



Date: July 30, 2003

TO: Board Members - Parks and Recreation
FROM: General Manager - Parks and Recreation
SUBJECT: STANLEY PARK SHUTTLE - 2001 AND 2002 SERVICE

RECOMMENDATION

- A. THAT the Stanley Park Shuttle be provided as a free service for 2001 and 2002, the remaining two years of the current agreement with Vancouver Trolley Company, with all details to be approved by the General Manager
- B. THAT the net annual cost of the Shuttle operations, of \$187,000, be funded from the additional pay parking revenues generated by the previously approved seasonal increase in parking rates in Stanley Park

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 total of five years.

On April 14, 1997, the Board approved the contract award to Vancouver Trolley Company (VTC) to operate the Stanley Park Shuttle as a free service for one season, the summer of 1998, to be funded out of additional revenues generated from an increase in pay parking rates in Stanley Park in the summer months. This parking rate increase was introduced in 1997.

On January 11, 1999, the Board approved the extension of the free Shuttle service for one additional year, the 1999 season.

On March 6, 2000, the Board approved the extension of the contract with Vancouver Trolley Company for an additional three years, 2000 - 2002, as a fare paying service, with projected net costs of \$134,000 in 2000 and \$119,000 in 2001 and 2002 to be funded from pay parking

revenues. A fare of \$2 per adult and \$1 per child was approved for 2000, with future fares to be determined in the annual fees and charges review.

Staff were requested to look at accepting TransLink bus transfers or Leisure Access Cards on the Shuttle. In 2000, complimentary rides were given to holders of bus transfers, bus passes, Leisure Access Cards and to children aged five and under.

INTRODUCTION

1998 AND 1999 SHUTTLE SEASONS

In its first two seasons the Shuttle operated as a free service.

In 1998, the service ran for 121 days, carried 108,000 passengers and the net cost to the Board was \$192,000. In addition to this amount, there were one time startup costs of \$110,000 for the initial marketing, roadworks and production of Shuttle stops and identification.

In 1999, the service ran for 104 days, carried 103,000 passengers and the net cost to the Board was \$225,000. The increase in cost over 1998 was primarily due to a higher trolley charter costs (increases in the hourly charter rate, as all trolleys were now equipped with a wheelchair lift, and an increased service frequency on peak days).

2000 SHUTTLE SEASON

Appendix A contains an evaluation of the Shuttle's 2000 season. In summary:

- The service ran for 102 days, from June 1 to September 10.
- For the first time, a fare was charged. The cost of a day's pass on the Shuttle was \$2 for adults and \$1 for children aged 6 - 12.
- Approximately one third of riders travelled free, mainly with bus transfers or passes.
- Total ridership (free and fare paying passengers) fell to 41,300, a decrease of about 60% over the previous year.
- Revenues from fare collections were \$47,000.
- The net cost to the Board of the 2000 service was \$196,000, which represented a cost of \$4.75 for each of the 41,300 riders.
- Of riders surveyed, 75% were visitors from outside the Lower Mainland. Only 17% were from the City of Vancouver.
- The Shuttle continued to be a very popular service, with a high level of satisfaction indicated by those who used it.

The net cost to the Board of the Shuttle in 2000 was \$196,000. This exceeded the net amount approved by the Board (\$134,000) because fare revenue was significantly less than anticipated,

due to both much lower than expected ridership, and the numbers that qualified for complimentary rides.

Revenues and costs are detailed in Appendix A. Total operating costs were partly offset by fares collected and advertising revenue, with the balance being funded from pay parking revenues.

DISCUSSION

The recommendation to change to a fare paying service in 2000 was based on the assumption that introducing a fare would not have a major impact on ridership. The 1999 survey of Shuttle riders indicated that 76% would be willing to pay a fare of \$2 or more. This proved to be misleading. The 2000 total ridership of 41,300 was approximately 40% of the 1999 figure. Average daily ridership during the two years of free Shuttle service was 893 in 1998 and 990 in 1999. In 2000, with the introduction of a fare, it fell to 405.

The majority of Shuttle users both prior to, and since, the introduction of fares have been visitors to Vancouver. It therefore cannot be assumed that, over time, familiarity with the charge by Vancouver residents would lead to greater acceptance of it and a consequent significant increase in ridership. If the Shuttle continues as a fare paying service then, based on the experience in 2000, there is no compelling reason to believe that ridership would return to the previous levels.

From the point of view of reducing private vehicles in the park, it was encouraging to see that one third of the Shuttle riders used transit to come to the park. However, this had an impact on fare revenues, as these individuals then used their bus passes or transfers to ride the Shuttle free of charge.

For many years, the Board has requested BC Transit, now TransLink, to provide a frequent and reliable service around Stanley Park. TransLink has confirmed that it is committed to providing a regular service into the park. However, based on its own past experience, and the Board's experience with the Shuttle, the potential revenues, compared to the costs, are simply not sufficient for it to consider providing a round the park service.

