.

Shuttle Marketing

After the extensive marketing campaign conducted in 1998 raised awareness of the new Stanley Park Shuttle, an effort of similar scope will not be required in 1999. Instead, staff propose to retain some of the elements used this year, such as the banners and flags on the Shuttle vehicles, the banner on the foot bridge, and the signage at Shuttle stops. The passenger survey indicated that seeing the Shuttle, or the signs and banners in the park, were the most effective way people learned about the service. In addition, the information flyer with route map should be posted at strategic locations inside and outside the park.

The survey (see Appendix B) gathered information about the place of residence of Shuttle passengers. The results show that a majority were international visitors, with local and regional visitors adding up to less than 20%. These results are similar to surveys conducted at the Aquarium, indicating that the Shuttle and the attractions at various stops appeal to visitors who make occasional visits to Stanley Park to see the famous sights such as Aquarium, Totem Poles and Prospect Point. Local and regional visitors are more frequent on the Seawall, on the beaches, at Lost Lagoon or in the Ceperley Meadow.

Staff feel that the local market for riding the shuttle can substantially increase with a focused effort to reach out to receptive segments of the community. These include all those who, either by choice or circumstance, do not drive in the park. Staff propose to link up with Social Planning, Health and School Board as well as community centres, neighbourhood houses, senior centres, libraries, and social service organisations. Other initiatives may extend to printing Shuttle information on parking tickets, and partnering with Park Board stakeholders on promotional literature. A special effort should be directed at West End residents who typically walk into the park, since the Shuttle is an easy way to extend the reach of pedestrians.

Generating Additional Revenue

To offset more of the operating cost of the Shuttle, ways to generate additional revenue should be explored. Advertising on and inside the Shuttle vehicles, a potential revenue source for the Park Board, was not sold as successfully as expected, leading to only marginal revenues in 1998. This was partly a result of a "wait and see" attitude by potential advertisers, who wanted some indication of the success of the Shuttle, prior to committing their advertising dollars to it.

Staff and the Vancouver Trolley Company have discussed ideas for increasing the advertising and promotional revenue from the Shuttle, such as selling tickets onboard the Shuttle to park attractions, including Park Board-operated facilities, offering promotional tie-ins to food concessions, and obtaining more advertising business from stakeholders now that the successful pilot season of 1998 should inspire corporate confidence. The return to the Board from the Shuttle advertising revenue is expected to be higher in 1999.

SUMMARY

Given the successful first season of the Stanley Park Shuttle, it is recommended that Vancouver Trolley Company continues to operate the Shuttle, that it be continued as a free service in 1999, that increased local usage be promoted, that additional revenue be generated, and that the costs and benefits of a free Shuttle be re-assessed in Fall 1999.

Prepared by:
Planning and Development
Board of Parks & Recreation
Vancouver, BC
TCD