

# Transportation Management Associations

*TMAs coordinate resources and services positively impacting urban mobility*



*(Photo courtesy of Caltrain)*

## The Impact

Transportation Management Associations (TMAs) that offer incentives for certain kinds of transportation, especially to low-income earners, can drastically reduce the number of commuters relying on single-occupancy vehicles (SOVs). They can help reduce congestion and commute time, increase transit ridership, help businesses attract customers and employees, and cut greenhouse gas emissions.

## Description

TMAs are nonprofit, member-controlled organizations that coordinate and implement transportation demand management (TDM) strategies in a particular area, such as a commercial district or a business park. They are often public-private partnerships funded through dues paid by member businesses and government grants. To establish a TMA, an organizer needs to involve local businesses and transit providers, set up a board of directors, and often provide seed funding. The organizer can be a group of regional or local governments, chambers of commerce or a major facility such as a mall or hospital. Then, the TMA can register for nonprofit status and start implementing various programs. To be successful, these TMAs need to coordinate with regional agencies (for example, Commute.org in San Mateo County) to offer effective free and/or complementary services.

One effective TDM strategy is to offer transit passes for low-income workers. In downtown areas near public transit on the San Francisco Peninsula, pre-loaded Clipper cards can significantly incentivize workers to use transportation via Caltrain, SamTrans, Santa Clara Valley Transportation Authority (VTA) or AC Transit to get to work. These passes can be limited to people earning less than a certain income under the condition that they commit to commuting by transit a certain number of days a week.

Other TDM programs include rideshare discounts. In Palo Alto, Calif., an after-hours rideshare program offers Lyft subsidies for people working late (or early) hours without transit options to get home.

### **Where It's Been Implemented**

The Palo Alto TMA (PATMA) is an excellent example of an efficient and effective TMA. It grew out of the city's effort in 2013 to develop TDM strategies to address its transportation concerns, especially in the downtown area. The city initially funded PATMA with \$499,880 in 2016 and has continued to fund it, often using parking revenues. PATMA is also funded via private contributions and board dues, which totaled \$240,000 in 2018.

PATMA's flagship program is its full-subsidy transit pass program for low-income earners. In 2023, PATMA offered monthly passes to employees who earned less than \$70,000, worked downtown, and commuted via transit at least three times a week. PATMA registers and preloads hundreds of Clipper cards, provides them to the program enrollees and tracks their monthly usage. In 2019 demand for transit passes was so high that PATMA exhausted the \$750,000 earmarked for this program. Its other programs include a Lyft after-hours program. The Lyft subsidy program offers commuters who work later or earlier than normal transit operating hours a \$10 discount on Lyft rides 15 times a month.

PATMA's programs are designed to serve the downtown and California Avenue areas in Palo Alto. This small geographical area makes it easier for PATMA staff to conduct targeted, door-to-door outreach. This focused outreach helps the employers and employees in downtown Palo Alto become aware of all the incentives offered by the TMA. From October to December of 2019, PATMA took the equivalent of more than 330 cars off the road (221 from its transit pass program, 105 from its carpool program, and 7.3 from its Lyft program).

In 2020, PATMA was about halfway to its goal of a 30% reduction in downtown commutes. Due to this success, PATMA launched a similar program along California Avenue. This program showed sufficient demand in areas with lower transit service than downtown and showed that PATMA's transit pass program can easily scale to other locations. While PATMA transit-pass usage declined due to the pandemic, the organization is rebuilding and is hoping to expand citywide.

### **Key Factors for Success**

PATMA found in-house surveys to be effective as both a data collection and an outreach strategy. They helped shape the city's TDM programs. For example, PATMA used the surveys to better understand which types of employers (e.g., service or light retail) to target.

Another factor for success is doing physical, door-to-door outreach to make more employees aware of available incentives. Most TMAs typically work with larger employers, which reduces the need to conduct intensive on-the-ground outreach. However, in-person outreach, albeit labor intensive, can dramatically increase participation numbers, particularly by low-income commuters.

### **Key Obstacles**

The main barrier to implementing a TMA is the lack of support among stakeholders, including regional and local government agencies, transit providers, businesses and nearby residents. For instance, in Palo Alto's case, the city council lowered PATMA's annual allocations from \$750,000 pre-pandemic to \$200,000 in 2023, making it harder for PATMA to fund its programs. Additionally, PATMA's budget fell precipitously during the pandemic because its funding comes primarily from parking garage permit fees. Once tech workers started working from home early in 2020, fewer of them were driving into downtown Palo Alto and parking permit revenues fell. There might also be the



perception that the short-term benefits afforded by TDM programs are minimal if there is no immediate congestion/parking problem.

**Timeline to Implementation**

Given support from stakeholders, appropriate seed funding and an engaged board of directors, a TMA can potentially offer programs within three months.

**Return on Investment**

TDM strategies, such as transit pass subsidies, are cost-effective. Cost-efficacy is measured as an employer’s annual cost of reducing a single SOV commute.

The following table from PATMA's 2018 annual report shows several TDM programs and their cost-efficacy

<b>TDM Program Efficacy</b>	<b>Annual Cost of Non-SOV* Commute</b>
Self-motivated bike or carpool	\$0
Go Pass for downtown TechCo at 35% Caltrain mode	\$814
Transit Pass Subsidy – pass overlay	\$1,605
Palo Alto TMA - Transit Pass Subsidy, pass outlay	\$1,572
Palo Alto TMA - Lyft Program	\$1,855
Palo Alto TMA - Transit Pass Subsidy including staff time	\$2,072
Go Pass for an employer with 10% mode share	\$2,850
Private express bus service from SF, 25 riders	\$3,508
New structured parking space (SOV commute)	\$3,908
Employer housing stipend to live close to work	\$10,000

\*Single Occupancy Vehicle

**References and Resources**

- Justine Burt, Palo Alto TMA Executive Director, [justine@paloaltotma.org](mailto:justine@paloaltotma.org)
- [Palo Alto TMA](#)
- [Guide to Transportation Management Associations](#) by Victoria Transport Policy Institute
- [City of Palo Alto’s TMA Low Income Transit Pass Program](#) presentation video, 2020
- [City of Palo Alto’s TMA 2019 Annual Report, May 26, 2020](#)
- [City of Palo Alto’s TMA 2021 Annual Report](#)
- [Palo Alto TMA Three Year Strategic Plan FY 23-25.pdf](#)
- [City of Palo Alto’s TMA 2022 Annual Report](#)

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