FREE SERVICE v. USER PAY SERVICE

The advantages of a free service are:

- higher passenger volumes, thereby maximising the value received by the Board in comparison with the cost of the service
- ease, cost and efficiency of operation - no time wasted while riders pay fares
- no cash handling costs or issues
- support for the Transportation Plan objectives of endorsing alternative transportation, while slightly deterring private vehicle usage in the park
- goodwill for the Board

The disadvantage of a free service is:

- the higher cost to the Board of providing it. In 2001 and 2002, this is estimated at \$187,000, compared with \$148,000 for a fare paying service (based on the proposed 86 days of service, compared with 102 days in 2000).

PROPOSED 2001 AND 2002 SERVICE

Staff recommend returning to a free Shuttle service for 2000 and 2001, but with a shorter season and slightly lesser service level, in order to reduce costs. Appendix C shows projected service for 2001 & 2002, with both a fare paying and a free Shuttle option.

To achieve a reduction over the 2000 costs, the proposed operating season has been shortened, from June 1 - September 10 in 2000 (102 days), to June 23 - September 16 in 2001 (86 days). The days which have been cut out are the traditionally slower ones at the start of the season. June 23 is the first weekend that schools are out. September has tended to be a busier month in the park than June and so the service has been extended by one week at the end of the season.

In addition, the number of trolleys operating in the park on weekdays in July and August has been reduced from four in previous years, to three in 2001 and 2002. Four trolleys would operate on weekends and holidays (with a 12 minute frequency) and three on weekdays (a 15 minute frequency). This should be adequate for most days, but may result in more crowding on board some trolleys on peak days.

On this basis, projected net costs of the free service are \$187,000. Estimated ridership would be 90,000, representing a cost to the Board of \$2.08 per rider. This compares with net costs of a fare paying service (with the fare remaining at \$2) of \$148,000. In that case, ridership would be expected to stay low, at about 38,000 and the cost per rider would be \$3.89.

Based on these estimates, for the \$39,000 extra cost of a free service, compared to a fare paying service, the Shuttle would carry 52,000 more passengers.

Staff will be consulting with various interested parties to obtain their input prior to finalising details of the proposed 2001 Shuttle service.

FUNDING THE 2001 AND 2002 SHUTTLE SERVICE

Pay parking rates in Stanley Park in the summer months were raised in 1997, from \$1 per 2 hours, maximum \$3 per day, to \$1 per hour, maximum \$5 per day. This increase was approved specifically to fund the Shuttle out of the additional parking revenues generated. It is sufficient to cover the \$196,000 net operating cost of the 2000 Shuttle.

It is recommended that these pay parking revenues continue to subsidise the Shuttle in 2001 and 2002. Based on the proposed service shown in Appendix C, and the assumptions noted there, \$187,000 is required in each of these years to fund a free Shuttle service.

Additional revenues will be sought from increased sale of advertising onboard the trolleys, to help fund the service over the next two years. This would allow for decreased reliance on funding from pay parking. However, the short term nature of the Board's current commitment to the Shuttle means that there is unlikely to be significant additional revenues available from this source.

AGREEMENT WITH VTC

One of the options available to the Board is to cancel the Shuttle service altogether. This course of action could prove to be costly and is not recommended. There are two years remaining on the current Agreement with VTC, and VTC has indicated that it would seek compensation towards its costs incurred in purchasing the trolleys (which it acquired for this contract) and its lost potential revenues. Such proposed compensation has not yet been quantified, but the amount requested would likely be substantial. If the Board wishes staff to pursue this option, it would be the subject of negotiation between the parties.

FREE YEAR ROUND SERVICE

Since, for funding reasons, this report recommends a shorter season for the proposed 2001 and 2002 Shuttle service than has been in effect in the three years of operation to date, no further consideration has been given at this time to extending it to a year round service.

FUTURE FUNDING

The Stanley Park Shuttle is the type of attractive, high profile service that may be appealing to a sponsor. However, to attract one, the Board would have to make a longer term commitment to the Shuttle service than the two years which remain on the current Agreement with VTC. There may also have to be changes to the visuals of the trolleys, to provide a strong image to associate the Shuttle with the sponsor. Staff will research the possibility of sponsorship further over the next year. If the outcome is positive, a longer term agreement for the Shuttle service could be contemplated. It may also then be possible to look at extending the service over a longer season each year.

SUMMARY

The Shuttle provides a valuable service to visitors to Stanley Park. It encourages visitors to walk or use transit to come to the park and contributes very slightly to a lessening of private vehicle traffic in and around the park. It also allows those who have no alternative means of transport to

visit the more distant areas of the park.

However, with the introduction of fares in 2000, ridership has fallen to an extent where the subsidy required to provide the service may no longer be worth the benefits the Shuttle provides. Returning it to a free service should restore ridership. While the net cost to the Board will be higher than with a fare paying service, the cost per rider would be considerably less. The extra \$39,000 cost of a free service, compared to a fare paying one, should more than double the ridership. The Shuttle can continue to be funded from revenues raised from the summer pay parking rates in Stanley Park.

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