



## STAFF REPORT

### City Council

Meeting Date:

1/13/2026

Staff Report Number:

26-004-CC

Informational Item:

Update on the City's shuttle operations

### Recommendation

This is an informational item that does not require City Council action. Staff recommends that the City Council receive an update on the City's shuttle operations for fiscal years (FYs) 2025-26 and 2026-27.

### Policy Issues

The City's shuttle program (Program) provides services that are consistent with the General Plan goal and policies to support local and regional transit that are efficient, frequent, convenient, and safe. These policies seek to promote the use of public transit and to promote the use of alternatives to single-occupant automobiles. The provision of shuttle services is also consistent with advancing toward the City's Climate Action Plan goal to reduce vehicle miles traveled.

### Background

The Program includes the M1-Crosstown, M3-Marsh Road, and M4-Willow Road shuttles that provide fixed route transit service to community and commuter destinations (Attachment A). The Program also includes the Shopper's Shuttle that provides door-to-door service on certain service days to select service locations. The Program is primarily funded through grants provided by the San Mateo City/County Association of Governments (C/CAG), San Mateo County Transportation Authority (SMCTA), and Metropolitan Transportation Commission (via the San Mateo County Transit District).

The Program is operated through a contract with a private shuttle vendor. SamTrans holds the contract with the shuttle vendor on behalf of San Mateo County cities, including the City's. After a six-year contract with four optional one-year extensions, the contract expired in June 2025. In the fall of 2024, SamTrans began the vendor selection process that was ultimately unsuccessful.

On March 13, 2023, City Council approved entering into an agreement with Nelson/Nygaard to complete the Comprehensive Shuttle Study (Study) to analyze how to better connect residents and commuters to transit, jobs, shopping, and other daily destinations while maximizing ridership and cost-efficiencies. The Study's scope of work was to provide a technical analysis of the City's shuttle operations, funding, and demographics and propose short and long term service plans, including the Preferred Service Plan and Future Service Plan. The Study was funded through the Caltrans Sustainable Transportation Planning Grant Program, along with local match.

The Study identified that transit ridership in general had not fully recovered from the losses that occurred

during the pandemic. In addition, challenges to the shuttle system in recent years have included more private companies providing shuttles for employees, greater use of transportation network companies (e.g., Uber, Lyft), changing travel patterns in general, and work-from-home policies that reduced travel to work. After staff learned of the potential increase in shuttle costs from the SamTrans shuttle vendor negotiations, a Reduced Service Plan was also developed.

On Dec. 17, 2024, City Council accepted the Study. Staff noted returning to City Council with a resolution for the shuttle grant application for the Program, which would consider one of the service plans based on the updated cost information for the shuttle vendor (Table 1).

| Table 1: Comparison of Study recommendations |                                                                                                                             |                                                                                                                                                                                                                          |                                                                                                                                                                                                                          |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shuttle type                                 | Existing service                                                                                                            | Preferred service plan                                                                                                                                                                                                   | Reduced service plan                                                                                                                                                                                                     |
| Commuter                                     | M3-Marsh Road and M4-Willow Road shuttles with 60-minute headways in the commute peak periods, with one directional service | Combine the existing M3-Marsh Road and M4-Willow Road commuter shuttles into a single route with 30-minute frequency, focusing services on key ridership generators – The Willow Commuter Shuttle                        | Combine the existing M3-Marsh Road and M4-Willow Road commuter shuttles into a single route with 45-minute frequency, focusing services on key ridership generators – The Willow Commuter Shuttle                        |
|                                              |                                                                                                                             | Willow Commuter Shuttle to operate three vehicles                                                                                                                                                                        | Willow Commuter Shuttle to operate two vehicles                                                                                                                                                                          |
| Community                                    | M1-Crosstown shuttle with 90-minute headways, all day service                                                               | Replace the existing all-day M1-Crosstown shuttle with two midday services to and from Menlo Park Caltrain and Belle Haven and Sharon Heights with a timed transfer at Menlo Park Caltrain – The Crosstown East and West | Replace the existing all-day M1-Crosstown shuttle with two midday services to and from Menlo Park Caltrain and Belle Haven and Sharon Heights with a timed transfer at Menlo Park Caltrain – The Crosstown East and West |
|                                              |                                                                                                                             | Crosstown East and West to operate three vehicles                                                                                                                                                                        | Crosstown East and West to operate two vehicles                                                                                                                                                                          |
| Community                                    | Shoppers' shuttle on request on Tues, Wed, Sat, and Sun                                                                     | Replace the existing Shoppers' shuttle with TNC/rideshare services                                                                                                                                                       | Replace the existing Shoppers' shuttle with TNC/rideshare services                                                                                                                                                       |

On Feb. 11, 2025, staff returned to City Council to adopt a resolution supporting the Citywide Program grant application for the SMCTA Shuttle Program call for projects for FYs 2025-27. The grant program included \$17,000,000 for the two-year funding cycle. The City's application was based on the Reduced Service Plan identified from the Study. After submitting the grant application, SMCTA advised staff that the Crosstown East and Crosstown West shuttle routes could not be packaged as one application because it appeared to function as two separate routes with a timed transfer rather than a single continuous route. Given the risk that one route could be funded and the other not, staff decided to revise the Crosstown East and Crosstown West to one single continuous route without the timed transfer at the Menlo Park Caltrain station.

