

# CAPITOL CORRIDOR JOINT POWERS AUTHORITY

## MEMORANDUM

**TO:** Capitol Corridor Joint Powers Board **DATE:** February 10, 2004

**FROM:** Thomas E. Margro  
Executive Director, CCJPA

**SUBJECT:** PRINCIPLES OF AGREEMENT/MOU FOR TRANSFER OF ROUTE 22 SANTA CRUZ MOTORCOACH SERVICE

### PURPOSE

For the CCJPA Board to approve the principles for the transfer of the Route 22 (San Jose-Santa Cruz) motorcoach service to the local Highway 17 transit service operated by the Santa Cruz Metropolitan Transit District/Santa Clara Valley Transportation Authority and authorize staff to enter into a Memorandum of Understanding for the transfer and CCJPA funding of the motorcoach service.

### BACKGROUND

As a means to provide an improved and cost-effective connection between the Capitol Corridor and San Joaquin trains/motorcoaches in San Jose with destinations in Santa Cruz, Caltrans, Amtrak, and the CCJPA staff have been meeting over the last year with Santa Cruz Metropolitan Transit District (SCMTD) and VTA, the sponsors of the local Highway 17 (Scotts Valley-San Jose) local bus service. Pursuant to the enactment of SB 2178 (McPherson), which encouraged the local transit operators and the State to develop a Memorandum of Understanding (MOU) to improve service in this corridor, the parties have reached agreement on the transfer of the San Jose-Santa Cruz Amtrak Thruway motorcoach service from Caltrans/CCJPA to an expanded Highway 17 service that would extend from Scotts Valley to Santa Cruz, operating daily from 5AM to 11PM. The transfer is scheduled to occur on April 26, 2004 concurrent with the Amtrak national timetable change and includes continued funding from Caltrans and the CCJPA for their fair share to support this expanded service, but at an amount lower than the current level of expenditures for the separate motorcoach and local transit services.

The current Highway 17 Express service operates Monday through Friday with no service on weekends or holidays. The Amtrak Connector service operates daily but only provides bus connections for train passengers. Pursuant to state law, all persons using Amtrak Connector buses must make a rail connection as part of their trip. This is to prevent competition with public transit systems and private operators such as Greyhound. Caltrans' guidelines require the connecting bus service meet full cost recovery after a three-year phase-in period. Currently, the Amtrak Connector between Santa Cruz and San Jose does not meet this guideline and therefore is susceptible to being cut or eliminated. Numerous requests have been received over the years to extend the Highway 17 Express service to the Downtown Santa Cruz Metro Center and to operate the service 365 days a year. However, neither VTA nor Metro has had the operating funds necessary to expand the service.

To support this transfer, Caltrans, the CCJPA, Amtrak, VTA and SCMTD staff have developed principles of agreement (see attached) that will be incorporated into the required MOU that will memorialize the transfer. The MOU will cover the terms necessary to implement the consolidated and improved service including operations, service planning and scheduling, marketing and cost

reimbursement. A key provision is that the Highway 17 Express service would be improved with additional weekday service, expansion into Downtown Santa Cruz and service on weekends and holidays. These principles state that the added costs for these service expansion improvements would be paid by Caltrans and the CCJPA as part of their fair share for this enhanced Highway 17 service.

Both the VTA and SCMTD board of directors are presenting these principles for adoption, which will include a fare increase for the Highway 17 Express service (from \$3 to \$4). Please note that this will require a fare decrease for the Amtrak motorcoach service (from \$6 to \$4). These fares would also be the same as part of a regular ticketed Amtrak customer meaning a train passenger would have the same cost for the incremental trip to Santa Cruz (or points between) whether ticketed through Amtrak or directly with the Highway 17 express.

If adopted by the respective agencies, this expanded and cost effective partnership will benefit the public with expanded service (hours and days) and provide the State supported intercity rail services a means to increase the level of service at a slightly lower cost when previously it was thought that drastic service cutbacks would be required.

#### **RECOMMENDATION**

It is recommended that the CCJPA Board approve the Principles of Agreement for the transfer of the Route 22 (San Jose-Santa Cruz) motorcoach service to the local Highway 17 transit service operated by the Santa Cruz Metropolitan Transit District/Santa Clara Valley Transportation Authority and authorize staff to enter into a Memorandum of Understanding for the transfer and CCJPA funding of the motorcoach service.

Motion: The CCJPA Board adopts the attached resolution.

**DRAFT PRINCIPLES OF AGREEMENT**  
**TRANSFER OF AMTRAK MOTORCOACH SERVICE TO EXPANDED HIGHWAY 17**  
**(SAN JOSE-SANTA CRUZ) SERVICE**  
**(February 2004)**

