



Date: July 30, 2003

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 three additional years, 2000 - 2002, with all details to be approved by the General Manager.
- B. THAT a fare of \$2 per adult and \$1 per child be charged in 2000 for a daily pass on the Shuttle, with future fares to be determined in the annual review of fees and charges.
- C. THAT the projected net cost of the shuttle operation of \$134,000 in 2000 and \$119,000 in 2001 and 2002 be funded by the additional parking revenue in Stanley Park generated by the previously approved seasonal increase in parking rates.
- D. THAT no legal rights shall arise and no consents, permissions or licenses are granted hereby and none shall arise or be granted hereafter unless and until all contemplated legal documentation has been executed and delivered by all parties.
- E. THAT once the form of all legal documentation has been approved by the General Manager and Director of Legal Services for the City of Vancouver, that the General Manager be authorised to execute and deliver such documentation on behalf of the Board.

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

The Terms of Reference for proposals to provide the Stanley Park Shuttle service were for an initial one-year contract that could, by mutual agreement, be extended for one to four additional years, up to a maximum period of five years. However, it was contemplated that this would be a five-year arrangement, with the first year as a test year.

On April 4, 1997, the Board approved the contract award for the Stanley Park Shuttle to Vancouver Trolley Company to operate for one season, the summer of 1998, with the service being funded out of additional revenues generated from an increase in pay parking rates in Stanley Park during the summer months. On January 11, 1999, the Board approved the extension of the service for one additional year, for the 1999 season.

This allows the Board to now consider a further term of up to three years (the remaining balance of the five years) for Vancouver Trolley Company to continue to provide the Stanley Park Shuttle service.

INTRODUCTION

The key principle of the 1996 Stanley Park Transportation Plan is to emphasize recreational transportation along the scenic perimeter while focusing destination transportation uses on the centre of the park. The Stanley Park Shuttle is integral to the implementation of the Transportation Plan, and linked to many other projects that have since been implemented:

The introduction of the Stanley Park Shuttle in 1998 has given visitors a scenic experience of the entire park, with propane-burning trolleys, carrying thirty or more passengers, providing an alternative to gasoline-fueled private automobiles occupied by two or three people.

Park Drive's scenic quality was restored by eliminating 900 roadside parking spaces, smoothing traffic flow and easing the Shuttle's path.

The centre of the park has received increased transportation functions by the addition of 300 new parking spaces in the old service yard, and by the routing of transit buses into the Stanley Park loop during the summer, giving transit users easy access to the central area of park attractions and an interface with the Shuttle. These attractions include the Aquarium, Miniature Railway, Children's Farmyard, the Dining Pavilion and the Rose Garden.

The seawall has been upgraded by introducing separation of pedestrians from cyclists and in-line skaters, greatly enhancing safety, comfort and enjoyment of all visitors. The project is continuing in this Capital Plan.

Alternative transportation to the park has been strengthened by new or upgraded

pedestrian, cycle and in-line skate paths along the waterfronts as well as improved service by public transit, tying into the Shuttle at several stops near the park entrances. Traffic counts in Appendix A testify to the increasing popularity of these improvements.

EVALUATION OF THE 1999 SHUTTLE SEASON

Appendix A contains a detailed evaluation of the Stanley Park Shuttle's 1999 season, including results of a passenger survey and traffic counts. In summary, the Shuttle continued to be an attractive, well-liked and well-used service. The Shuttle was provided as a free service to visitors. People like the trolley vehicles which have become an attraction in themselves because they make getting around the park fun. In that sense, the Shuttle is less about getting from A to B, and more about enjoying the ride.

In accordance with the Stanley Park Transportation Plan, this increase in parking rates constitutes a slight disincentive to private automobile traffic while the Shuttle constitutes an incentive to alternative transportation.

COST OF THE SHUTTLE

The costs of the free Shuttle were covered by additional parking revenue generated by a seasonal parking rate increase approved by the Board in 1997. The operational costs to the Board for the Shuttle in 1999 were \$225,000, well below the approximately \$380,000 in additional parking revenue collected in 1999 from this increase. It is expected that sufficient funds for the Shuttle could continue to be generated this way for the next three years, should the Board wish to continue the Shuttle as a free service.

DISCUSSION

Given the popularity and overall benefits of the Stanley Park Shuttle, staff recommend to continue the service for another three years. In order to facilitate a decision on the magnitude of the Park Board subsidy, pros and cons of the free service have to be weighed against the same for a user-pay system and are outlined below.

FREE SERVICE VERSUS USER-PAY APPROACH

The advantages of a free service are:

- high passenger volumes, thereby maximizing the value received by the Park Board in comparison to the cost of the service;
- ease, cost and efficiency of operation; no time wasted hunting for change or collecting

fares, no cash-handling cost, again maximizing service value and customer service; affordable access to the entire park for all; support for Transportation Plan objectives of endorsing alternative transportation while slightly deterring private automobile usage in the park, and good will for the Park Board, people are happy to get something for free.

The disadvantage of a free service is:

the Park Board's cost of providing it, totaling \$225,000 in 1999, and potentially increasing to \$257,000 in 2000 and \$242,000 per annum for 2001 and 2002.

The projected costs for the next three years are detailed in Appendix C and include a proposed 5% increase in the hourly charter cost paid by the Board for the trolleys over the current rate of \$60.31. This rate would remain in effect for all three years.

An additional \$15,000 in costs in 2000 would be incurred only in the first year for the provision of more permanent identification on the trolleys, replacing the less costly temporary flags and banners which have been used to date pending a longer term commitment to the service.