In March 2025, SamTrans rejected all vendor proposals due to high costs and negotiated a two-year

contract (FY 2025-27) with the current shuttle operator, aligning with the SMCTA's call for projects timeline. Under this arrangement, the SMCTA would fund operations identified in the FYs 2025-27 call for projects applications which included the City's Willow Commuter Shuttle and the revised Crosstown East and Crosstown West route. On June 5, 2025, the SMCTA Board of Directors unanimously approved staff recommendations to fully fund the FYs 2025-27 shuttle program applications.

On June 24, 2025, City Council adopted the FY 2025-26 budget, which reflected a 25% increase in shuttle costs. However, SamTrans two-year contract reflected a cost increase above the anticipated 25% originally assumed by City staff due to mechanical and maintenance upgrades needed to ensure the existing shuttle fleet could withstand the length of the two-year extension.

## Analysis

Recommendations from the Study were developed to increase ridership, improve cost efficiency and serve more passengers. Although the Study's Reduced Service Plan provided draft stops and considered connections to Caltrain and service headways – the time interval between vehicles on the same route – it did not include a detailed stop-level analysis, such as dwell time at each stop, and focused on key ridership generators. As a result, the Study may have overlooked the need to serve the 14 participating businesses that contribute an average in annual shuttle fees of \$62,000. Implementation of the Study's recommendation still required staff's programmatic and service expertise to finalize the stops and schedules to best serve the ridership. Staff also had to consider the need to serve businesses that contributed a shuttle fee and the increase in costs that resulted from SamTrans' two-year shuttle vendor contract extension. As the operational plan specifically for the proposed Willow Commuter Shuttle was developed to meet the proposed budget and grant funding requirements, staff found it challenging to accommodate all of the existing and proposed stops and align with the Caltrain schedule without creating significant service gaps. Recognizing these operational challenges, staff developed multiple service options to meet the intent of the Reduced Service Plan. Staff considered stops, routes, and schedules to determine the best alternative to the Willow Commuter Shuttle.

After a thorough analysis, staff determined that the Study's recommended Reduced Service Plan Willow Commuter Shuttle would:

- Result in a significantly longer route, taking substantially longer to return to the Caltrain station compared to the existing M3-Marsh Road and M4-Willow Road shuttles.
- Reduce the number of feasible trips and result in timing that would not optimally serve commuters.
- Introduce two runs that would effectively serve commute times compared to the existing M3-Marsh Road and M4-Willow Road which have 12 productive runs for commuters.

As a result, staff determined that the new Willow Commuter Shuttle would cause significant ridership impacts including the loss of all existing Marsh Road ridership and approximately 40% to 50% of existing Willow Road ridership. Marsh Road riders would have experienced travel times exceeding an hour, compared to the current 15-30 minutes. Both Marsh Road and Willow Road riders would have suboptimal commute times due to the longer route and reduced frequency. The potential loss of ridership also jeopardized the City's future shuttle funding as the SMCTA factors ridership and cost efficiency for grant funding. Due to these factors, staff worked with SMCTA staff in August to continue with the M3-Marsh Road and M4-Willow Road routes for the awarded FYs 2025-27 grant cycle rather than implementing the

Study's recommended Reduced Service Plan Willow Commuter Shuttle. Staff also worked with the SMCTA to continue operating the current M1-Crosstown route and retain service to the Stanford Medical Center and Stanford Shopping Center.

### Impact on City Resources

Staff included a 25% increase in operating needs as part of the City Council adopted FY 2025-26 budget (Table 2). However, the costs from SamTrans's negotiations with the shuttle vendor resulted in an increase greater than 25%. To address some of the budget gap, staff eliminated the 6:46 a.m. runs in the M3-Marsh Road and M4-Willow Road shuttles as these had the least ridership. Staff will return to City Council during the midyear budget adjustment to accurately reflect the operational costs. Additionally, staff intend to transition the M3-Marsh Road and M4-Willow Road shuttle to Commute.org, a joint powers agency serving San Mateo County focused on providing sustainable alternatives to driving alone, in FY 2026-27. This transition is expected to provide several benefits, including leveraging Commute.org's expertise in shuttle operations, accessing broader regional resources, and improving service coordination with other transportation programs in San Mateo County.

| Table 2: FY 2025-26 adopted budget |                           |                          |
|------------------------------------|---------------------------|--------------------------|
| Shuttle route                      | Adopted FY 2025-26 budget | Funding source           |
| M1-Crosstown                       | \$546,043                 | 60% SMCTA; 40% Lifeline* |
| Shoppers'                          | \$116,412                 | 50% Lifeline*; 50% Local |
| M3-Marsh Rd                        | \$235,285                 | 75% SMCTA; 25% Local     |
| M4-Willow Rd                       | \$211,311                 | 75% SMCTA; 25% Local     |
| <b>Total</b>                       | <b>\$1,109,051</b>        |                          |

\*Lifeline = Metropolitan Transportation Commission's Lifeline Grant Program

### Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act Guidelines §§15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

### Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

### Attachments

A. Shuttle services – Hyperlink: [www.menlopark.gov/shuttles](http://www.menlopark.gov/shuttles)

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