- As a means to provide an improved and cost-effective connection between the Capitol Corridor and San Joaquin trains/motorcoaches in San Jose with destinations in Santa Cruz, Caltrans, Amtrak, and the CCJPA staff have been meeting over the last year with Santa Cruz Metropolitan Transit District (SCMTD) and VTA, the sponsors the local Highway 17 (Scotts Valley-San Jose) local bus service.
- On Monday April 26, 2004 the combined Highway 17/Amtrak Motorcoach (San Jose- Santa Cruz) service shall commence in accordance with the schedule and route to be developed by the parties and attached to the Memorandum of Understanding (MOU) among the parties.
- The combined service shall be operated by SCMTD with equipment that is owned by SCMTD.
- The service increments that are added to the current Highway 17 service and which are the financial responsibility of Caltrans/CCJPA are: 1) the addition of weekend operation; 2) the extension of the service to the Santa Cruz Metro Center (Pacific Station); and 3) the operation of the service on New Years day, Memorial Day, Independence day, Labor Day, Thanksgiving Day, and Christmas Day.
- The Caltrans/CCJPA share of annual operating costs identified in the MOU shall be divided into twelve increments. On a monthly basis Caltrans and the CCJPA through Amtrak will advance 1/12<sup>th</sup> of the annual cost to cover the cost of that months operation. The fares collected from passengers for the service increments financially sponsored by Caltrans, CCJPA, and Amtrak shall be accounted for and credited to the advance of funds for the following month of the operation of the service.
- The revenue that is attributable to the service increments identified in the MOU shall be derived from the following four sources: 1) Capitol Corridor train revenue associated with San Jose passengers transferring to the bus; 2) San Joaquin train/motorcoach revenue associated with Stockton passengers who have transferred to a San Jose-bound motorcoach and are continuing by bus to Santa Cruz and the direct bus revenue associated with the Stockton-San Jose section of the motorcoach trip; 3) Direct San Jose-Santa Cruz bus revenue associated with those passengers who have transferred from either the Capitol Corridor or San Joaquin services; and 4) Direct San Jose-Santa Cruz bus revenue associated with local passengers (non-transfers) who are using the increments financed by Caltrans/CCJPA identified in the MOU.
- Amtrak California passengers transferring to the Highway 17/Amtrak Connector from either the Capitol Corridor service or the Stockton/San Jose motorcoach will continue to have the ability to purchase a through ticket with a single transaction covering all transfers from point of origin to destination. SCMTD bus operators will honor and accept such tickets as fares paid in full. Passengers originating from Santa Cruz may use the bus portion of their Amtrak tickets for payment of the fare to travel to San Jose. Amtrak will recognize the Highway 17/Amtrak Connector as a feeder bus service in the same manner as all other California feeder bus services including informational materials and telephone information/reservations.
- The parties to the MOU will coordinate changes in schedules in a manner that maximizes connections between the Highway 17 Express/Amtrak Motorcoach service and the Capitol Corridor and San Joaquin services.
- The parties to the MOU agree that the one-way cash fare shall be \$4.00. The combined Highway 17/Amtrak Connector service fare schedule will be developed and will be included as an attachment to the MOU. The parties agree to recognize whatever fare discounts and subsequent adjustments are put in place by any of the agencies signing the MOU and Amtrak.
- SCMTD, in consultation with the other agencies signing the MOU and Amtrak, will conduct surveys (at a minimum annually) of the Highway 17/Amtrak Connector route for the purpose of evaluating the ridership levels and revenues by service increment.
- Caltrans and CCJPA, in coordination with Amtrak, VTA, and SCMTD shall conduct a marketing/information dissemination program design to increase public awareness of the new service and to stimulate ridership.
- In order to maximize connectivity between the Capitol Corridor, San Joaquin, and Highway 17/Amtrak Motorcoach service SCMTD shall implement a "hold" policy, which will be attached to the MOU.

BEFORE THE  
CAPITOL CORRIDOR JOINT POWERS AUTHORITY  
BOARD OF DIRECTORS

In the Matter of  
Approving the Principles of Agreement  
For the Transfer of San Jose-Santa Cruz Motorcoach Service  
To Santa Cruz Metropolitan Transit District and  
Santa Clara Valley Transportation Authority /

Resolution No. 04-2

**WHEREAS**, the provision of current Route 22 Motorcoach service between San Jose and Santa Cruz was not proving cost effective and therefore subject to severe service cuts or elimination consistent with State and CCJPA policy; and,

**WHEREAS**, the provision of current Highway 17 Express service operated by joint agreement with Santa Clara Valley Transportation Authority (VTA) and Santa Cruz Metropolitan Transit District (SCMTD) did not provide the service levels or serve the destinations to adequately serve Intercity Rail passengers; and,

**WHEREAS**, a combined service plan that met the needs of Capitol Corridor and San Joaquin motorcoach service between San Jose and Santa Cruz, and SCMTD's Highway 17 Express has been developed that will result in increased service levels, cost savings, and lower fares; and,

**WHEREAS**, the CCJPA, Caltrans, Amtrak, and SCMTD and Santa Clara VTA have developed a cost sharing mechanism which provides for expanded service while reducing the CCJPA's costs to provide connecting service between San Jose and Santa Cruz;

**RESOLVED**, that the CCJPA Board does hereby approve the Principles of Agreement for the transfer of the Route 22 (San Jose-Santa Cruz) motorcoach service to a combined local Highway 17 Express/Amtrak Motorcoach transit service operated by SCMTD;

**AND BE IT FURTHER RESOLVED**, that the CCJPA Board authorizes CCJPA staff to incorporate the Principles of Agreement to develop and enter into the Memorandum of Understanding with Caltrans, Amtrak, SCMTD and VTA for the provision of a combined Highway 17 Express/Amtrak Motorcoach transit service;

**AND BE IT FURTHER RESOLVED**, that the CCJPA forthwith transmit a copy of this resolution to Caltrans, Amtrak, and SCMTD and VTA.

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ADOPTED