The funds allocated to the Shuttle would be available for other purposes if the Board decided to continue with the seasonal parking rate increase even in the absence of the Shuttle. While the parking rate increase was originally introduced as a means to fund the Shuttle, it has been suggested that even in the absence of a Stanley Park Shuttle the seasonal parking rate increase should be maintained given the cost of parking elsewhere in the Downtown Peninsula. In order to reduce the Park Board subsidy of the Shuttle and free up funds for other purposes, staff have investigated the possibility of introducing a fare for the Stanley Park.

PASSENGERS' WILLINGNESS TO PAY

In general, it can be expected that fewer people use the Shuttle when they have to pay for it. The magnitude of the potential passenger drop-off is dependent on the fare rate. To determine customers' willingness to pay, staff surveyed 500 Shuttle passengers, and compared the results to a similar survey conducted in 1998.

Willing to pay:	nothing	up to \$1	up to \$2	up to \$3
1998	27%	69%	26%	10%
1999	8%	89%	76%	39%

Overall, there was a higher willingness in 1999 to pay for a Shuttle ride than was indicated in the 1998 survey. While last year's survey results led staff to recommend continuing the free service for fear of a significant decline in ridership upon introducing a fare, this year's survey allows for

a greater level of comfort that high ridership can be maintained even when charging for the service.

ESTABLISHING A FARE RATE

The introduction of a fare is intended to free up Park Board funds towards this year's general operating costs, and it is, therefore, desirable to maximize revenues to the Park Board while maintaining high passenger volumes. Based on the above survey, a fare of \$2 for a daily pass would maximize Park Board revenue.

Appendix C has a detailed calculation comparing the estimated costs of a free service to those of a user-pay service based on a \$2 fare, and on a number of assumptions explained there.

In summary:

		FREE SHUTTLE	\$2 FARE
COSTS	Charter of trolleys	(\$220,000)	(\$233,000)
	other costs - one time in 2000 (more permanent ID for trolleys)	(\$15,000)	(\$15,000)
	other costs - annual (marketing, surveys, signage etc)	(\$25,000)	(\$25,000)
	total costs	(\$260,000)	(\$273,000)
REVENUES	advertising, fares	\$3,000	\$139,000
	NET COST TO PARK BOARD	(\$257,000)	(\$134,000)

As indicated in the chart above, the trolley charter cost is higher when fares are to be collected due to the costs of installing a cash collection and ticket dispensing system onboard the trolleys, and additional annual operating costs of administering cash collection.

The projected net costs are based on the willingness to pay as indicated in the 1999 survey, and therefore reflect a 24% drop in ridership. Actual ridership may differ, and lead to higher or lower revenues. At higher than expected revenues, the required subsidy from the Park Board gets respectively smaller. At lower than expected revenues, the required subsidy increases. The maximum financial exposure of the Board is the full value of the charter plus additional costs

without off-setting revenue, that is \$260,000 for the free Shuttle, and \$273,000 for the \$2 Shuttle.

FARE COLLECTION

The precise mechanics of collecting the fare remain to be developed. A \$2 fare for a daily pass makes for a comparatively easy collection aboard the vehicles in an exact-change environment, probably employing a sealed coin box system.

Staff have considered whether exemptions or discounts should be granted to any of the following groups: Vancouver residents, seniors, children, school or youth groups, transit passengers, leisure access card holders or people who pay for car parking in the park.

Each of these groups has a reasonable claim for exemption or discount, however, administering such exclusions would be time-consuming and cumbersome, fraught with conflict, and would reduce the revenue collected by the Board. It is, therefore, not proposed to favour any of these groups with the exception of children. Staff propose to let children under 5 years of age travel free, and charge a reduced fare of \$1 for children aged 6 to 12 years.

The introduction of a season pass marketed to Vancouver residents has been considered, but observed ridership patterns indicate very little demand for such. At the same time, administering a season pass sale would add costs to the Park Board.

ALTERNATIVE SOLUTIONS

The Park Board has the option of seeking new proposals for providing the Shuttle service. The current service provider qualified in a formal process based on quality of product and cost. The original process contemplated a potential five year agreement.

There is no indication that an alternative qualified service provider would offer a competitive product, short of formally calling for proposals. It is furthermore unlikely that, at the conclusion of such a process, an alternative service provider could begin the service in time for summer 2000.

The Park Board has for many years attempted to convince BC Transit, now TransLink, to provide regular, frequent and reliable public transit around Stanley Park. Those attempts have proved futile because of transit's priorities to primarily offer transportation to places of work, and secondarily to places of education, not to parks or other places of recreation.

ENVIRONMENTAL IMPACT

The Shuttle reduces the need to use private vehicles in the park. In quantitative terms, the

Shuttle's capacity is too small to make a big dent into the number of cars in the park, but some 20,000 Shuttle passengers in 1999 would have used their cars instead of taking the Shuttle. In qualitative terms, the Shuttle is a key component of a host of measures offering alternative choices to private automotive transportation. The implementation of many improvements following the principles of the Stanley Park Transportation Plan has been very successful, according to Park Board counts, the percentage of visitors choosing alternative transportation to Stanley Park has increased from 35.6% of all visitors in 1997 to 41.4% in 1999.

SUMMARY

The Shuttle is a popular addition to Stanley Park, and has become for many visitors an attraction of its own. The Shuttle contributes to a lessening of automobile traffic around the park, and offers alternative access to the entire park, especially for those arriving in the park by 'green' means such as walking or public transit.

Staff recommend to continue the Stanley Park Shuttle, and extend the contract with Vancouver Trolley Company for three additional years. Staff further recommend to start collecting a daily \$2 fare for adults, and a \$1 fare for children aged 6 to 12 years. The fare revenues will offset in part the cost of providing the service, with the remainder continuing to be paid for from parking revenue generated by the seasonal increase in parking rates.

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